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Television/Radio Age

March 3, 1986

Volume XXXIII, No. 18

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CREST

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Publisher's Letter

Can you trust a man in a bow tie? Charles Osgood provides the answer

The British started it.

Last fall, *Punch*, the British humorous weekly, ran a short essay on the psychological aspects of men who wear bow ties. The essay concluded, among other things, that bow-tie wearers had one obsequious quality—they were not to be trusted. The observations caused a gentle ripple along London's Jermyn Street, where the posh men's wear stores display their wares. Such stores as Turnbull & Asser and Hawes & Curtis, Prince Philip's Haberdashers, where a wide variety of bow ties are prominently displayed. However, the French are not quite as opinionated as the British about what is the proper attire; Sulka's in Paris relegated its bow ties to the rear of the store, after the article appeared.

In the U.S., the controversy, if it can be called that, simmered along until the *Miami Herald* ran a Page 1 feature that reiterated the canard, "Don't trust the man who wears a bow tie!" The shibboleth was immediately picked up by the Associated Press and appeared in newspapers all over the country. Then magazines got into the act—the latest onslaught was by John T. Molloy, a so-called clothing expert. Molloy, writing in the current issue of *Success!* magazine, says that men who wear bow ties are distrusted by almost everyone. Molloy goes on to say that "if you have a bow tie, you leave it at home." If you feel you must don a bow tie, Molloy suggests you get the right accessories, "a red nose and a beanie cap with a propeller."

Osgood fights back. Hark! The blare of a trumpet and the roll of a drum—and Charles Osgood, a long-time bow-tie wearing CBS news correspondent, who emphasizes that "being trusted is important in my line of work," to the rescue. Osgood is a great, good fellow, the father of five, anchor of the *CBS Sunday Night News*, editor and anchor of *Newsbreak* and the *Osgood File* on CBS Radio. Writing in *USA Weekend*, Osgood says he has three options: He could burn all his bow ties, and run right out and buy several rep striped four-in-hand ties; or he could buy a beanie cap with a propeller, if he knew where to buy one; or he could continue to wear bow ties while talking about news events, which Osgood is inclined to do.

"If people really are so idiotic," Osgood continues, "as Molloy suggests, that they depend on somebody's necktie to determine whether he should be trusted, it seems to me we are all in trouble. People have learned over the years to respect and admire NBC correspondent Irving R. Levine. Mr. Levine has worn a bow tie for as long as I can remember, and yet audiences have never confused him with Pee Wee Herman."

But Osgood, who is the poet laureate of the broadcast business, says there is another pragmatic reason for wearing a bow tie:

"For those who have lusted to be honored and trusted,
a bow tie, I say, doesn't hurt.
It isn't your tie that makes you a fall guy,
it's the big soup stain there on your shirt."

They came,

They saw,

They laughed...

And they b

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Sidelights

Between the mountains

For years, says Ralph Gabbard, executive vice president, general manager of WKYT-TV Lexington, a lot of people in eastern Kentucky would complain that, "although we live in Kentucky, we can't get Kentucky, television." And, as a result, they didn't get much TV news about their home state.

Research, says Gabbard, has demonstrated that residents of this moutainous area—on the fringes of other TV markets such as Charleston-Huntington, W. Va., Knoxville, Tenn., and Bristol, Va.-Kingsport-Johnson City, Tenn.—"were hungry for local and regional news and sports and for localized weather information."

Result was the construction of a new TV station in Hazard, Ky., a community of about 5,500 people that is located in the middle of the eastern Kentucky mountains.

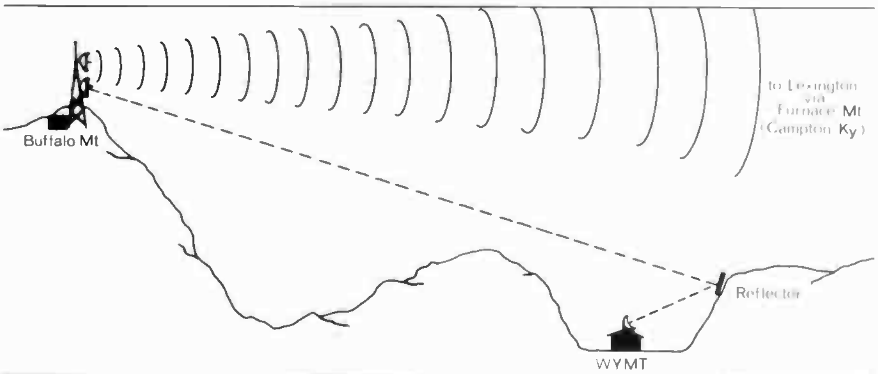
The station, which went on the air October 19, 1985, is linked with WKYT-TV via a two-way microwave path through the mountains. It is also hooked up to a live news bureau in the state capital of Frankfort and to another live bureau in what is known as the "Big Sandy" region of far eastern Kentucky, about 65 miles to the east of Hazard.

The biggest problem in establishing these links was the topography of the mountainous eastern Kentucky area.

The WYMT-TV studios are located in a valley (or "holler") between two small mountains, out of vision of the 1,000+-foot tower located on top of a 2,000-foot mountain, about five miles from the studios. It was necessary, as a result, to bounce the station's signals by microwave off a passive reflector on one of the small mountains to reach the tower and transmitter. To connect WYMT-TV with sister station WKYT-TV, a second tower was constructed on a mountain 54 miles away in the general direction of Lexington. There, two microwave receivers and transmitters give the signal the final boost to complete the hop to and from Lexington. To add the "Big Sandy" bureau and its four-county responsibility to the microwave network, fiber-optics link the bureau office and studio to its tower on yet another mountain. This makes possible live inserts in the newscasts of both stations.

Ralph Gabbard, *exec v.p., g.m. of* WKYT-TV *Lexington says research indicated residents of eastern Kentucky "were hungry for local and regional news and sports and localized weather information."*

When WYMT-TV was still on the drawing boards, Gabbard had projected that the multi-million dollar investment required could be recouped in perhaps five years. Now, with the station on the air and newscasts already sold out three to four months in advance, the "recoup" projection has been revised to somewhere between two and three years. Both WKYT-TV and WYMT-TV are CBS affiliates owned by Bluegrass Broadcasting.



Because the studios *of* WYMT-TV *Hazard, Ky., are located in a valley between two small mountains, it was necessary to bounce the station's signals by microwave off a passive reflector on one of the mountains to reach the tower and transmitter.*

Farm Aid big draw

Farm Aid, the 12-hour radio and TV marathon, made a big dent in the radio audience, according to figures recently released by Arbitron Ratings. The September 22 broadcast reached a radio audience of 3,177,800 persons 12-plus, according to Arbitron, and the average listener tuned in to the radio program for two hours and 54 minutes. When measured in quarter-hour periods, the average 12-plus audience was 765,800, and the average rating was 0.8.

Indicative that people made a conscious decision to listen to the Farm Aid broadcast, says Rhody Bosley, vice president, Arbitron Radio Sales, was the fact that TV viewing of Farm Aid was greatest between 5 and 8 p.m., the three hours immediately following the peak radio listening period. Among radio listeners, 72 per cent heard it at home, 21 per cent in a car and 7 per cent at another place away from home.

Peak radio listening hours were between 2 and 5 p.m. ET, with the most occurring 3–4 p.m., when the average quarter-hour audience was 1,219,000 persons. Throughout these three hours, the average quarter-hour listenership was more than one million persons.

The Farm Aid audience analysis was made in a special tabulation from Arbitron's regular fall radio survey.

Baseball bugs

Don't look now but a lot of fans coming to baseball parks this spring and summer will be "bugged." Sportsbug Inc., Canadian-based distributor, has made a licensing deal with The Licensing Corp. of America and Major League Baseball for the bugs, a battery-operated AM radio which can be hooked onto the ear, to be sold at all 24 U.S. stadiums. The bug, which has a logo designed from each team's own insignia, made its debut in baseball last July at the Toronto Blue Jays stadium where, according to Jim Rowe, executive vice president of Sportsbug Inc., it hit a home run, selling 10,500 units at about $10 per shot.

The Sportsbug radio has a frequency band coverage of from 530 to 1,605 kHz, with an audio frequency response of from 50 to 2,700 Hz at −6 dB, and its dimensions are 40 mm diameter and 20 mm in thickness, with a weight of only 20 grams. The device was introduced to U.S. shores in San Diego, during the winter meeting of the ball clubs, where it got a hearing for use at ball clubs.

At this point, Rowe is pitching the bugs to originating radio stations carrying baseball for them to use the miniature radios as promotion pieces. WABC, which carries the New York

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Source: NTI, 1984-85 season averages.

Yankees, will promote the station at Yankee Stadium on May 4, with the radios as giveaways, as part of an overall agreement reached between Sportsbug and WABC covering the remainder of the year, including Jets' games. In exchange for the radios, Sportsbug gets inventory, in a barter arrangement, says Rowe.

When it comes to reception at the stadiums, Sportsbug Inc. is installing support power at the sites where enhancement is needed, to ensure that the radios come in loud and clear. The Sportsbugs may also be bought outside the ballpark at licensed retail stores. Although no firm deals has been signed, Rowe expects to tie up a major regional dealer shortly. Suggested list price at the stores will be in the $7.95-$8.95 range.

Agency research eyed

While clients like to involve their agencies in research, it appears they'll only trust them so far. This comes to light in a study of 27 top national advertisers by Robert S. Lee, associate professor of marketing at Pace University, New York, and former deputy director of research at McCann-Erickson. He presented details of the study at a meeting of the New York Chapter of the American Association for Public Opinion Research in New York.

He reported the study indicated that clients generally encourage their agencies to do up-front developmental research but are uneasy at having the agencies conduct evaluative research and generally manage such testing themselves. Speaking from his agency experience, Lee said client-managed evaluation research can sometimes make life unreasonably difficult for agencies. He cited "mechanistic use of arbitrary norms, narrow focus of a single-measured criterion, mercurial changes in objectives by the client, and client dependence on questionable research techniques" as among the charges sometimes raised by the agencies against outside research.

Advertisers in the study, Lee reported, made such comments as, "Letting the ad agency do the testing is like asking the fox to guard the hen house," and "There is so much politics involved that the agency research people can't free themselves from an inherent bias."

Lee found that clients often believe that agencies would rather not do any testing. Said one client, "It causes them all kinds of trouble—they think it straps their creative freedom, it slows down their parade and it can make them look bad."

RCA/General Who?

Mergers that are on everyone's lips within the communications industry hardly get a nod of recognition from your everyday consumer. According to a national Omnitel study by R. H. Bruskin Associates, only 16 per cent of the general public knew that General Electric is acquiring RCA—and only 26 per cent of those with incomes $40,000 and over.

In fact, only 3 per cent of the general public knew what company had acquired American Broadcasting Companies, with 6 per cent of the higher income group correctly naming Capital Cities Communications when asked the name of the acquiring firm as part of a list of seven acquisitions. The RCA/GE deal was the best known on the list, with the Hughes Aircraft acquisition by General Motors next best with 5 and 10 per cent respectively. By way of comparison, the Nabisco acquisition by R. J. Reynolds, got 2 and 4 per cent respectively.

Bruskin speculates that the RCA/GE deal may have been the best known because it was the most recent at the time of the survey, being the only one not finalized. But Bruskin also isn't dismissing the familiarity of the names of both companies as being a factor.

Tv's social issues

Feminist Gloria Steinem and Rep. Timothy Wirth (D-Colo.) will be among a range of speakers addressing television's social issues at an upcoming academic-oriented conference titled Television as a Social Issue: Images and Realities. With underwriting support from CBS Inc., the conference is organized by the Society for the Psychological Study of Social Issues (SPSSI) and will be held at New York's Sheraton Centre March 13–15.

SPSSI, celebrating its 50th anniversary, is composed of psychologists, sociologists and other social scientists. Academic credit is being offered for the conference. Steinem, the editor of *Ms. Magazine*, will be part of a panel on role portrayals as well as being a luncheon speaker. Another panel will discuss TV violence.

Also speaking at the conference is Elihu Katz, professor of psychology and communication at the Hebrew University of Jerusalem.

Further information is available from SPSSI, P.O. Box 1248, Ann Arbor, Mich. 48106.

COVER

26 HALF-HOURS OF CELEBRITY PROFILES

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Steve Allen
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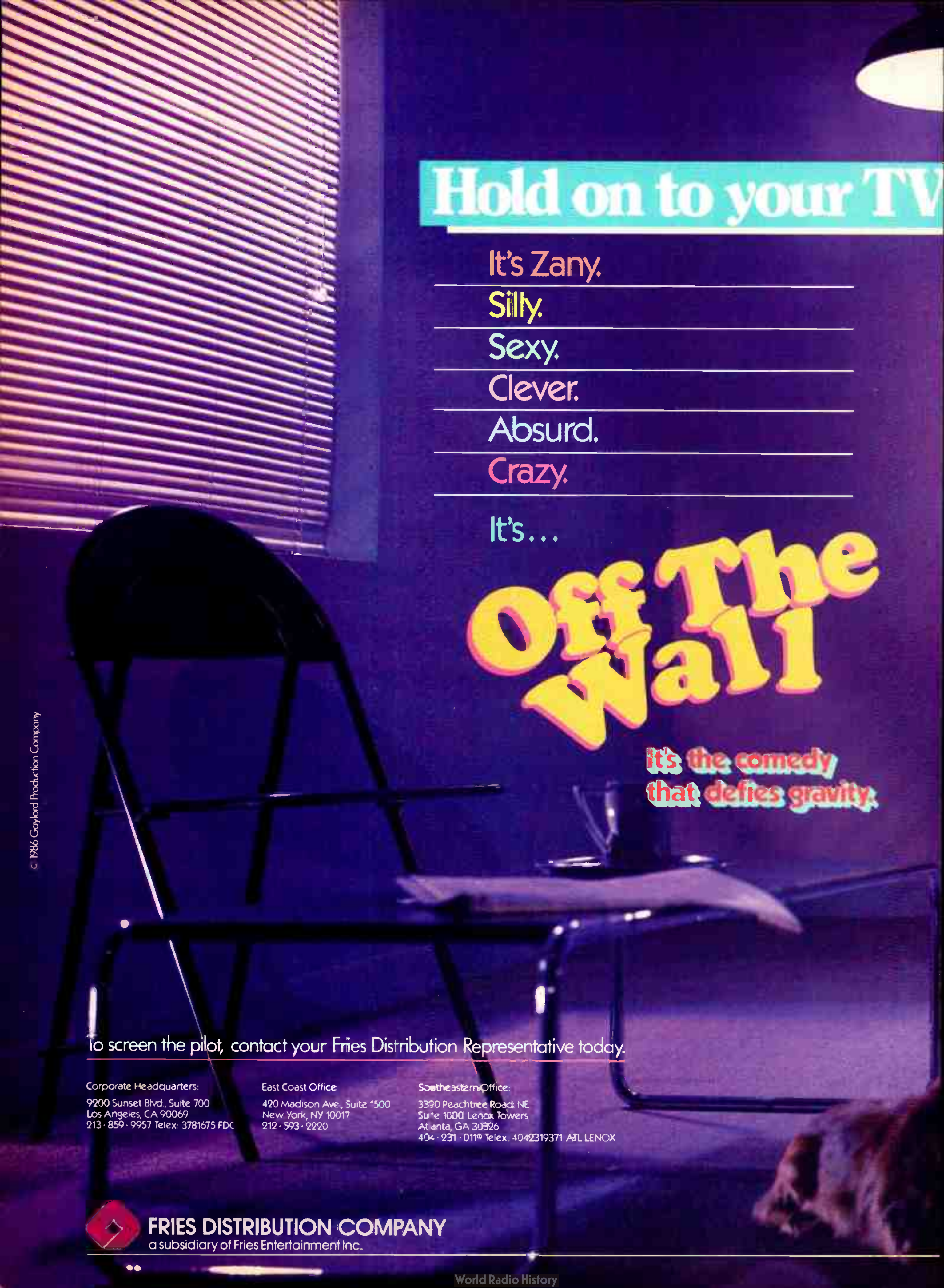

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Tele-scope

CBS weighs AMOL pitch in light of new data

CBS, which has indicated its intention to discontinue its participation in A.C. Nielsen's AMOL (Automated Measurement of Lineups), may be convinced to change its mind before the March 31 cutoff date. David Poltrack, vice president, research, CBS/Broadcast Group, has complained that $600,000 a year is too much to pay for a service that still has inadequacies that must be checked by continuance of the network's manual backup system of collecting information on clearances (TV/RADIO AGE, February 17).

Stan Seagren, vice president, eastern regional manager for Nielsen, says his firm will soon go back to CBS with a new presentation that it hopes will keep the network in the fold. Part of it will be data collected on the day after the space shuttle crash—a day when network schedules were in disarray—comparing AMOL data on lineups with the networks' manual information. Seagren reports preliminary data indicate the two systems resulted in net differences of no more than 1/10 of a rating point and "whether this is significant depends on how it accumulates over time."

In addition to asking for proof that AMOL results in a critical difference in ratings, which would mean unfair comparisons among networks if CBS drops out, CBS has also asked Nielsen to come down in price. Seagren says Nielsen is working on means to cut prices for all three networks, and this relates to its

(continued on page 28)

Web revenue dip moderates

A not-so-bad fourth quarter gave the networks somewhat better year-end revenue figures than might have been implied by results for the first three quarters. Broadcast Advertisers Reports figures for the year show total revenue figures down 2.8 per cent. They were running 4.3 per cent behind at the end of the third quarter. Fourth quarter came out 0.9 per cent ahead of the equivalent period in 1984. Prime-time, representing over half of revenues, was 7.4 per cent ahead for the fourth quarter and 2.2 per cent behind for the year.

ABC saw a decline of only 0.2 per cent for the fourth quarter, compared with a 43.9 per cent third quarter comparative drop that reflected comparison with the previous Olympic year's quarter. For the year, it was down 16.9 per cent. CBS finished the year with a 2.1 per cent gain, having dipped 2.4 per cent between the comparable fourth quarters. NBC, meanwhile, did not experience the revenue gains in the fourth quarter that it had been getting for the year to date. Having been 12.1 per cent ahead for the first nine months, it gained only 5.5 per cent in the fourth quarter and finished the year 9.9 per cent ahead.

Network television revenue estimates—BAR

(Dollar estimates in 000s)

Dayparts	December	% change	Fourth quarter	% change	12 months	% change
Prime: Sun 7–11 p.m. & Mon–Sat 8–11 p.m.	$410,155.7	+ 8.2	$1,349,226.5	+ 7.4	$4,455,804.6	− 2.2
Mon–Fri daytime 10 a.m.–4:30 p.m.	140,339.3	+ 3.3	454,589.6	− 1.4	1,645,490.0	+ 3.0
Mon–Sun late night 11 p.m.-sign off	30,937.4	− 1.1	100,714.4	− 5.9	382,147.6	−11.1
Sat/Sun daytime sign on-6 p.m.	125,002.6	−20.7	369,800.9	−13.2	996,457.4	−17.9
Mon–Fri early morning sign on-10 a.m.	18,296.3	+10.3	63,235.9	+ 5.1	206,512.3	+ 9.9
Mon–Fri early fringe 4:30–8 p.m.	39,739.6	+ 8.7	122,197.1	+ 0.4	434,694.4	+ 7.9
Sat/Sun early fringe Sat 6–8/Sun 6–7 p.m.	8,382.8	−53.6	25,554.6	−17.4	192,371.4	+12.7
Subtotal early fringe	48,122.4	−11.9	147,751.7	− 3.2	627,065.8	+ 9.4
Totals	**772,853.7**	**− 3.0**	**2,485,319.0**	**+ 0.9**	**8,313,477.8**	**−2.8**
	ABC		CBS		NBC	
Fourth quarter	$774,522.4	− 0.2	$849,213.1	− 2.4	861,583.5	+ 5.5
Twelve months	2,688,505.2	−16.9	2,886,978.9	+ 2.1	2,737,993.6	+ 9.9

WHAT MOVES FASTER AT 30 THAN AT 60?

new capability to deliver national primetime ratings and shares 16½ hours earlier—at 3:15 pm. on the day after broadcast. Because of this, Seagren explains, Nielsen may be able to eliminate its second shift, which handled the final processing in its Dunedin, Fla. facility.

Earlier delivery. Poltrack says that, if necessary, CBS could settle for getting its ratings later than the other two networks, "but it is not in the best interest of the industry. It makes the other networks' getting their data a day early not worth much." He says CBS sales executives feel that getting the ratings comparatively later would have no impact on sales and "The programming people don't think their decision frame is that narrow."

Poltrack says than, when AMOL was first proposed to the three networks in 1977, it was to cost $275,000 a year and it was felt that the networks could at least eliminate personal contact with affiliates for after-the-fact clearance information. He says he now is expecting substantial reduction in the $600,000 charge, although he isn't expecting Nielsen to cut the rate in half.

The difference in results between AMOL and the manual systems that Nielsen will present, Poltrack says, only shows that "when AMOL works, it verifies the manual system pretty accurately—and we'd much rather have that kind of system if it can be operated in a cost-effective way."

Daytime ad inefficiency

Ratings of daytime programs are approximately 40 per cent removed from the reality of the actual viewing of commercials, according to a new study by Television Audience Assessment. The study concludes that four out of 10 viewers of daytime TV miss or avoid commercials. During a typical commercial break within a program, it states, 36 per cent of the audience is out of the room, and an even higher proportion leaves the room during between-program commercials. Changing channels or muting the sound during the commercial accounts for another 5 per cent, the study says.

The study also looked at inclination to watch commercials as it related to TAA's Program Impact scale and concluded that viewers rating a program high on the impact scale were 25 per cent more likely to stay in the room than those rating it low, 29 per cent less likely to engage in distracting activities while viewing and 53 per cent less likely to "zap" commercials.

The study was conducted nationally in November with a panel of 3,000 daytime viewers. Additionally, information on behavior during commercials was obtained through 1,928 telephone interviews with a national random sample. Five major advertisers participated in this first national sweep. TAA's next national study—of evening and weekend audiences—is scheduled for next spring, contingent on sufficient advertiser support.

Dorland, DFS link up

In a financial deal where Dorland Advertising, Britain's third largest agency, will have the option to acquire 100 per cent of the ordinary stock of Dancer Fitzgerald Sample at any time, the two agencies report having linked up as an international network known as DFS Dorland Worldwide. It will be the 16th largest agency in the world, with billings of $1.2 billion.

Although Dorland is a subsidiary of Saatchi & Saatchi Co., the new network will operate autonomously from Saatchi-owned Saatchi & Saatchi Compton Worldwide and McCaffrey & McCall. Dorland will provide a $75 million loan to DFS Management Inc., a company formed by five key executives of DFS, and these funds will be used to acquire DFS from its existing shareholders.

Webs in '90: less for more

The continued network audience erosion between now and 1990 will result in an 80 per cent higher cost-per-1,000 in primetime based on a 54 per cent higher cost for a 30 in that time period, according to recent research by the BBDO media department. The new report reaffirms findings in June 1982 that show the current network share of the TV audience of 73 shrinking to 65 by 1990.

Between the 1984–'85 season and 1989–90, the report says, U.S. TV households will be up 8 per cent, the three-network total share down 11 per cent, households using television up 2 per cent, networks' total household rating down 10 per cent to 41.6 and households reached by network TV down 3 per cent.

BBDO also predicts a continuation of the 20-year decline in persons per TV household, women 18–49 and men 18–49 into the 1990s. It concludes, "Therefore, BBDO projects a decline of about 12 per cent in the networks' viewers-per-viewing households. When this is combined with the 3 per cent decline in homes reached, we can expect to see a 15 per cent decline in these audience sizes."

200 stations in stereo

With NBC affiliates in the forefront, there are now more than 200 stereo TV stations in the U.S., reports Michael J. Sherlock, executive vice president, operational and technical services, NBC. He says this includes 60 NBC affiliates, representing 58 per cent of U.S. TV homes, 25 CBS affiliates, 23 ABC affiliates, 38 indies and 23 PBS stations.

Pioneering in stereo, NBC has 20½ hours weekly of regular programming in stereo—and is thinking about adding the embellishment to daytime and sports.

THE HALF-HOUR KNIGHT RIDER.

We left in everything that makes it a hit.

Knight Rider as a Half-Hour.
Knight Rider as an Hour.
With two ways to play it, you can't miss.

KNIGHT RIDER

MCA TV

TV Business Barometer

December local was up only 6.9%

The last quarter of 1985 started off on a hopeful note for local TV billings, but it didn't turn out that way as December wound up with a so-so record. Last year's fourth quarter, in fact, was the poorest three months of 1985 for the local/retail sector of TV advertising.

December local volume for TV stations was up 6.9 per cent over the corresponding '84 month. That, at least, was a little better than November, up 4.2 per cent, but not up to October, which remains the best month of the quarter with a 10.8 per cent rise.

Billings for December were $400.7 million vs. $374.8 million in '84. The volume for the quarter came to $1,337.4 million, as compared to $1,244.9 million the year before.

The final quarter was thus up 7.4 per cent. This compares with the following record for the first three quarters: January–March, up 12.8 per cent; April–June, up 11.4 per cent, and July–September, up 12.0 per cent.

For the year, local TV time sales rose 10.7 per cent, quite a comedown from the *Business Barometer* estimates for 1983 and 1984, when local rose 16.9 and 16.8 per cent, respectively.

Local volume was $4,665.0 million vs. $4,215.6 million in '84. The '85 total was about $1 billion higher than that of '83.

Judging by the year-to-year percentage increases for each month by station revenue bracket, the larger stations (over $15 million in revenue annually) seemed to have done best in attracting local business. This group had the highest percentage increase of the three brackets in nine of the 12 months. However, in December, the larger stations were second best to the medium-size outlets, which were up 8.5 per cent, as against 6.6 per cent for the larger stations.

Network compensation in December was up 6.5 per cent, a little better than par but not as good as November, which was up 8.2 per cent. Still, December showed the third best percentage increase of the year, the top being the 11.1 per cent rise in August.

Network comp reached $41.0 million in December, one of the largest sums in '85, the biggest being the $43.5 million last April.

4th qtr. web comp

The fourth quarter total for network comp was $111.8 million, up 5.7 per cent over the '84 quarter, while the total for the year came to $446.0 million, up 5.3 per cent over the preceding year.

The latest year's network comp increase, while modest, compares favorably with that of '84, which was up 1.8 per cent, and that of '83, which rose only 2.6 per cent.

It should be noted that in comparing 1985 local time sales with those of 1984, that the latter year was composed of 53 weeks a la the Standard Broadcast Calendar while last year was 52 weeks. December of 1984 and 1985 were both five-week Standard Broadcast Months.

With local TV billings up 10.7 per cent and spot billings up 7.7 per cent, the time is getting closer when local will replace spot as the major source of station income.

Local business +6.9%

(millions)

1984: $374.8 **1985: $400.7**

Changes by annual station revenue

Under $7 million	+4.3%
$7–15 million	+8.5%
$15 million up	+6.6%

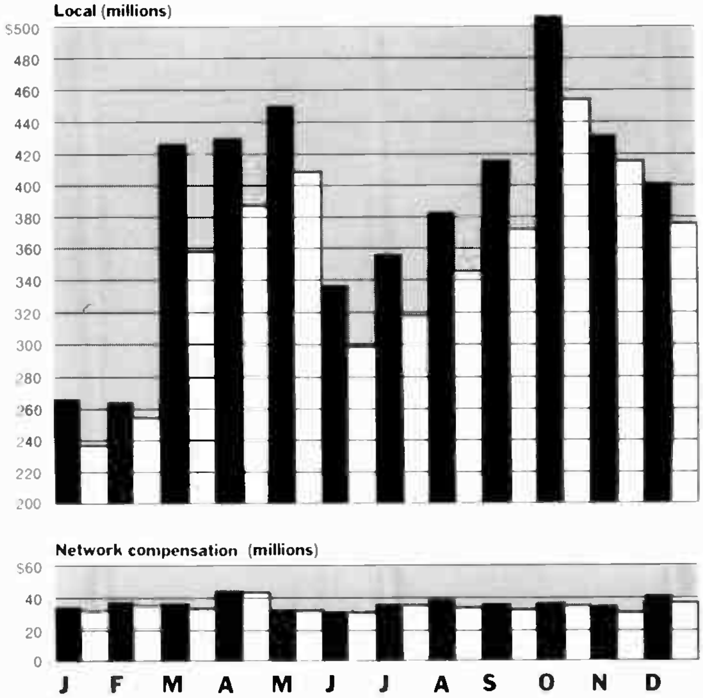
Network compensation +6.5%

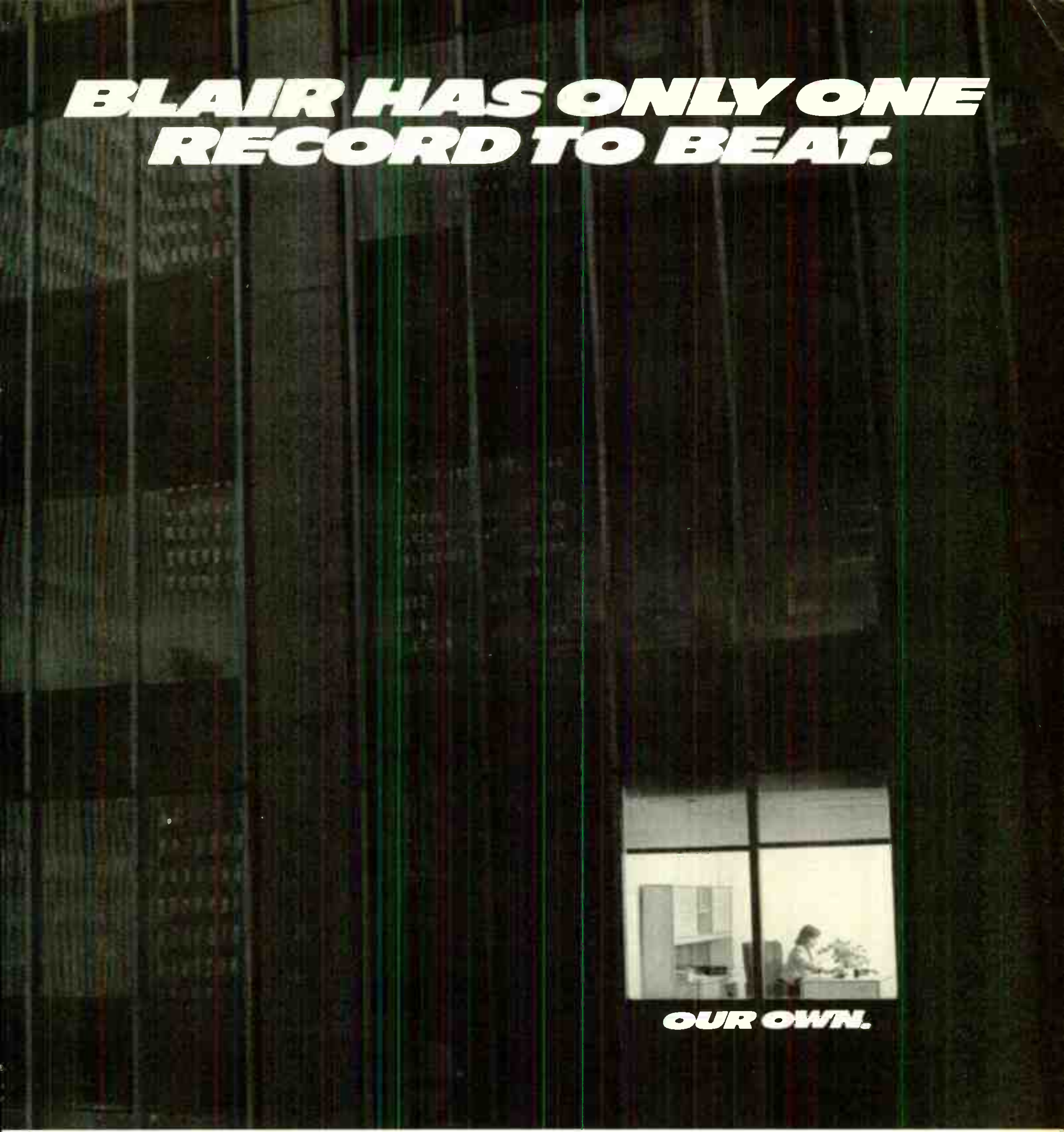
(millions) **1984: $38.5** **1985: $41.0**

Changes by annual station revenue

Under $7 million	+3.3%
$7–15 million	+3.4%
$15 million up	+7.5%

December





Burning midnight oil is only part of the picture. The payoff is what counts: sales. Blair is organized to sell. With a unique affiliate/independent/regional structure. It makes Blair sales people the experts agencies talk to first–and last–in buying spot television. Our training program teaches Blair people not only to sell, but to pre-sell markets and stations. And to get the order at the highest rates and shares. Because the more they sell, the more they earn. No wonder Blair sales people lead the industry in spot TV sales. That's the payoff you get from aggressive, smart selling. And it makes every drop of midnight oil worthwhile. Sales leadership. It's a tradition we share with our clients.

BLAIR. ONLY BLAIR.
Television

International Report

Paris

New French channels debut; LA 5 draws 62% of the audience

LA 5, the new French commercial channel, drew 62 per cent of the cumulative evening audience in the Paris region with its inaugural gala special on February 20, according to a Nielsen study. The opening, however, was not without its traumatic moments. Just before transmission, color broadcast standards had to be modified to assure that pre-1980 TV sets would receive pictures in color.

At the present time LA 5 covers 14 cities, with a potential audience estimated at between 12 and 18 million viewers, depending on how many antennas need to be changed. These figures are expected to increase by the end of the year to 30 million, and by mid-1987 to 35 million, considerably more than the original 28 million contract forecast.

Music channel. The music channel, TV 6, which was set to debut on March 1, began airing preview tapes on February 22. As part of its promotion, TV 6, gave advertisers time on the tape free of charge. It's estimated that initially, TV 6 will reach 7.6 million viewers in nine cities. Following an agreement with the record industry, TV 6 will pay rights for video clips per play when it reaches its full capacity of 18 million viewers next year.

Although far less controversial than LA 5, TV 6 is criticized by the two major advertising trade organizations, UDA (advertisers) and AACP (agencies), which see a potential conflict of interest.

London

Tax on program profits due; limited comments hit levy as destructive

While most British independent television international program sales people do not want to even think about it, much less discuss it, it is reasonable to suspect that someone, presumably buyers, will have to pay extra to help offset the 25 per cent levy on their overseas sales profits. The new tax is expected to be announced at presstime.

'Totally destructive.' One executive who would say something, however, is Patrick Dromgoole, assistant managing director at HTV. He believes the move will be "totally destructive" to Britain's international sales market.

Roger Miron, controller of sales at Thames Television International, also is concerned about the prospective tax but is reluctant to comment on the matter, saying he prefers to wait until the official announcement is made.

He does, however, believe that "a levy on exports in the form of a tax is the wrong way to do things. It has taken independent television distributors some considerable time to build up business, and it seems to me a pity that efforts will be diluted by a levy."

He adds that he anticipates the expected decrease in tax on domestic profits from two thirds to 45 per cent as part of the reform package will offset some of the revenue lost on overseas sales. That aspect, however, is of little consolation to Dromgoole: "Some ITV companies are too lazy to draw funds from abroad. They are content to use up to their maximum allowance of imported material."

British DBS plans resurface as IBA report sees new interest

Britain's direct broadcast by satellite (DBS) plans have resurfaced, having sunk into near oblivion last year when the previous unwieldy DBS group of 21 members collapsed, partly due to its size and partly to the government's insistence that a (more expensive) British satellite be used. Since then, a government commissioned report from the Independent Broadcasting Authority (IBA) revealed that there is sufficient commercial interest to justify a British DBS project in spite of inevitable financial risks.

Determined not to be left out of the growing European satellite broadcasting market, the government has asked the IBA to find someone to operate it. The franchise initially will be for three of the five channels available to Britain within its geostationary orbit allocated by the World Administrative Radio Conference (WARC) in 1977.

Although this time around there will be no "buy British" stipulations, the government obviously hopes that the project will boost the U.K. broadcast and entertainment sectors as well as the space equipment and consumer electronics industries. It expects the IBA to bear in mind "overall economic implications for the U.K." when awarding the franchise.

At least 20 operators are interested in the project, including two independent television companies. James Lee (former Goldcrest head) and Carlton Communications. It is not yet known whether the venture will be financed by advertising or subscriptions. If no complications arise, DBS should be available to British viewers by 1990.

Madrid

Survey indicates Spain's new morning TV fare is a hit

A survey carried out just two weeks after Spain's state channel (R.T.V.E.) morning TV start-up reveals that audiences for the new service, which began in mid-January, reach 3.25 million for *Dynasty*, which airs at 11 a.m. Morning TV programming is targeted at housewives, showing exercise classes, shopping advice and popular soaps, including *Dynasty* and Mexico's *Los Ricos Tambien Lloren* (*The Rich Cry Too*). Twenty-five per cent of Spanish housewives watch television at some point during the 7:30 a.m. to 12:30 p.m. slot. Six per cent say they have adjusted their shopping routine in order to see specific programs. In spite of the success of morning TV, of housewives surveyed, 59 per cen still say they prefer radio in the mornings: Only 13 per cent say they prefer TV.

Amsterdam

Meeting scheduled to discuss TV's impact on soccer attendance

Temperatures are rising so quickly among the European football associations over the alleged effects of soccer broadcasts that a crisis meeting will be scheduled to discuss the issue. The complaint is that cable television broadcasts of games from the U.K., Italy, France and Germany keep attendance down at live matches. Belgium particularly, with a saturation of cable networks, is feeling the pinch as Sunday afternoon broadcasts coincide with league games.

Matters, however, have come to a head in Holland where the Dutch pay-TV network Filmnet is taking the country's football association, KNVB, to court for fudging a recent agreement. The deal, giving Filmnet exclusive rights to cover league matches, grants access to Filmnet to report directly from the stadium each Sunday.

Filmnet complains that, while it pays for the right to broadcast these matches, the KNVB is dictating which weekly game the channel covers, and Filmnet frequently is unhappy with the choice. Moreover, it was recently denied access to one match on the grounds that it should make an upfront payment. A subsequent meeting between Filmnet and association representatives "failed completely," says Filmnet, to resolve the problems.

Cable Report

Programming first: Mooney

On the eve of his trade group's national convention, James Mooney says the National Cable Television Association (NCTA) plans to occupy itself less with regulatory issues and more with the "specifics" of the business—especially the marketing of programming.

"It's programming that we're selling, not transmission capacity," the NCTA president remarked recently at a luncheon address before the New York chapter of the National Academy of Television Arts and Sciences. "If we're going to get penetration up to a point where we're taking full advantage of our capital investment in plant, we'll need more and better programming to sell," he said, adding that programming "will be the main preoccupation" of the cable business over the next decade. He credits the passage of the 1984 cable deregulation bill with reordering industry priorities.

Price issue. Noting that cable construction is underway or about to begin in unwired major markets such as New York, Chicago, Philadelphia, Detroit and Baltimore, Mooney noted that the industry no longer can rely on new-builds for growth in its subscriber base. Instead, operators must rethink cable's retail price structure, which Mooney says reflects overpriced pay channels and underpriced basic service.

Ironically, Mooney's comments about the primacy of programming come in the wake of a year that saw cable operators part company with satellite programmers—many of whom have strong corporate ties to the over-the-air broadcasting business—on some crucial issues. The most obvious rift arose over the thorny issue of signal scrambling. Multiple system operators, wary of inroads being made by home TVRO dealers in and near their franchise areas, sought to form an MSO-controlled consortium to administer the scrambling process—and, in the opinion of the home TVRO industry, control how such services are marketed. Several major programmers, some of whom privately expressed objections to the costly scrambling process, laid plans for a programmer-controlled consortium. Large MDOs strenuously pressured the programmers, and ultimately both consortium plans were dropped in favor of an unwritten, informal agreement that scrambling would proceed under a single technology (designed by M/A-Com).

Operator pressure. Even with the resolution, however, some programmers are known to have been angered by what they perceived as "muscling" by operators, especially largest MSO Tele-Communications Inc., whose marketing vice president, former Showtime executive John Sie, openly threatened to drop cable services that didn't scramble.

More pointedly, Sie defined satellite programming as *cable* programming, maintaining that satellite signals constitute the industry's "internal distribution system." But major satellite programmers in the past year have exhibited a multi-media strategy. Increasingly, programmers are retaining an equity stake in their programming ventures, allowing them to share in so-called "backend" broadcast, syndication and home video sales. Time Inc.'s Home Box Office has been more aggressive than Viacom's Showtime/The Movie Channel in this regard, but Viacom's acquisition of MTV Networks Inc. has seen an increase in broadcast syndication sales of cable-debuted product.

If Mooney is correct in saying that programming has become the primary concern before the cable industry, the real issue appears to be the question of control: is satellite programming the province of cable MSOs, or of the programmers themselves? And with programmers such as HBO now deeply involved in developing Ku satellite technology, which makes feasible the direct broadcast of its service to private residences, where does that leave operators of coaxial plant? If satellite delivery to home TVROs allows a la carte satellite delivery of pay services to the ultimate user—without having to buy a package of basic cable services—why shouldn't pay programmers have the right to sell a la carte through cable systems? And if they cannot, what stops them from marketing direct to subscribers via satellite, rather than through a coaxial cable plant?

TV bedfellows. Mooney acknowledges the import of such issues, and of the difficulty faced by NCTA in reconciling policy differences among its varied constituency. And while NCTA has broken sharply with broadcasters on issues such as must-carry (although the NCTA chief now predicts a compromise agreement), Mooney sees broadcast networks and cable operators allied on a key point arising from the scrambling debate. With home TVRO lobbyists pushing for the right to receive unscrambling satellite feeds of network programming, the networks have become staunch defenders of their affiliate system, maintaining, as CBS has, that they are in the distribution business, not in the direct broadcast business.

That is why Mooney, whose success on anti-broadcast policies such as must-carry has vexed powerful broadcast factions, is urging executives of cable MSOs to cite and defend the broadcast network affiliate system as cable fights to retain hegemony over programming it considers its own.

More on HBO's 'Festival'

Home Box Office will take at least nine months and possibly a full year to test-market "Festival," its much-rumored third pay service aimed at an older, more conservative demographic than lead service HBO, according to Mack Perryman, vice president for new business development.

But doesn't such a long lead time give competitors such as The Disney Channel, Home Theater Network and American Movie Classics a chance to pre-empt the HBO concept?

"We're trying to do this carefully and correctly," responds Perryman, who adds that the tests will be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conducted in eight to ten systems of Time Inc. unit American Television and Communications.

Although the service will be priced "at various levels" in the different test markets, Perryman says Festival is being programmed as a full-value service intended to compete at a full-price level.

Despite the seemingly long lead time, HBO officials state that the firm is "fairly committed" to the service, dubbed "the clean machine" by wags because its content generally would skew away from what is sometimes termed gratuitous sex and violence.

The target viewer of Festival is aged 50 to 64, "more conservative and less plugged into the movie scene," Perryman says. "There are people out there who, for whatever reason, have not bought into pay-TV because current pay offerings do not correspond to their tastes. We are putting together programming to correspond to their tastes."

The service will run "classic" American films, some foreign titles and more contemporary product that appeals to the older demographic—films like *Places in the Heart* or *The Natural*, the official says. It also will run made-for-pay product and entertainment specials featuring the likes of Rich Little, Red Skelton, Dolly Parton and Kenny Rogers. While HBO itself will not edit R-rated product to conform to the Festival ideal, it may acquire "alternate," sanitized versions of feature films, such as the edited product that runs on airlines.

But it would be inaccurate to describe Festival fare as "prudish," counsels Perryman, who prefers to describe the Festival environment as "classic contemporary." Declares an HBO spokesperson: "This is not a service that has no s---s and damns on it. A powerful real-life drama like *The Killing Fields* very well could turn up on Festival, the spokesperson says.

'Sports Sunday' on TNN

The Nashville Network, which has been running rural-flavored sporting events on weekends for some time, is expanding Sunday's sports menu starting on April 6 to a full day, creating "TNN Sports Sunday."

At the same time, two critically acclaimed country music shows airing since TNN's inception three years ago are being phased out. The casualties are *Bobby Bare and Friends*, which featured songwriters talking about and performing their works; and *Fire on the Mountain*, an on-location bluegrass and old-time music showcase hosted by performer David Holt. An inventory of unaired episodes of *Fire* will run elsewhere in the schedule, but both shows are out of production. Low ratings and high production costs have been cited as reasons for the cancellations.

According to TNN vice president and general manager David Hall, the Sunday sports block features five hours of original sports programming repeated throughout the day from 9 a.m. to 1 a.m. ET. The block is anchored by *American Sports Cavalcade*, which features auto racing, rodeos, tractor pulls, and the like, which moves to Sundays from Saturdays. It also includes three new programs: *Hidden Heroes*, about auto racing's pit crews; *Mesquite Championship Rodeo*; and *Wish You Were Here*, a travelogue spotlighting trailer and camper park destinations throughout North America.

Trade group buy. The latter two shows are advertiser-underwritten, and one is a straight time buy. *Hidden Heroes* is sponsored by the Allied Aftermarket division of Fram, Bendix, and Autolite products. The trailer park series is a fully sponsored time buy produced for the Recreation Vehicle Industry Association, which is handling advertising sales itself through a Nashville firm.

The schedule is rounded out by three other sports shows that have been running on Sundays: *BassMasters*, a fishing show, *Country Sportsman*, and *Performance Plus*, a car show.

Insiders say the move to all sports on Sunday reflects TNN's success in using rural-tinged sports to draw a sports-oriented male audience that has had its fill of traditional big-time sports available elsewhere. It's also an indication that TNN doesn't want to be regarded by Madison Avenue as "just" a country music network.

While the programming shift deprives cable subscribers a chance to "sample" such fare on Sundays, regarded as a prime day for broadcast viewers to take a look at basic cable, the thinking at TNN is that it's more valuable to advertisers to attract a heavily male audience with the tried-and-tested sports formula.

Two other sports-related TNN weekend shows, *Car Care Central* and *Great Drivers*, also are being cancelled in the makeover. *The Tommy Hunter Show*, *Country Kitchen* and *Wrap Around Nashville* are moving to Saturdays.

FNN polishes programming

Buoyed by its move into the black and growing status among movers and shakers in the business world, the Financial News Network is revamping and refining its programming format in all dayparts.

The FNN Morning News, which airs at 9 a.m. ET, now carries a stronger international focus along with investment tips and analysis of market expectations for the day, according to senior vice president for programming Mark Estren. *Wall Street Final*, from 5–6 p.m., now is "fully bicoastal," with increased input from FNN's New York City office, where Estren is based. Despite the Wall Street orientation of FNN, its corporate headquarters remains in Santa Monica, Calif. *Final* now features greater use of field reports and features from columnists such as personal finance maven Sylvia Porter and tax expert Paul Strassels.

FNN Evening News (6:30–7:30 p.m.) also displays a more pronounced bicoastal look.

Perhaps the most unique new offering is *What's News?*, a "news and business trivia" quiz show featuring viewer calling via a toll-free number—and, like any good quiz show, prizes for the winners.

Radio Report

Wide swings seen in spot from market to market

Spot radio now appears to be picking up a better head of steam after a slow January start. But rep sales chiefs are reporting wider volume differences between offices and markets than they've ever seen before.

At Torbet Radio Alan Harrison, vice president, New York sales manager, says that though January and February were slow, "Business has now started to pick up a bit, but it's still generally sluggish, and varies widely from one market to the next, even in the same region. In New England, for instance, Boston is soft, but Hartford is doing well. Chicago is another major market that's soft, yet a number of smaller markets are doing better. Jacksonville, Fla. is doing well. Of course Florida is a growth area, but Roanoke, Va. is doing well, too."

Big swings. Bob Ferraro, executive vice president/East at Blair Radio, reports that "Usually every office is up or down in a range of around three to five per cent. But this year, though first quarter has been flat overall, I've never seen such tremendous swings from one office to the next. Dallas is down 35 per cent, but Houston is up 60 per cent. Dallas is dependent on a couple of major pieces of business. It dropped because one of them, Taco Bell, didn't come back yet for first quarter. New York is down five per cent. But Philadelphia is up 160 per cent. Chicago is up 12 per cent, but Detroit is flat."

Dick Romanick, president, Katz Radio, also describes a first quarter that got off to a weak start, but says strength started to build in February, grew stronger for March, "And now we expect to finish first quarter 11 per cent ahead of last year, and only a bit shy of our original expectation. On the other hand, second quarter looks very strong. As of late February we were pacing about 30 per cent ahead."

Improvement noted. At McGavren Guild Radio Peter Doyle, vice president, New York regional manager, recalls that "January did not turn in an inspiring performance, but February and March orders began to show enough improvement so that despite the slow start, it now looks like we will bring in a nine to 10 per cent increase for calendar year 1986 after all."

Frank Oxarat, president, Selcom/RAR, says that in January, "The business just did not seem to be there that we saw last January. It's probably due to what was happening with TV. Television seemed to be in there with more availabilities to sell this January than they had last year—more avails, which probably took more dollars away from radio."

But Oxarat says that February came in better, "And March, and now April, too, are building well. Well enough so that between the February and March improvement we should finish first quarter close to where we ended last year, which turned out to be a good quarter. And early indications now point to a strong second quarter, too."

Three explanations. McGavren Guild's Doyle offers three possible explanations for the wide fluctuations between markets. One he believes, "may be the allegation that advertisers today have more accurate marketing data than they used to have. That's said to give them a better fix on just which markets are responsible for their best sales." Another possible reason, says Doyle, may be that "Spot TV is so cheap these days that in those markets where TV is most affordable, radio is suffering. And a third possibility is that syndicated TV programming and line radio networks are being bought more actively. That means spot radio is being used more than in the past to fill in the weak points in line network coverage, or weakness in audience pulling power of the syndicated shows. So where the line networks and syndication rack up good audience, spot radio doesn't enjoy the demand that it does in those markets where the line nets and syndication turn in a more disappointing performance."

And besides the wider market to market volume differences noted by other reps, Katz' Romanick also reports more youth business, particularly in January, for the AOR and other youth oriented stations, at a time when many of the adult stations were experiencing a slowdown. But then, starting in late February, he adds, "This seems to be correcting itself, and now the adult formats are picking up again."

Competitive rep webs?

While one major rep executive says the unwired radio network business has become so competitive that it's degenerated into a cutthroat price war, leading to advertisers winding up with less desirable avails that don't move product, other reps don't see it that way.

But Bob Lion, vice president, general manager of the Blair Radio Networks, says it sounds to him like "Some kind of hype to recruit stations by telling them they can get the station a better rate when it's part of *their* lineup."

He says that now that the Blair Radio Networks work with SuperNet, so that unwired operations are coordinated with stations represented by CBS, Torbet, Eastman and Masla, as well as those sold by Blair and Selcom/RAR, "We control two of the four major unwired networks, and whoever is complaining is probably losing share to us."

And Stu Olds, vice president, manager, Katz Radio Group Networks, says he hasn't seen any price war either and maintains that "All our prices are at market value, and the clearances by the stations have been excellent. It sounds to me like some other rep complaining because we're beating them out of too many dollars."

Giving nothing away. Lion says his guiding principle in running his networks is "What we can do for the individual stations that become part of an unwired buy. We aren't giving anything away. We sell at rates

The rep vs. the conglomerep.

By Jerry Schubert, President, Eastman Radio.

The selling of America's radio stations is in the throes of change. Most of the industry's major rep firms have caught the mergermania fever that is sweeping the business community.

They are fast becoming "Conglomereps" whose main selling efforts are packaging stations into so-called "networks."

Is the "Conglomerep" the future?

We wonder if the packaged or commodity approach to selling radio is indeed the way to go.

It's not that we're against networks. Eastman is a member of Supernet because it does provide some ease of buying advantages for agencies and can deliver some benefit in reaching specialized audiences.

But we try to keep the concept of a network in perspective. For at Eastman, we have reservations about the impact of this approach on the quality stations across the country. Stations that have more to sell.

As we see it, the faceless network will submerge the identities of the individual stations.

The faceless network will blur the competitive differences between stations.

The faceless network will make the sale on price, not value. (How do you sell value if, as in the case of one Conglomerep, you handle fifteen stations in one market?)

Eastman's view of the future.

With more network selling, we see the need for a rep firm to sell value, not just numbers.

We see the need for a firm to represent the best stations in all markets.

We see the need for a firm to train its people to know its markets, its stations and to know how to sell value instead of price.

Since that has always been our approach, we see Eastman as that firm.

Eastman. The largest independent Rep.

If your station wants to be sold independently by a Rep firm instead of supermarket style by a Conglomerep, Eastman is not only your best choice, it's your only choice. Today, we're the only major independent radio Rep firm with the people and resources to represent you to the nation's largest agencies and companies.

EASTMAN RADIO

that continue strong, though there is a range for unwired, just as there is for spot: You pay top card for news participation only, during drivetime only; pay less if your schedule is rotated through all dayparts. But that applies to standard spot radio, too."

Lion says that besides maintaining rates, "We also work to keep all our stations continuously informed of what clients are interested in unwired network, and in how the overall demand for unwired affects their own market, vis-a-vis their competition." Lion notes that "This would be easier, if SRA would let RER break unwired out of overall spot separately, but Katz won't let them. So we have to spend a lot of time calculating it by subtracting from what we know our networks are doing. But we do it."

Olds explains that Katz resists such separate break outs because, "It would make no sense. The fact is, whether you call it spot or network, it all comes out of the same pile of ad dollars. The stations don't care what it's called. They just want to know their share of the total. Trying to report it separately would only lead to things like this: Suppose we get 55 per cent of a client's unwired buy, forcing the other reps who split what's left to call their pieces of it 'spot.' Then RER would say Katz got 100 per cent of the unwired buy and zero per cent of the spot. Both figures look foolish."

NRBA okays union

The NRBA, whose board unanimously approved (with two abstentions) its merger with the NAB on February 21 during its annual board winter meeting in Ft. Lauderdale, will begin mailing ballots for final approval within the next two months, according to a spokeswoman at NRBA. Two-thirds majority is required for approval of the merger. Twelve seats have been added to the NAB Radio board, to be occupied in tiers of four, with different tenures. Named to three-year terms are Bill Clark, president, Shamrock Radio Division; Carl Hirsch, president, Legacy Broadcasting; Marty Greenberg, president, Duffy Broadcasting; and Bernie Mann, president, Mann Media. Serving two-year terms will be Art Kellar, chairman EZ Communications; Sis Kaplan, WROQ Charlotte, N.C.; Norman Wain, president, Metroplex Communications; and Jim Wychor, president, KWOA Worthington, Minn. The four named to serve one year are Ted Dorf, vice president, general manager at WWRC/WGAY Washington; Gary Grossman, president, KRKT Albany, Ore.; Jeff Smulyan, president, Emmis Broadcasting; and Art Suberbielle, president, KANE New Iberia, La.

The NAB membership must also approve the uniting of both organizations. But before that, the NAB must change its by-laws and its board has to approve the wording. In referring to the proposed merger, John Dille III, chairman of the NAB Radio Board and president of Federated Media, Elkhart, Ind., notes, "The blending of the NAB and NRBA talents and resources would give radio a powerful, united voice. We eagerly await the opportunity to share the views, ideas and strategies that will ultimately strengthen the entire broadcast industry."

Doubleday outlets sold

The remaining three radio stations owned by Doubleday Broadcasting Co. have been sold to Emmis Broadcasting Corp. for $53 million. The stations involved were: WHN/WAPP(FM) New York and WAVA(FM) Washington (Arlington, Va.). The sale was managed by Wertheim & Co. where former Doubleday president Gary Stevens handled the auction.

Emmis, an Indianapolis-based company founded five years ago, has four other radio stations, all FM outlets. They are: KPWR (formerly KMGG) Los Angeles, KSHE St. Louis, WLOL Minneapolis-St. Paul and WENS Indianapolis (Shelbyville). According to Steven Crane, executive vice president and general counsel, the addition of the former Doubleday outlets makes Emmis "the seven largest station group and 11th largest radio company, measured by total cumulative audience."

First purchase in '81. Both Crane and Emmis president Jeffrey Smulyan are lawyers who bought their first station, WENS, in March, 1981. It was a small town FM, simulcasting an AM in Shelbyville. Emmis and Crane upgraded its signal to cover Indianapolis in July, 1981, and changed the format to adult contemporary. WLOL was the next acquisition; and KSHE and KMGG were purchased from Century Broadcasting Corp. in 1984.

Morgan Stanley & Co. handled the transaction on Emmis' end. The broadcasting group had financed a $50 million 'junk' bond offering through Morgan Stanley in January of this year.

Pointing out that WAVA ranked Number 9 in its market in the fall '85 Arbitron sweep, all persons 12+, AQH, Monday–Sunday, 6 a.m.–midnight, Crane says he is particularly pleased with WHN's association with the New York Mets. A top priority at WAPP, the former AOR station which has changed to CHR, is, he says, to "get the ratings back up."

Group W brass shifts

Though Group W bought KHJ-TV Los Angeles, it's applied for an 18 month waiver of FCC rules pointing to sale of all-news KFWB in the same market. Upshot, says Warren Maurer, vice president, AM Stations at Group W, is that "We're proceeding now as if we'll own KFWB forever, which is what we hope to do, FCC willing."

Part of that procedure is the appointment of Stephen Fisher as vice president and general manager of KFWB, succeeding David Graves, who has been named to the newly created post of vice president, planning, Group W Radio. In this new post, Graves will report to Group W president Richard H. Harris.

Radio Business Barometer

Networks start off '86 with a bang

After a bang-up December, network radio kicked off 1986 with a bang-up January as well. Figures from the Radio Network Association revealed that the first month of the year was up 21 per cent in revenues over the corresponding month of '85.

Revenue totals, prepared monthly by the accounting firm of Ernst & Whinney, to whom radio networks send confidential figures, came to $21,381,351, compared with $17,707,925 in January of '85.

RNA's president, Robert J. Lobdell, had additional reason to feel good about January results, he said, since January traditionally turns up as the weakest month of the year in national advertising expenditures.

He added: "The 14 per cent year-to-year increase turned in by network radio for 1985 was the strongest performance of any major medium, and these latest figures show we still have the momentum evidenced throughout 1985. This strong January gives us a running start against our objective of another 14 per cent annual gain in 1986."

All four network sales territories reflected the strength of the January revenue gain. New York, the biggest sales center, showed the biggest gain, rising 26 per cent. Revenues were $12,163,207 compared with $9,678,183 in '85.

Last year New York showed by far the smallest increase of any of the four sales territories. Its revenue total, $201,604,579 was up only 8 per cent over 1984.

Detroit and Los Angeles sales territories were not far behind New York in percentage performance. Detroit was up 24 per cent, while Los Angeles increased its total 23 per cent.

The Motor City billings came to $2,196,827, up from $1,767,985 in January of '85, while the Los Angeles revenue total was $1,168,171 this past January vs. $952,115 in January, '85.

Smallest increase was that of Chicago, up 10 per cent to $5,853,146. The previous year, revenues were $5,309,642.

Detroit had the best record of the four sales territories last year, followed closely by Los Angeles. The Motor City was up no less than 40 per cent, reaching $27,392,763.

But L.A. showed an increase of 37 per cent, with total '85 revenues of $21,351,416. Chicago didn't do badly either, rising 21 per cent to $79,954,137.

Eight cos. report

The Ernst & Whinney compilation of network radio revenues is based on reports from the radio networks of Capital Cities/ABC, CBS, the National Broadcasting Co., Satellite Music Network, Transtar Radio Network, United Stations Radio Networks, Westwood One Radio Networks and its Mutual Radio Network Division, all members of RNA, plus Sheridan Broadcasting Corp.

Lobdell reported the RNA will begin a series of client and agency presentations early in March covering 16 cities. First on the list are Los Angeles and San Francisco.

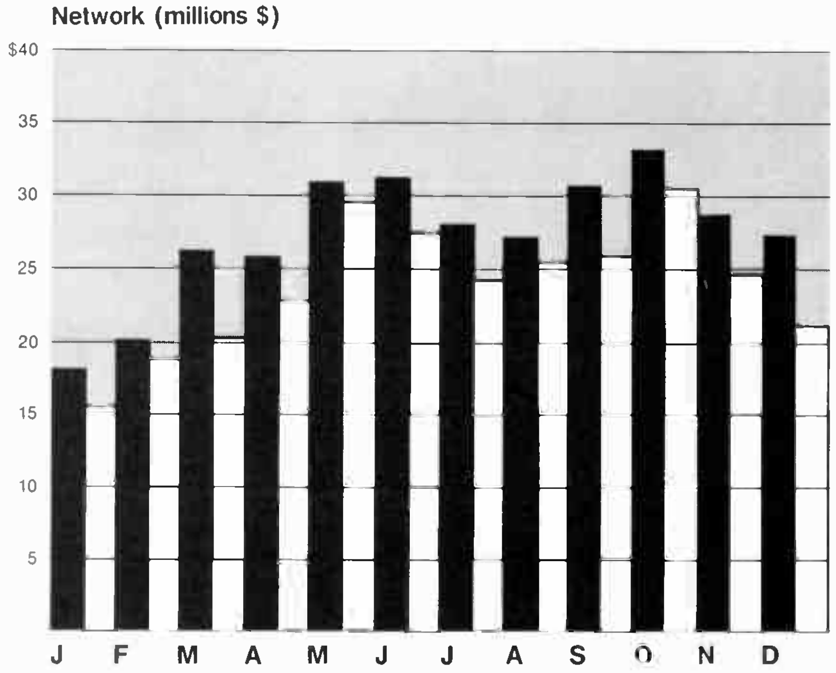
Network +14%

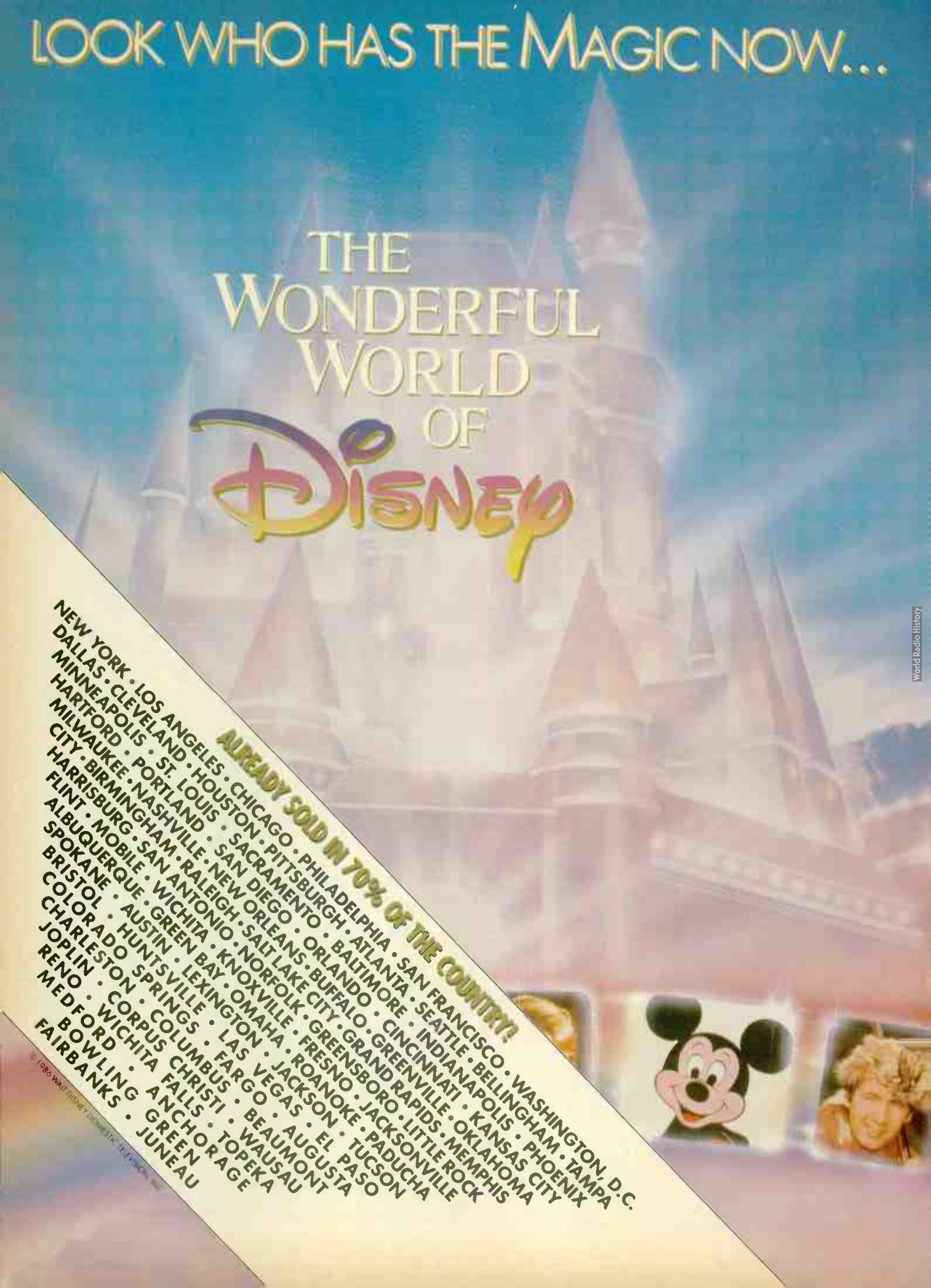
(millions) **1984: $287.9 1985: $328.7**

Changes by sales offices

City	Billings (000)	% chg. 85–84
New York	$201,604,579	+8%
Chicago	79,954,137	+21
Detroit	27,392,763	+40
West Coast	21,351,416	+37

January–December, 1985

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HARRISBURG • SAN ANTONIO • NORFOLK • GREENSBORO • LITTLE ROCK
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SPOKANE • AUSTIN • LEXINGTON • JACKSON • TUCSON
BRISTOL • HUNTSVILLE • LAS VEGAS • EL PASO
COLORADO SPRINGS • FARGO • AUGUSTA
CHARLESTON • COLUMBUS • BEAUMONT
JOPLIN • CORPUS CHRISTI • WAUSAU
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WLS-TV	Chicago	KMBC-TV	Kansas City	WOWT	Omaha
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KGO-TV	San Francisco	WSMV-TV	Nashville	WSLS-TV	Roanoke
WCVB-TV	Boston	WSPA-TV	Greenville	WOC-TV	Davenport
KXAS-TV	Dallas	WWMT	Grand Rapids	KHON-TV	Honolulu
WKYC-TV	Cleveland	WHTN-TV	Harrisburg	KREM-TV	Spokane
WTAE-TV	Pittsburgh	WAVY-TV	Norfolk	KOLD-TV	Tucson
KING-TV	Seattle	WCHS-TV	Charleston	WOLO-TV	Columbia
WXFL	Tampa	WDTN	Dayton	WANE-TV	Ft. Wayne
KSTP-TV	Minneapolis	WXII-TV	Greensboro	KVBC-TV	Las Vegas
KMGH-TV	Denver	WWBT-TV	Richmond	KMVD-TV	Peoria
KXTV-TV	Sacramento	WPTV-TV	W. Palm Beach	WISC-TV	Madison
WBAL-TV	Baltimore	WEAR-TV	Mobile	WAKA-TV	Montgomery
WISH-TV	Indianapolis	WSEE-TV	Fresno	KTVB	Boise
KPNX-TV	Phoenix	KOB-TV	Albuquerque	WINK-TV	Ft. Myers
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KAPP-TV Yakima
. . . and many more to come!

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HEARST BROADCASTING

BASEBALL PREVIEW

Rates projected to rise 6–7%; stations with contenders foresee 10–12% gains

Last year's close baseball races boost '86 ad sales

By ROBERT SOBEL

Television/Radio Age

March 3, 1986

Despite an overall soft economy for televised sports nationally, local major league baseball is scoring well with initial ad sales for this coming season. Much of this is due to high batting averages in terms of ratings at several stations, contributed by an unusually large number of teams that were in pennant contention until the closing weeks. Also, a large number of major clients are renewing for the coming season. One of the biggest supporters of local major league baseball continues to be Anheuser-Busch, followed by Toyota and McDonald's, to no one's surprise.

Overall, the local station sales managers and program executives interviewed say their ad rates are increasing about 6–7 per cent, on average, but stations which carried pennant contenders are looking for increases in the range of 10–12 per cent. On the network side, the picture is not so bright. ABC has been facing declining ratings in its Monday night contests. At NBC, regular season ratings have more or less held up, and the network is saying that baseball will do well in sales this year.

Meanwhile, total broadcast rights fees from all sources for major league baseball are expected to increase only about 3.6 percent, from $275 million last season to about $285 million, with ABC and NBC shelling out $175 million of the total in the third year of the major league contract. The contract runs for six years and will cost both networks $1.1 billion over the full contract term.

The grand total includes an estimate of the value of rights in situations where the clubs sell the TV and/or the radio time themselves. The rights estimates are not as large as might be expected because of the demise of several regional baseball pay-cable outlets (see separate cable story). A portion of the loss in revenues has been taken up by

Royals' George Brett tags out Cards' Willie McGee in World Series game on ABC

Total broadcast rights fees from all sources for major league baseball are expected to increase only about 3–6 per cent over last season.

Estimated baseball rights and TV-cable coverage for 1986

AMERICAN LEAGUE

	Originating TV/radio Stations	Total broadcast/ cable rights (000)	Telecasts H	Telecasts A	Rights holders TV; radio; pay-cable
Baltimore Orioles	WMAR-TV WFBR	3,150	4	36	WMAR-TV; WFBR; Home Team Sports (at least 64 home games, 21 away games)
Boston Red Sox	WSBK-TV WPLM	3,100	25	50	WSBK-TV; WPLM (Campbell Communications); New England Sports Network (about 60 home and 30 away games)
California Angels	KTLA(TV) KMPC	4,200	4	38	KTLA; KMPC; no cable games
Chicago White Sox	WFLD-TV WMAQ	2,900	14	53	White Sox; White Sox; SportsVision (59 home, 15 away games)
Cleveland Indians	WUAB(TV) WWWE	3,250	15	45	WUAB; WWWE; no cable games
Detroit Tigers	WDIV(TV) WJR	2,950	8	37	WDIV; WJR; Pro Am Sports (60 home, 21 away games)
Kansas City Royals	WDAF-TV WIBW	1,420	0	45	WDAF-TV; WIBW (Stauffer Communications); no cable games
Milwaukee Brewers	WVTV WTMJ	2,060	0	60	WVTV; Brewers; no cable games
Minnesota Twins	KMSP WCCO	2,600	4	64	KMSP-TV; WCCO; no cable games
New York Yankees	WPIX(TV) WABC	14,800	50	50	WPIX; WABC; Sportschannel (40 games, schedule not available)
Oakland As	KPIX(TV) KSFO	1,950	8	25	KPIX; KSFO; no cable games
Seattle Mariners	KIRO-TV KIRO	1,300	5	30	KSTW-TV; KIRO; no cable games
Texas Rangers	KTVT(TV) WBAP	3,650	0	49	KTVT; WBAP; Home Sports Entertainment (61 home games)
Toronto Bluejays	CFTO CVCL	4,325	19	16	Labatt Breweries; Telemedia Broadcast Services; The Sports Network (40 games, schedule not available)

the growth of pay-per-view, which is not included in the overall rights figure because these deals with the clubs are made in various ways.

Another factor in the small rights increase is that most local stations have continuations of their present contracts. The only three new TV pacts are at WFLD-TV, which airs the Chicago White Sox games, KIRO-TV, Seattle-Tacoma, which this year acquired the rights to carry Seattle Mariners games, last season carried by KSTW-TV, and WUAB(TV), which carries the Cleveland Indians contests.

Local television and radio rights, which increased sharply last year, close to $89 million from $74 million the year before, will rise to $96.3 million, according to TV/RADIO AGE estimates. CBS Radio will pay about $7 million in its second year of a five-year pact with MLB costing a total of $32 million.

Pay-cable rights, minus several defunct services, will be about $10 million, a dramatic drop from the $17 million in payouts in 1985, while basic cable, via deals with the superstations (TV/RADIO AGE, February 18, 1985), will account for about $6 million in revenues for the MLB Central Fund, to be dispersed equally among the 26 clubs.

To Major League Baseball's director of broadcasting, Bryan Burns, the loss of several of the pay-cable services represents a drop in the bucket in payouts on the local level to club owners, and he says there is no "big master plan to replace the cable monies with other local broadcast money." Some stations have increased their telecasts, but Burns sees no connection between additional carriage on the local level with the pay-cable loss. Instead, he terms the added telecasts as part of the "normal rights negotiations and inflationary progressions."

Meanwhile, all three baseball "jewels," the playoffs, the World Series and the All-Star game, were about on par with 1984, while the latter two stopped the 1984 slide in audience numbers compared to 1983. Carried in 1985 by ABC, the seven World Series contests, which pitted the St. Louis Cardinals against the Kansas City Royals, averaged a 25.3 Nielsen rating and a 39 share, up 11.9 per cent from 1984's 22.6/40 for five games. In 1983, the five World Series clashes wound up with an average 25.3/41.

One of the reasons for the slight average ratings increase from 1984 to 1985 is because all the 1985 series contests were aired in primetime, while in 1984 and 1983 two of the Series contests were carried in the daytime. The fourth and fifth games in each year averaged a 15/41 and a 17.6/47, in 1984 and 1983, respectively, according to MLB's Nielsen estimates. On the other hand, primetime games four and five in 1985 registered a 24.8/38 and a 24.9/38, respectively.

The seventh and deciding 1985 contest was the highest-rated series game since its 1982 counterpart, winding up with a 32.6/47. When it comes to network competition in primetime, each of the Series games came out on top over other web programs, faring best in game seven, when the game racked up a 31.7/45 vs. CBS' 17.9/26 and NBC's 16.3/24. The deciding contest's opposition included CBS' *Murder, She Wrote*, 21.1/29, the highest-rated competitive performer of the night.

Regarding the All-Star clash, the NBC game was about on par with 1984. According to the network, the 1985 contest got a 20.5/36 share, up from 20.1/35, when the All-Star game aired on ABC in 1984. However, in 1983, the NBC game got a 21.5/39, and in 1982 it received a 25/44 on ABC. When it comes to the 1985 championship playoffs, the "jewel" also showed little change from the year before. The past season, the games were expanded to best four-of-seven in each league, with the National league contests playoffs going six games, for an average of 15.6/31 vs. the 1984 average of 15.7/34 for all five games in the best-of-five series. The American League contests, which went to seven games in 1985, had a 15.4/27.8 over the five game's 16.6/28 the season before.

As to ratings of regular season games last season—ABC's *Monday Night Baseball* clashes lost ground, but the networks two Sunday afternoon games—showed no change, while NBC's *Game of the Week*, on Saturdays, and two primetime clashes on the network stayed about status-quo with the year before. ABC's eight Monday telecasts did a 9.4/17 last year against six games in 1984, which registered a 10.7/19; the two Sunday games got a 2.3/6, from a 2.5/6. NBC's 30 games showed no change from 1984 to 1985, both getting 6.5/28, while the average numbers for the two primetime games were about equal, 8.1/17 vs. 1984's 8.5/17.

Monday night battle

Meanwhile, both networks are engaged in a heavy struggle on the airing of additional baseball games on Sunday afternoons at the beginning of the season. ABC, looking to fill the spring sports void left on Sundays from its dropping of the United States Football League telecasts this year, claims it has the contractual right with MLB to carry additional baseball games on Sundays. NBC, on the other hand, maintains that it has jurisdiction over Sunday games. However, the latter network is not planning to use the Sundays for baseball because of its involvement in other sports. Observers say NBC believes that baseball is oversaturated, and that additional airings will hurt its Saturday telecasts, to say nothing of head-to-head competition with ABC for Sunday numbers.

MLB's Burns admits that both network contracts are "ambiguous" in this regard, and at presstime, the question of which network has what was still undecided. However, according to Burns, MLB is trying to work out a compromise to make both networks happy. In any case, ABC apparently is ignoring any claims of foul ball coming from NBC, and is going ahead with plans to carry 11 contests on its network on consecutive Sunday afternoons beginning with April 13 and ending June 29. Two exceptions will be the telecast of May 25, when the Indianapolis 500 will be carried, and on June 15, the date that ABC will air the U.S. Golf Open, notes a spokesman.

If ABC gets its way on airing Sunday afternoon baseball in the early part of the 1986 season, or if a compromise is reached, with the network carrying some of the games, local station executives interviewed don't see the network

All three baseball 'jewels'— the playoffs, World Series and All-Star game were about even with 1984's performance.

Dodgers' Steve Sax swings away during playoffs on NBC

games as constituting a threat to those locally-televised contests played on Sunday afternoons. Collectively, they feel that when it comes to a head-to-head battle with a network game, viewers will remain loyal to the local team.

However, stations such as WOR-TV WPIX(TV), both New York, KSDK(TV) St. Louis, KTTV(TV) Los Angeles and WDAF-TV Kansas City, which are the originating stations for championship contenders over the past year or two, will, according to one station executive, probably face reworking of their schedule because ABC will cherry-pick from the clubs which are in contention. The networks, by contract, get first crack at the schedule, anyway, he points out, and "can take the games they please." In the past, for example at WOR-TV it's pointed out the networks aired perhaps one or two Mets games, but last season, when the Mets made a bid for the National League race, the networks carried six Mets games in their schedule.

Agency reaction

But the ad agency community as a whole sees the possibility of new games being telecast as exacerbating problems facing major league baseball on television, including the fact that Sunday network baseball will not be free from local competition, unlike the exclusivity given to the NBC Saturday afternoon contests and Monday night broadcasts on ABC. Richard Kostyra, J. Walter Thompson, senior vice president, media director, for example, notes that the 1985 NBC ratings on Saturdays maintained the former year's levels of 6.5 in households, as noted earlier, and 3.5 for men 18–49, while ABC's Monday night games slipped from the previous year in men 18–49, from 7.7 to 7.2.

He continues that CPMs for these two combined reflect an 8 per cent increase for households and a 3 per cent increase for men 18–49 for 1984, last reported year, over 1983. "In fact, baseball CPMs for households and men 18–49 have almost doubled when 1984 is compared with 1979." Also, he points out, "the October 10th game last year represented the first time a playoff game was delayed until an 8:30 p.m. start so that America would not be deprived of seeing *The Cosby Show*."

Kostyra also points out that the best-four-of-seven league championship season did little to stimulate higher numbers, with household ratings remaining constant. But Bob Blackmore, senior vice president, sales, at NBC-TV, counters that his figures show homes were up 10 per cent in 1985, with demos 25–54 up 12 per cent, while men, 18–49 were up again 10 per cent, "so altogether there was double-digit growth over the year before. This shows a lot of renewed vitality for the games."

Blackmore continues that although the total sports marketplace was soft last year, baseball "wasn't hurt as much," considering that the additional games were added to the playoffs and that the World Series went to seven games. Also there was a lot of sports competition in other areas during those times, so there was a lot of sports inventory available. But despite all this, it's remarkable that everything in baseball filled up."

This coming season, NBC will also schedule all the World Series games in primetime, which should increase sales, notes Blackmore. He says that sales are going along "the normal way," with prices increased slightly over last year. Second quarter games are going for $40,000 per 30, and a little over $30,000 in the third quarter. Miller beer and Ford are major sponsors so far. At ABC, Monday night games are fetching $75,000 per 30, a 7 per cent increase over 1984's $70,000, on average, while Sunday afternoon games are going for $30,000 per 30. All prices are from rate cards. However, repeated phone calls requesting sales activity and sponsorship were not returned by J. Larre Barrett, vice president, sports sales, ABC-TV.

The following is a rundown on what's happening at the originating TV stations which carry baseball, including business, major sponsors, prices, programming changes and, in some cases, past ratings.

WTBS(TV) Atlanta (Atlanta Braves): The "superstation," which owns the Braves, is about on par with its sales pace of last year, despite that ball club's disappointing performance, according to Jim Trahey, vice president of sports sales at the station. However, Congress has already passed the banning of smokeless tobacco commercials, and it now awaits the President's signature to become a law. With Redman chewing tobacco as one of the team's major sponsors, the station stands to lose about $3.5 million in the brand's billings, divided between football and baseball, says Trahey. The sales end is somewhat behind in its pitching of baseball contests, because it has been concentrating on the Goodwill games. As to prices, the station is getting an increase of about 10 per cent across the board, and all the major sponsors are back, reports Trahey. These include Anheuser-Busch, Delta, Toyota, Coca-Cola, Canon camera and Redman. Pepto-Bismol has upgraded its participation, becoming a major sponsor this season.

Although the total sports marketplace was soft last year, baseball, says NBC's Bob Blackmore, "wasn't hurt as much."

WMAR-TV Baltimore (Baltimore Orioles): Sales are coming along slowly at this station, according to Charlotte English, vice president of broadcast operations and programming, "but we don't expect any problems in selling our games." Sales prices are up this year about 8 per cent, she says, in the station's second year of a three-year rights contract. Ratings were off a little last year compared to 1984, but English sees these improving in the coming season in conjunction with a stronger ball club. As to specific sponsors, incumbents are Anheuser-Busch, Provident Bank of Maryland, Equitable Bank, Maryland National Bank, Nissan, Blue Cross-Blue Shield, Bell Atlantic Yellow Pages and the local Chevrolet dealer, Jerry's Chevrolet.

WSBK-TV Boston (Boston Red Sox): While it's still somewhat early to project how sales will do this coming season, Frank Comerford, national sales manager, says the "attitude on the part of the advertisers is good." He believes that auto sponsorship will be stronger this coming season as compared to last year, especially on the domestic side. As to rates, Comerford says the station's prices are up a little over 1985's. This season, too, the schedule calls for more home games to be telecast than in the previous season, (25 vs. 20, but six less away contests).

WGN-TV Chicago (Chicago Cubs): The "superstation" this year is experimenting by selling itself as a superstation, says John Fendley, director of sports sales, with prices increased accordingly on the national level. He says the station is experiencing its best year in at least 15 years, and sales at this point

Estimated baseball rights and TV-cable coverage for 1986

NATIONAL LEAGUE

	Originating TV/radio Stations	Total broadcast/ cable rights (000)	Telecasts H	A	Rights holders TV; radio; pay-cable
Atlanta Braves	WTBS(TV) WSB	1,710	74	69	WTBS & Braves; Braves
Chicago Cubs	WGN-TV WGN	2,850	81	69	WGN-TV; WGN; no cable games
Cincinnati Reds	WLWT(TV) WLW	2,300	5	41	Reds; Reds; Reds (25 home games on Warner Amex Cable PPV)
Houston Astros	KTXH(TV) KTRH	3,550	13	59	Astros; Astros; Home Sports Entertainment (80 games, mostly at home)
L.A. Dodgers	KTTV(TV) KABC	3,680	0	46	Dodgers; Dodgers; Dodgers-Metromedia via Dodgervision PPV, 24 home games, 1 away game
Montreal Expos	CMBT-TV (English) CBFT (French) CFCF French Radio	8,430	18 (English) 24 (French)	10 20	Carling O'Keefe; CFAC, CKAC; The Sports Network (40 games, schedule unavailable)
New York Mets	WOR-TV WHN	7,520	45	45	WOR-TV, Mets; Mets; Sportschannel (60 games, schedule unavailable)
Philadelphia Phillies	WTAF-TV WCAU	5,800	20	70	WTAF-TV Taft; WCAU; PRISM (28 home games, 9 away games)
Pittsburgh Pirates	KDKA-TV KDKA	2,700	3	37	KDKA-TV; KDKA; no cable games
St. Louis Cardinals	KSDK(TV) KMOX	1,915	0	44	KSDK; KMOX; St. Louis Cardinals Cable Network (50 home games via PPV)
San Francisco Giants	KTVU(TV) KNBR	2,450	0	31	KTVU; KNBR, KOFY (Spanish); Giants negotiating PPV with Gillcable of San Jose
San Diego Padres	KCST-TV KFMB	1,980	0	49	KCST-TV; Padres, KFMB; Padres-Cox Cable (41 home games via PPV)

are running about 20 per cent ahead of last year, with an 80 per cent sellout, at presstime. Fendley hopes to open the season with 85–90 per cent sold out. Major incumbents are Anheuser-Busch, Toyota, True-Value Hardware, Union Oil, and renewals are expected from Zenith, Allstate insurance, Canon and the Yellow Pages. New sponsors include McDonald's, the *Chicago Tribune*, Pepsi-Cola, Buick and Buick dealers. Of the 150 games to be televised this season, one-third will be in primetime, one-third on weekends and one-third during weekday daytime, starting at 1:30 p.m. However, about 16 contests will be aired at 3 p.m., as "a businessman's special." Begun two years ago, the 3 p.m. telecasts have shown an increasing rating pattern, says Fendley, going from a 6 to as high as an 18.

WFLD-TV Chicago (Chicago White Sox): The station has just started selling the games, which this year have increased from 53 to 67, including the addition of 12 away contests, with many this year in primetime. Kicking off the home season opener on April 7 vs. Milwaukee will be a live, sports discussion program, *The Sports Writers on TV*, which will air each Sunday at 9 p.m., says a station spokesman. There is no major price increase this year, and sponsors include Anheuser-Busch, Dodge dealers, Nissan dealers, and the Illinois State Lottery.

WLWT(TV) Cincinnati (Cincinnati Reds): The station had a very good year in terms of ratings last season, racking up a 13 per cent increase, averaging over 11 in household ratings, and a 33 per cent rise in household delivery, notes Tony Kiernan, general manager. In addition, the games registered a 27 per cent increase in adults and 24 per cent in men, on average. Last year the station developed a new marketing plan, syndicating the games to a regional network of 16 stations on a barter basis, explains Kiernan, on a 50–50 split basis on inventory. Kiernan ties in the games' overall increase in ratings to the team's better performance on the field, and he sees still higher audience viewing levels this coming season with the Reds fielding a stronger team. Returning sponsors this season include Budweiser, Toyota and Long John Silver, plus the local Ford dealership. Ad prices are up 8–10 per cent, he says.

WUAB(TV) Cleveland (Cleveland Indians): The station has just signed a new three-contract with the Indians, adding up to a large rights increase during the term of the pact. Included in the new arrangement is the adding of about 10 contests, for a total of 60, including 15 at-home telecasts. Last season no at-home games were aired, according to Ron St. Charles, program director. Most of the 15 home contests will be broadcast on Tuesday nights, in an attempt to develop a consistent viewing pattern. St. Charles says the station's concentration is on Tuesdays because the ratings have been good when games were aired on that night. New for this coming season is the formation of a regional network, which includes stations in Toledo and Youngstown. Also new for this season is repeat telecasts of all Indians games during late-night, to ex-

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BASEBALL PREVIEW

But attracting impulse buyers is secondary to selling "season tickets"

PPV cable at bat as a pinch-hitter for regional nets

On the cable side of the major league baseball television scorecard this upcoming season, the much ballyhooed pay-per-view delivery system appears to be finding a position on the team—but so far, more as a largely untested pinch-hitter than as a first-string slugger.

The total number of games on cable remains about the same as last season—in the neighborhood of 1,360 contests, including games on superstations. (As of this writing, some teams had not yet finalized their cable plans.) Existing rights fees generally have held steady, since most of the existing cable deals are part of multi-year pacts entered into within the past few years. However, in cases where regional sports networks have shut down, set rights fees have been replaced by a less predictable split of the PPV "gate"—offering potential risks and rewards to team owners and cable concerns.

The mood among team owners seems to be that cable's share of exclusive major league baseball games already has reached its apex. With cable penetration likely to remain at less than 50 per cent of total TV households for some time, and overall pay cable sales in the doldrums, owners appear to be in no great rush to appropriate more games to cable—especially as long as broadcast rights fees and advertising revenues continue to far outstrip pay cable's potential.

Indeed, in the case of the New York Yankees and Mets, a set of multi-year contracts with SportsChannel, owned by Rainbow Program Enterprises (a joint venture of Chuck Dolan's Cablevision, CBS and The Washington Post, have been renegotiated to keep the number of cable-exclusive games for the 1985 and '86 seasons at 40. Under previous terms, cable would have gotten 100 games last season and this year as well. According to SportsChannel officials, the parties will again look at the numbers when most of New York City's outer boroughs are wired, something that won't happen for at least a couple more years.

Of the number of games exclusively on cable this season, most of them home games, at least 141 contests—in St. Louis, Cincinnati, Los Angeles and San Diego—will be available to cable viewers only via what is being described as PPV. But in the strictest of marketing terms, this is something of a misnomer, even though in a literal sense the technology is either one- or two-way addressable. While the designated PPV games in those markets are indeed available on an a la carte, per-game basis thanks to PPV technology, the real strategy is to get subscribers to sign up for an entire season ticket priced at a considerable discount over the a la carte PPV price. While PPV technology is what allows the delivery of the "season ticket" just to those who pay for it, the set-up is probably better described as a seasonal pay service with a per-event option for those not opting for the full package deal.

Substitution moves

In the case of two of the five announced PPV operations for this season, the move to PPV partly represents a substitution as much as an innovation. In St. Louis and Cincinnati, the demise last year of the Sports Time regional pay service, a joint venture among Anheuser-Busch and MSOs Tele-Communications Inc. and Multimedia Inc., left team owners with no year-round regional sports rightsholder. (Another regional sports failure, the Milwaukee Bucks-Brewers SportsVue, also closed up shop prior to last year's baseball season, its demise generally laid to insufficient cable penetration within its market, poor team performance, and lackluster ad sales.)

Thus it appears that teams in cities

Storm Davis, Baltimore Orioles

Orioles 'Bird' promotion

Where the market can sustain it, as in Baltimore, regional networks are making it. But where they can't, baseball finds PPV a nice fill-in.

Roger Blaemire *of the Cincinnati Reds is banking on the QUBE technology to deliver not only season tickets, but impulse buys. The team gets "slightly more" than half of the total gate for the 25-game package.*

lacking regional sports networks have only one other viable alternative from which to derive ancillary cable revenues: put cable-exclusive games directly on cable systems via a single, seasonal channel, controlling distribution via PPV technology. This "one sport, one channel" concept, in the opinion of some, could be less advantageous to team owners who were guaranteed a specified rights fee by a regional pay service which also handled the marketing and promotion. With per-event distribution, the teams theoretically are at the mercy of the "gate," which depends to a large extent on the fates and fortunes of the ball club as the season progresses. (Of course, if the team performs well on PPV, the team owners could end up with a larger piece of the action than they would have in a traditional rights deal.) Thus, the focus generally is on the sale of season tickets, rather than on the per-event PPV capability.

Some qualification needed

So it is not surprising that some team representatives and rightsholders caution against interpreting the increase in PPV activity as an unqualified endorsement of per-event ordering itself. Michael Ortman, affiliate marketing manager of Home Team Sports, the unit of Group W Satellite Communications that is doing 90 Baltimore Orioles games (none of them PPV), notes that of the nine pay and two basic regional sports networks in operation, all are in top 10 TV markets. And only one city in the second 10—Baltimore—has a year-round regional sports network, HTS. Conversely, Ortman notes, of the existing PPV operations, all except Los Angeles' Dodgervision are outside of the top 10.

"So it's not hard to hypothesize as to what works where," Ortman remarks. The top 10 markets, he and others state, possess the necessary elements for a regional sports network: sufficient cable penetration and enough desirable sports teams and events to draw an audience throughout the year—thus ensuring the viability of the rightsholder. Where these elements are not present, team owners may find PPV game packages in which they are equity partners a viable alternative in the absence of a full-scale regional sports network.

Conversely, in major markets able to sustain year-round regional sports networks, PPV as a primary marketing scheme might not be so smart—since it probably makes more economic sense for both customers, rightholders and team owners to sell a more complete package on a continuing basis.

HTS, in going the traditional year-round route, also is looking to advertising to keep revenues healthy. But for HTS, it's not a pure ad sell; instead, the network offers what sales director Jeff Wagner teams a "creative sell" that includes promotional and marketing support for advertisers. The idea is to sell a season package including promotional activities such as contests and ballpark events, rather than just sell units in the games. Example: a Subaru "all-star sweepstakes" handled solely by HTS in conjunction with the ad buy.

James Winters *of the San Diego Padres says his market, while small, benefits from an advanced cable system that delivers 120,000 addressable homes—65 per cent of area TV households.*

Laureen Ong *of the Chicago White Sox is watching PPV tests involving other local sports teams, and hopes baseball playoffs someday will be offered to cable subscribers exclusively over PPV.*

Cincinnati's venture

One baseball market that appears to be right for PPV is Cincinnati, where Roger Blaemire, new vice president of broadcasting for the Reds, is launching the team's first foray into PPV this spring on the fully two-way addressable Warner Amex QUBE cable plant. With 110,000 addressable homes, the system represents the second-greatest concentration of PPV households (the Cox system in San Diego is first, with 120,000 homes).

The Reds, in a joint venture with the cable operator that gives the team "slightly more" than half the equity, are offering a 25-game package of home contests for $100, or $5.95 a la carte. If the effort gets just 5,000 homes, less than 5 per cent, it will make money, he says. The cable package complements a broadcast schedule of 47 games—42 away and five at home.

While the Reds were slated to be part of the ill-fated Sports Time, Blaemire notes that "contractual problems" limited the team's exposure on the service, which folded prior to last season. Blaemire, formerly a vice president of the Indiana Pacers basketball team, holds the widely shared view that sports Time failed because it was "spread too thin," encompassing teams in St. Louis, Kansas City, Cincinnati, Chicago,

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News directors generally receptive to expanded feeds, SNG subsidization

Web news plans forcing TV stations to weigh loyalties

Affiliate TV news directors are generally upbeat about their respective networks' plans for expanding news feeds and subsidizing Ku-band satellite news gathering facilities in order to blunt competition from alternative news sources. But many of these same news directors are being forced to do some serious soul searching about where their true loyalties lie.

For instance, in Phoenix, Jim Willi, news director of Gannett-owned KPNX-TV, points out that, "There are now seven other Gannett stations to feed if a big story breaks. Who do you feed first? I think our loyalties have to go with our company, but we also have an obligation to NBC and to CNN."

Of the eight Gannett stations, three are NBC affiliates (KPNX-TV, WXIA-TV Atlanta and WUSA-TV Minneapolis-St. Paul), three are ABC affiliates (KUSA-TV Denver, KOCO-TV Oklahoma City and KVUE-TV Austin), one is a CBS affiliate (WDVM-TV Washington) and one station is an independent (WLVI-TV Boston).

For the time being, Willi says, the station will handle feed requests on a "case by case basis."

In Charlotte, WBTV(TV) is an active participant in CBS' Southeast regional feed, which was launched last September, but is also affiliated with Conus, the Ku-band-fed satellite news gathering partnership partially owned by Hubbard Broadcasting.

Ron Miller, news director at the Jefferson-Pilot station, describes the CBS regional setup as "a great system. We pull something off the feed daily." As for Conus, "while we believe the Conus newsfeed at times is valuable, the biggest advantage of Conus is the ability to go live in markets where Conus trucks are stationed. There is really no conflict between what CBS and Conus are able to do for us, and sometimes we can use both."

Perhaps the most complex situation exists in Florida, where not only do some major market stations have multiple affiliations, but where there are two ad hoc regional networks as well.

In Orlando-Daytona Beach-Melbourne, for instance, WESH-TV, an NBC affiliate, is also part of the Conus network, and that also makes it part of a Florida-based regional web consisting of other Conus affiliated outlets—WTVT(TV), CBS station in Tampa-St. Petersburg, and WEVU(TV), ABC affiliate in Ft. Myers-Naples.

"The biggest advantage of Conus is the ability to go live in markets where Conus trucks are stationed. There is really no conflict between what CBS and Conus are able to do for us."

Ron Miller
News director
WBTV(TV) Charlotte

WTVT is already an active participant in CBS' Southeast regional network and is associated with Group W's Newsfeed Network in addition to Conus.

The Gaylord station has a policy with regard to CBS-Conus conflicts. On a story that both regional networks want, Conus will get the live shot and CBS will receive raw video and sound bites. However, that doesn't mean the CBS regional setup is necessarily less important. Says John Mackinen, news operations coordinator: "There are more CBS stations in the state than Conus affiliates. At this point, satellite trucks are only in the bigger markets." CBS' Southeast feed, he says, "gives us access to places where CBS affiliates are but where there are no satellite trucks."

The other Florida regional network consists of seven stations—three ABC affiliates (WPLG Miami, WTSP-TV Tampa-St. Petersburg and WFTV Orlando-Daytona Beach-Melbourne), three CBS affiliates (WJXT Jacksonville, WCTV Tallahassee-Thomasville and WINK-TV Ft. Myers Naples) and one NBC affiliate (WPTV West Palm Beach).

Network update

The network plans, at presstime, looked like this:

- ABC—in the process of rolling out regional feeds and planning to subsidize 50 per cent of Ku-band truck purchase for affiliates in 50 markets.
- CBS—almost completed rolling out regional feeds and still undecided what policy will be on Ku-band trucks.
- NBC—has expanded its A-News affiliate news feed to four times daily. The network's emphasis now is on "Skycom," an umbrella term for its effort to help affiliates with the logistical aspects of transmitting and receiving stories point-to-point. The pivotal element in this plan is the network's offer of 50 per cent subsidization (up to $150,000) of Ku-band trucks to affiliates in all markets.

The first regional network mounted by ABC started last April in the Southwest.

The second regional web became fully operational on February 3 in the Pacific-Mountain area, and ABC is hopeful of launching a web in the Midwest by the middle of this month, according to Donald Dunphy, director of affiliate news service, ABC News.

A Southeast regional feed is scheduled for April, although Dunphy acknowledges that "there are still problems to be worked out with the Carolina News Network." A feed in the Northeast is planned for late April or early May.

"The [ABC] satellite feed delivery system is miles ahead of what we had previously. We're providing a lot of stories to them, and we've taken in a lot of stories."

Al Jaffe
News director
KOVR(TV) Sacramento-Stockton

Once all these regional networks are in place and operating, says Dunphy, "we will interconnect and integrate them into a national feed of roughly 3-3½ hours a day." The official name of the expanded feed is ABC NewsOne.

The "problems" with the Carolina News Network are a result of resistance by the ABC stations belonging to that group of mixed affiliates.

Says Dick Moore, news director of WSOC-TV Charlotte: "ABC wants us to get involved with a Southeast regional feed. We feel we have already put in place an effective regional network. Any additional product that might be offered by the ABC Southeast regional network is not enough to make us jeopardize the Carolina News Network." The affiliate lineup in the Carolina News Network is four CBS stations (WRAL-TV Raleigh-Durham, WFMY-TV Greensboro-Winston Salem-High Point, WSPA-TV Greenville-Spartanburg-Asheville, WCSC-TV Charleston) and two ABC stations (WSOC-TV and WWAY Wilmington).

Reimbursement plan

ABC has said it will reimburse stations up to $180,000 for the purchase of Ku-band satellite trucks in the top 35 markets, plus 15 others yet to be determined.

Calling its plan American Broadcasting Satellite (ABSAT), the network says its goal is to give affiliate stations "the potential for live capability anywhere across the country."

The schedule, according to Dunphy, calls for the rollout of trucks beginning July 1, "and we hope to have 23 trucks by the end of the year."

Several stations, Dunphy adds, have sent letters, "saying they definitely want them, and we hope to reveal the names of some stations within a couple of weeks."

As for ABC affiliates that already have Ku-band trucks, Dunphy says the network will reimburse them up to $180,000, as long as they are "compatible with our specifications."

CBS has all of its regional feeds in place and operating except the Northeast. That region should be launched by late this month, according to Bob Horner, vice president, news services, CBS News. The others are: Southwest, launched May, 1984; Southeast, Labor Day, 1985; West, October 28, 1985; Midwest and Mideast (eastern time zones such as Michigan and Ohio), January 27, 1986.

In addition, Horner says the network has a new half-hour national satellite feed at 11 a.m. ET, and has moved its night feed to 10:30 p.m. ET to provide affiliates with material they can use on their 11 p.m. newscasts.

The traditional 30-minute feed down the network line at 11:01 p.m. is still in effect, Horner adds, "because some CBS affiliates don't have their satellite downlinks in place, but that will disappear when all the downlinks have been put in."

In addition, Horner says there are a great many unilateral feeds for both breaking and scheduled events. "We certainly did a lot of feeds on the space shuttle tragedy," he adds, "and about 15 stations worked with us at the Super Bowl."

Undecided on SNG

At presstime, CBS had not yet decided on its policy with regard to providing satellite news gathering equipment, such as Ku-band trucks, to affiliates. About 2½ weeks ago, at a regional affiliates meeting in Scottsdale, Ariz., the matter was discussed by CBS executives and a special affiliate committee. Participants from CBS were: Van Gordon Sauter, president of CBS News; Tony Malara, president of the CBS Television Network; Scott Michels, vice president, affiliate relations; and Horner.

The station committee was headed by Bob Morse, president, general manager of WHAS-TV Louisville. Other members were: Jack Sander, president, general manager of KSTP-TV Phoenix; Gus Bailey, Jr., vice president and general manager of WJXT(TV) Jacksonville; E. Berry Smith, president, general manager of WSBT-TV South Bend-Elkhart; Philip Jones, vice president, general manager of KCTV(TV) Kansas City, who is president of the affiliates board; Joseph Carriere, president, general manager of KBIM-TV Roswell (past president of the affiliates board); and Ben Tucker, executive vice president, general manager of KMST(TV) Salinas-Monterey. Tucker is secretary-treasurer of the affiliates board. The network hopes to make a decision before the NAB convention.

According to Horner, the network, is polling stations and "running some fin-

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"There are now seven other Gannett stations to feed if a big story breaks. Who do you feed first? I think our loyalties have to go with our company."

Jim Willi
News director
KPNX-TV Phoenix

RCA, Hughes dominate C-band market; programmers eye advantages of Ku-band

Satellite industry rethinks marketing to broadcast, cable

By VICTOR LIVINGSTON

While "shakeout" may strike some as a dramatic term to describe the dynamics of today's U.S. satellite industry, it is clear that the industry is at a crossroads—at least in terms of the broadcast-cable video sector. The 1983–84 programming shakeout in the cable television sector has cost satellite owners and operators dearly, with some firms bearing the brunt more than others. As programming services folded or failed to launch in that period of consolidation, some satellite vendors found themselves with excess capacity, a condition that persists. Due to savvy marketing strategies, those programming services that survived and now are making money are clustered onto a few key broadcast-cable birds—a boon for those particular landlords, a bane for others who had hoped to capture a larger slice of the broadcast-cable satellite pie.

And now, the still evolving satellite real estate picture is causing all satellite owners and operators to rethink their long-term marketing strategies, as competition for all segments of the satellite business grows ever more heated.

Concentrated on two

While the broadcast sector of the satellite business remains important, two vendors, RCA Americom and Hughes Communications, have emerged from the satellite wars with the bulk of the broadcast and cable satellite business—a huge "installed base" of network, station and cable headend receive dishes looking at their birds. Most of the nation's 870 full-power TV stations and virtually all of the 6,000-plus cable headends are equipped with C-band receive gear, in many cases with multiple dishes. The primary cable birds remain Hughes' C-band Galaxy I, credited even by competitors as exemplifying "condominium" satellite berth marketing concept, and RCA's Satcom III-R, whose popularity among cable programmers has been only slightly diminished by Hughes' Galaxy program (several of the new pay-per-view services, led by Showtime/The Movie Channel, are transmitting on III-R).

"You're seeing a very intense battle between Hughes and RCA," says Elizabeth Young, vice president of marketing, Comsat General. "There is growing competition for the broadcast-cable business."

In the meantime, other satellite vendors, such as Western Union, GTE Spacenet and Comsat, find themselves increasingly concentrating on the business communications sector—primarily voice and data. For sure, the broadcast satellite business has not winnowed into a two-company business, and broadcast-cable leaders RCA and Hughes also are powers in the nonbroadcast market. Indeed, satellite competitors of all sizes, from RCA, Comsat and Hughes to Hubbard Broadcasting and American Satellite Co., are aggressively developing and promoting both broadcast and business applications, especially in the burgeoning Ku-band, as detailed below. But, notes Charles Dutcher III, vice president of Hubbard Broadcasting's Conus Communications, "broadcasting is too small of an industry" to support the satellite business. The big growth in the satellite industry is in the voice and data business use sector; broadcast-cable now plays an important, but largely secondary, role in the satellite client lineup.

Supply exceeds demand

"There is certainly more supply now than demand, and it's probably excessive," acknowledges C. J. Waylan, president of GTE Spacenet, one of the satellite operators most affected by the cable programming shakeout. "But that has developed over time," he adds, "and generally has been healthy because it has allowed the price of transponders to remain stable or go downward, which has stimulated new creative applications for satellites."

At present, Waylan and other executives say, the usage capacity of North American communications satellites stands at about 60 per cent. (Some say that number, based on Federal Communications Commission surveys, is too low.) "We would really like to see a 70–80 per cent load capacity right now," Waylan says, predicting that the "imbalance will narrow" over the next five years.

The GTE executive explains that when his firm's three-bird Spacenet series was designed (Spacenet 3 is scheduled for a June launch), operators factored in usage of C-band transponders for video signals, mostly cable. When the programming shakeout happened, "that affected us more than others, because at the beginning we were involved in more speculative ventures. When we launched [Spacenet 1 and 2 in 1984], many of them weren't on. It wasn't devastating—but it could have been better."

Price erosion

While Waylan sees downward pressure on transponder prices as healthy now, he cautions that if market forces stemming from cutthroat competition drive prices any lower, it could eat into the very core of the business. "Then you would see people exiting from the business," he warns.

The GTE satellite chief notes that no new players have entered the industry for some time and that several ventures, such as Satellite Business Sys-

Kurt Thoss *of RCA Americom has given away hundreds of Ku-band dishes to stations, creating a potent marketing force for its new transmission service for program suppliers and syndicators.*

tems, United Satellite Communications Inc., and Comsat's Satellite Television Corp., have fallen by the wayside, with departures from the satellite operating end by Comsat (which now concentrates on subleasing and packaging complete communications systems) and Aetna Insurance Co.

Indeed, Waylan is skeptical about some of the new satellites projected for launch in the late '80s. While he's reluctant to name names, he says, "One has to be skeptical that they will all be built."

Shuttle disaster

While the January 28 Challenger space shuttle disaster is expected to have little effect on a broadcast-cable business already operating amidst a "transponder glut," the resultant delay in the shuttle program affects near-term launch plans of three satellite companies. Western Union's Westar VI-S, billed as a high power C-band bird with a footprint extending from Canada to northern South America, had been slated for a June shuttle launch, GTE Spacenet's G-STAR III, a Ku-band satellite, was to have launched in November, and American Satellite Co.'s ASC-II, a C-Ku hybrid, was slated for a January 1987 launch.

Just after the disaster, Western Union officials continued to speak of a June launch. But those hopes faded as the investigation into the accident revealed a "possibly flawed" decision to launch, as well as technical problems in the booster rockets that may have gotten short shrift from mission commanders. The Challenger disaster also worsens the already troubling launch insurance picture. Even before the accident, failures in deployment and in non-manned launch vehicles such as the French Ariane had sent premiums skyrocketing to nearly one-third of the cost of an insured bird. Prohibitive premiums may force satellite makers to self-insure—if they can still afford to launch at all.

Another variable looms on the horizon: the emergence of fiber optics technology. While it's generally conceded that satellites will remain the transmission mode of choice for point to multipoint video distribution, the usual broadcast/cable pattern, major satellite landlords anticipate that fiber eventually will capture the goodly bulk of heavy trunk line voice and data usage. In fact, the fiber optics divisions of these same firms are among those refining and installing fiber technology.

Waylan of GTE expects fiber optics to reduce voice satellite traffic by about 10 per cent of all satellite usage by the mid-'90s, to 15–20 per cent. He also expects video to drop to about one-third of total usage, from about 50 per cent today. The growth area is in non-video data and in business applications, including teleconferencing, utilizing mostly Ku but some C-band capacity, he says.

And when the telephone companies start to vacate satellites in favor of fiber, the economics of satellite transmission may change; the concern among providers is that the volume of replacement users may not be enough to offset the voice and data revenues. That, in turn, could affect the industry's ability to service the broadcast-cable sector—putting greater bottom-line pressure on the highly competitive satellite business and possibly driving some players out of the sky.

That is a worst-case scenario. The hope in the satellite business is that new voice and data applications spawned by the proliferation of "VSAT" (very small aperture) receive dishes, will provide enough business to go around. Indeed, Ku is where the action is across the board. While C-band birds remain dominant on both sides of the business, the dynamics of the industry could result in an eventual "migration" of programmers from the C-band to the Ku-band.

C-band is generally regarded as a reliable, time-tested technology with a large installed base of receive stations. But Ku-band has some formidable virtues that make it the preferred choice in certain applications. Ku service is more powerful than C-band, allowing the use of smaller receive dishes, thus cutting down on "on-the-ground" costs. Too, Ku-band isn't plagued by terrestrial microwave interference, as is C-band, which shares frequencies with microwave carriers. That allows "instant siting" for portable dishes capable of both uplinking and downlinking—opening up new vistas for news and sports shots.

Ku's major drawback, aside from the cost of a new technology, is its propensity to wash out in heavy rain—the "rain attenuation" problem. But Ku proponents insist the problem has been overblown, and that larger receive dishes (and C-band backup) in heavy rain areas makes the technology as reliable as any.

Exactly when the trickle of migration from C-band to Ku will begin to radically reshape the satellite business is a matter of debate and conjecture, although there is general consensus that any major migration won't happen until the turn of the decade. The most significant Ku moves thus far have come from the NBC Television Network and from cable TV programming leader Home Box Office Inc. NBC, a division of RCA, has chosen Ku as its distribution path to affiliates. RCA's recently launched K-1 satellite will be used not only for distribution to affiliates, but as a link to individual stations for program syndicators—or, someday, Hollywood studios seeking direct television distribution of their product. An ambitious RCA antenna giveway program has equipped more than 600 of the nation's 870 full-power broadcast TV stations with Ku antennas—providing RCA with the installed antenna base that is key to economic success in the satellite game.

Mary Abramson *of Western Union sees a continued market for C-band, due to the large installed base of receive gear. But vendors must be "mart marketers" in the face of the new Ku competition.*

Don Kivell, NBC's director of network interconnection, says the network chose Ku because it allows smaller, more cost-effective terminals and higher power transmissions than C-band. Ku also facilitates two-way video, voice and data communications. In effect, the network can use the Ku line with affiliates not only for programming and backhauling, but as a total communications system, allowing the exchange of data and voice on dedicated channels as well as transmission of traditional video.

But such applications thus far have failed to convince the other two major networks or the Public Broadcasting Service. ABC and CBS have chosen to stick with C-band technology (through the AT&T satellite system) to reach their affiliates. PBS also is staying with C-band. Brent Stranathan, manager of telecommunications planning for ABC, says the network's shift from landlines to C-band satellite distribution should be completed by the third quarter of this year. The network looked at Ku, but "we felt there were technical constraints—channel capacity, the cost. And rain attenuation, although manageable, is a problem that we would have had to back up on C-band.

"C-band is still the most reliable and proven system," Stranathan says. "It's very flexible and it's cost-effective."

A spokesman for CBS cited the same factors in the network's decision to use C-band to transmit to its 200 affiliates, 110 of which already have been converted. The switch to satellite should be completed by the first quarter of next year.

Despite the ABC and CBS decision to stick with C-band, some observers believe the NBS decision to go Ku will spawn the much-ballyhooed migratory movement that will see Ku band largely supplanting C-band by the mid-1990s. If that happens, it's likely to be an outgrowth of new satellite applications made more efficacious by Ku band technology. For example, virtually all major satellite providers with existing or planned Ku capacity are touting the technology to network affiliated and independent television stations for satellite news gathering (SNG) and to syndicators for delivery of syndicated programming to stations.

RCA appears to have taken the lead among satellite owners in the Ku syndicator market with its ambitious Ku antenna giveaway; it has entered the marketplace with a pre-existing installed base that covers about three-quarters of the full-power market. With the K-2 and K-1 RCA birds just coming on line, RCA already has signed the United States Football League and the Tribune Co.'s Independent Network News. INN is using the capacity to deliver its news package to affiliated stations. RCA's Thoss expects to convert other syndicators from C-band to Ku-band, using the large antenna population and the capacity for two-way Ku-band communications as main selling points.

Other contenders

Of course, other satellite providers are vying for the syndication market and the SNG market as well. Indeed, many believe that SNG, along with increased use of satellite delivery by syndicators and eventually, movie studios, will fuel the broadcast-cable segment of the satellite business in coming years. Comsat is marketing its "Skybridge" SNG package, which includes a fully equipped SNG truck as well as satellite services. GTE Spacenet is touting the virtues of the Florida News Network, a Ku-interconnected statewide station link using GTE facilities, in marketing its "News Express" SNG package. Hubbard Broadcasting's Conus Communications division is seeking new affiliates for its 34-station Ku-based SNG operation, the Conus Network. American Satellite Co. is evaluating its broadcast marketing effort, according to Mattingly, who believes there is strong potential in SNG. And, not to be outdone by the satellite providers, Ted Turner's Turner Broadcasting System is trying to put together its own SNG network from among local broadcast station affiliates—a scenario that closely parallels the cable network-broadcast station linkups pioneered by the defunct Group W/ABC Satellite News Channel.

Joining the NBC-RCA backing of the Ku band is Time Inc.'s Home Box Office, which pioneered satellite-delivered television in 1975. It was just three years ago that HBO partnered with Hughes to assure a high-class condominium clientele on the C-band bird, Galaxy 1. That satellite, whose transponders are higher-powered than earlier C-band birds, is a premier cable bird, right ahead of still-formidable Satcom III-R. RCA concedes that Galaxy I hurt its Satcom series, with vice president Thoss wishing that "if we could do it over again, we would have done something" to mitigate against Galaxy's high-power C-band condo. But the RCA birds have remained surprisingly strong and popular even in the face of Galaxy. "Satcom III-R is very desirable among my clients," says independent satellite time broker Grace Leone of Los Angeles.

Despite the staying power of the C-bands, HBO appears to be endorsing Ku as the wave of the future.

It recently announced a new Ku-band equity partnership with RCA Americom that reflects an apparent shift in long-term corporate alliances as well as an endorsement of the Ku technology as a prime delivery mode to cable headends.

HBO and RCA Corp. have agreed to share equity ownership in RCA Americom's K-3 satellite, set for launch in 1988. The partnerhsip will then resell the transponders—in effect, putting HBO for the first time in the satellite landlord business, as opposed to its past posure of just being a tenant. Until the launch of K-3, the partnership will lease transponders on RCA's K-1 bird, which launched in January.

Both HBO and sister service Cinemax will be beamed from K-1, in addition to existing carriage on Galaxy I and Satcom IIIR—making HBO the first major cable TV programmer to embrace Ku-band technology. HBO president Joseph Collins has said that Ku-band offers cable operators lower reception equipment costs and fewer interference problems than C-band, both from terrestrial microwave and from other satellites soon to be orbited with two degree spacing. Collins also has said HBO has no current plans to offer its services to home TVRO owners via the Ku-band, noting that "currently" there is no installed base of home Ku receive gear.

Cable operator's choice

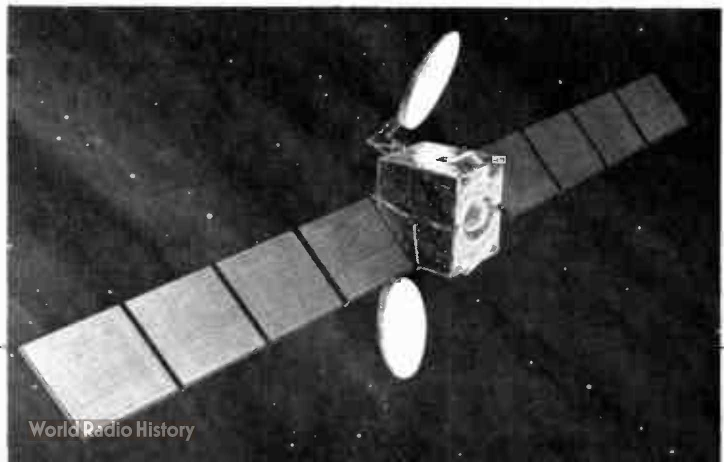
However, there is no disputing the fact that Ku-band gives the programmer that option. And, notes RCA Americom's Thoss, there are an estimated 31 million households not served, or "underserved," by cable. Also, he notes, direct Ku-band service provides a pathway for enhanced video signal quality that existing cable plant cannot accommodate. Ku, he says, will give cable operators "a choice, to install new plant or go direct to home."

"Cable operators are looking at

(*continued on page 94*)

"With both C- and Ku-band in use, a market may open up for "switchable hybrids" planned by Ford Aerospace

Ford Aerospace's hybrid bird



'Most comprehensive' research of its kind examined household TV habits

Major Arbitron study finds some surprising results

Arbitron Ratings Co. recently completed what it believes to be the most comprehensive study yet made of the relationship between TV household viewing behavior and household demographic characteristics. What it showed was both surprising and expected.

The ratings company's Statistical Services Department undertook the two-year study for internal reasons —i.e., related to its audience measurement methodology. But because the company felt there were implications in the study of general (outside) interest, it prepared a report detailing the results. TV/RADIO AGE has obtained a copy of the 55-page report, which highlighted the following findings:

- Contrary to widespread belief, there is no marked relationship between the educational level of the head of the household (HOH) and household program viewing behavior. Nor is there a marked relationship between income of the HOH and household program viewing behavior.
- Somewhat surprising was the finding that the relationship between the geographic location of the household (urban, suburban, etc.) and the amount and type of viewing was pretty weak, except for stations with limited geographic coverage.
- Black households are about as likely not to prefer a program with black characters as to prefer such a program. In other program categories, too, it was difficult to generalize about black household veiwing leanings.
- Viewing of households is strongly related to age of HOH, in particular, HOHs who are 55 or older. These households view significantly more news, documentaries and issue-related programs than do younger ones.
- Among the expected results of the study were the findings of heavier viewing in larger households, in households with children and in households with more than one set.
- Among the more significant data in the study was the finding that the presence of cable did not, in general, shed much light on household program preferences.

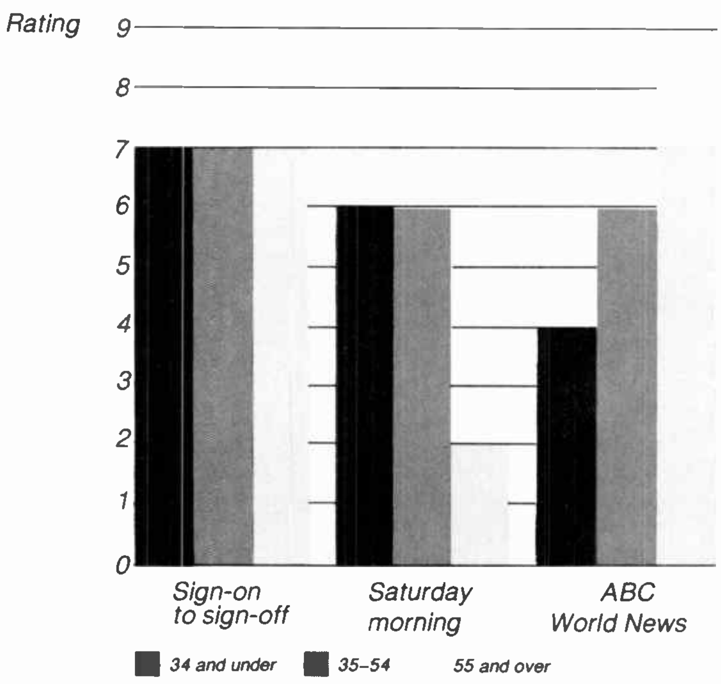
The Arbitron study is based on an analysis of regularly-collected household viewing data in nine markets. Four of them were metered markets, the top four ADIs, in fact: New York, Los Angeles, Chicago and Philadelphia. Both meter and diary data were analyzed for May, 1983. The other five markets were chosen to represent a range of size and location but were picked on a judgmental, not statistical basis. This quintet consisted of Denver, Memphis, Peoria, Boise and Elmira. All offer diary-based measurement, and, in the words of the report, "were also examined to validate the generality of the findings." In these markets, the data analyzed covered November, 1984.

An immense amount of data was generated because the basic unit for analysis was station half-hour ratings. This came to a total of 300,000 units. "In short," says the report, "the study base includes a spectrum of markets with respect to report period, region and size, and virtually every time period, station type and program type."

However, in some cases, where the overall use of TV is concerned, the data were condensed in 12 dayparts. Broad time periods were avoided for most of the analysis because the averages generally wash out important distinctions. This is illustrated in the report in a number of ways. One, for example, examined New York meter data by age of HOH, viz., 34 and under, 35-to-54 and 55 and older.

Sign-on-to-sign-off data showed no difference in averaging viewing among the three types of household. Their average rating was 7 in all three cases. In examining the Saturday morning daypart, the researchers found that the younger and middle groups both averaged a 6 but that the 55-plus household averaged only a 2. However, taking one program in this example, *ABC World News*, resulted in marked differences: the under-34 households averaged a 4

Broad averages can mislead



Arbitron analyzed *TV usage by half-hour units rather than broad dayparts, where averages hide distinctions, as above illustration shows* rating, the 35-54 household averaged a 6 and the 55-plus group copped a 9.

The study was issued by Arbitron's Statistical Services Department, headed by vice president Michael Occhiogrosso, with special credit given to Roland Soong, senior statistician, who was heavily responsible for the analytical concepts and who wrote the detailed computer programs necessary to analyze the data.

Use vs. choice

One of the more important study findings was "the separation of total use of television from program choice. One set of factors related predominantly to how much television a household views and a different set of factors relates predominantly to which type of programming a household chooses to view."

This showed up in a number of demographic areas. For example, a comparison of daypart viewing in the four metered markets showed that for practically every one of the 12 dayparts measured, households headed by a college graduate did less vewing than households headed by those who did not graduate college. Over Monday-through-Sunday, from 6 to 1 a.m., the college graduate household averaged a HUT of 28. The remaining households averaged a 35.

But "across most programs, those households in which the head of the household is a college graduate posted slightly lower ratings compared to other households." There were a few exceptions. In New York, the *MacNeil/Lehrer Report* rating was about 75 per cent higher in households headed by a college grad than other households. Nevertheless, the *MacNeil/Lehrer* pattern was not consistent for most programs on PTV stations.

Thus there was no evidence of any marked leaning toward specific *kinds* of programs based on the education of the head of the house, a statement with which, hitherto, most media analysts would argue.

Likewise, data on household income show a similar profile. HUT levels for higher-income households show a lower level than lower-income households—though not consistently. Overall, through the Monday–Sunday, 6 to 1 a.m. span the average HUT for households with an income of $25,000 or more was 29, while the remaining households sport an average of 34.

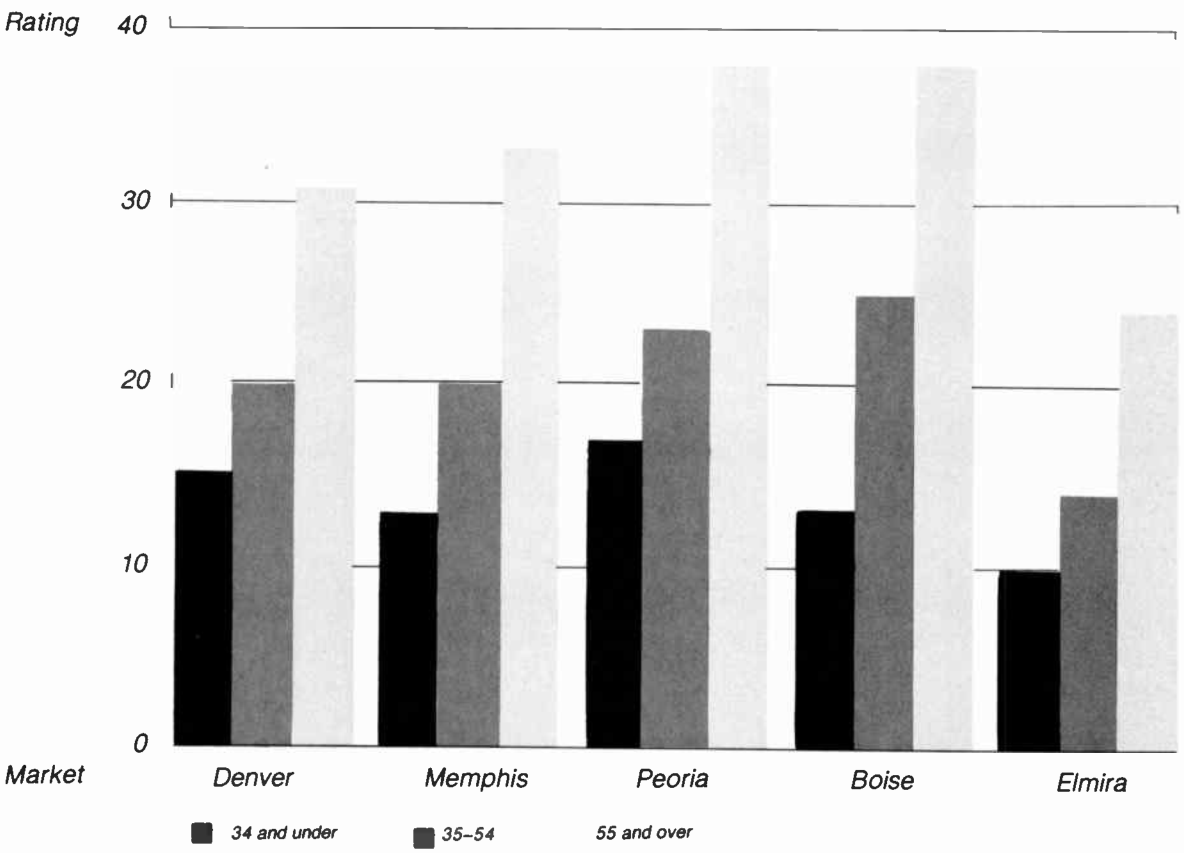
However, the HUT spread was primarily during the Monday–Friday daytime dayparts. In the other dayparts, there was virtually no difference in average HUTs between the $25,000-plus and under-$25,00 demo.

One explanation for the daytime difference, according to Arbitron, is that unemployed and retired persons are more likely to be available for daytime viewing "and they are more likely to be found in lower-income households."

As for leanings toward specific program types, the reports states: "Strong and consistent income-related viewing differences are very rare." Again, the report cited one of the rare exceptions: the *CBS Evening News*. In the four metered markets, the program was

(*continued on page 104*)

Household viewing to '60 Minutes'



One major finding *of Arbitron TV usage study, in which program-specific differences did not always show up via household types, was that households headed by older heads viewed more news, documentaries, etc.*

Day of single source media system still in future; planners eye help in jobs

Competition heavy in media software for microcomputers

An impressive array of microcomputer software emerging offers the potential-perhaps danger—of taking the ad industry in different directions. This software is providing the advertising business with the growing capability of processing and analyzing—in-house—the huge media/marketing data banks regularly accumulated by such information providers as the A. C. Nielsen Co. and the Simmons Market Research Bureau.

Among the latest developments:

■ Item: Simmons has just introduced a system dubbed CHOICES.

■ Item: Mediamark Research, Inc., will unveil a competing system this month at the Advertising Research Foundation's 50th anniversary convention.

■ Item: In addition to its already-announced micro services, Nielson will start marketing its SpotBuyer System next month.

These developments come on the heels of Telmar's announcement of its new MicroNetwork II "gateway" access system to major industry data bases and mainframes. This has been accompanied by a warning from Telmar president Stanley Federman that micro software coming from individual data suppliers will cause "serious confusion" in the industry (see *Tele-Scope* January 6, January 20 and February 17).

While these developments bring closer the day when marketing and media executives plan comprehensive strategy on their own micros, there's still a way to go before they will have a single source system that can mix and match all media. And there are still uncertainties about the future.

Larry Roslow, vice president, director of media research at SSC&B: Lintas USA, speculates that the new developments at Simmons and MRI, "plus what we expect to get later from Nielsen and Arbitron to be downloaded into in-house agency micros could well give agencies one more area of competition for perhaps the next five years or more."

In Roslow's view, the larger agencies, which already have mainframe in-house as backup, are likely to add software writers on staff to develop their own proprietary software programs for merging and mixing the data from the audience measurement services. Thus, they will be able to do what other services like Telmar, Interactive Market Systems or Market Science Associates do now. Then, says Roslow, "Agencies will point to their own in-house systems the way we now point to our creative work."

The difference, adds Roslow, is that back when those early giant computers were making their first appearances on the media scene, they were a tremendous investment for those few agencies like Young & Rubicam and BBDO that did it. Today, he points out, an investment in a minicomputer plus PCs at every planner's desk is big bucks, "but not so big that it can't pay for itself within a year in terms of time sharing charges for on-line access to some outside service company's mainframe. Not to mention the saving on typists' overtime." He points to "living flow chart software" on which a planner can make his own corrections and the computer does the retyping: "The planner can come out of a meeting at 5:30, make the corrections, and have a neatly typed presentation ready for the client bright and early the next day without keeping a typist up half the night on overtime to do it. The computer does it, complete with charts in color—faster, more efficiently, and for less money."

But Roslow's "prediction of what might be" may turn out to be more statement of fact than forecast. MSA, a competitor of Telmar and of IMS

Proliferation of software is providing ad business with growing capability of processing and analyzing huge data banks

SMRB's Kay Wall with volumes from just one study

IMS' Dick Makely, 1, and Leon Liebman

Alfred A. Kuehn, *president of MSA, says the concept that 'all' planning and analysis can best be performed on micros "is not true for most media-marketing problems."*

among other things, plans to introduce what MSA president Alfred A. Kuehn calls its super micro service at one major agency this summer. This is a system that boasts 800 megabyte disk drives that "can store two years of all MRI, Simmons, Simmons-Scarborough, Mendelsohn Media Research, Nielsen Television, plus other data bases."

And if the agencies themselves aren't yet embroiled in loud bragging contests over their micro software, MSA and Telmar are already deep into the "My-system-is-better-than-yours" cat fight. MSA's Kuehn, for instance, says that no matter what Telmar may say, the concept that *all* planning and analysis can best be performed on micros "is not true for most media-marketing problems. Miniaturization of centralized computer power permits many jobs to be done faster, more accurately, and at lower cost with on-site timesharing than with stand-alone or local network-connected micro work stations. Future optimal solutions will include both centralized and desktop planning and analysis."

Stanley Federman, president of Telmar, observes that more and more data suppliers today are seeking to establish separate computer links to advertisers, agencies and media, and sees this as a "situation that's causing a lot of serious confusion."

Meanwhile, Kuehn says that MSA has already interfaced "super mini-computers with huge capacity disks, permitting placement of two 'bread-boxes' on-site at clients, to provide all timesharing advantages, reduced maintenance, all MSA applications software, covering marketing and sales promotion along with media, and a 16-plus-fold speed-up in data transfer rates to reduce personnel time and costs."

He adds that all this "is not a replacement for existing PCs—it merely enhances their performance by doing in 30 minutes what could otherwise take 30 hours and offers access to such central data as multiple MRI and SMRB data bases, protected by security locks. It also includes management and accounting control features, interconnects different types of work stations, and makes available to users many more large-scale interactive media and marketing computer programs, and cuts the need for multiple printers/plotters and other peripherals."

The need for an MSA, Telmar, IMS, or in-house system that can do what they do is explained by Sam Sotiriou, senior vice president, director of media research at Dancer Fitzgerald Sample: "We don't need such systems for analyses involving Simmons data. But we do need this kind of service to maintain a Nielsen database for our post-buy evaluations. On the other hand, we still have to go to Nielsen directly for special runs, or, for radio, go to Arbitron directly for special AID runs."

Sotiriou also recalls that some years ago, "If we wanted information from Simmons, we had to go directly to Bill Simmons and pay a small fortune, just as we do now with Nielsen for special runs—until Telmar and IMS came along and made Simmons cheaper. But now, Simmons could be swinging the pendulum back to where it was, but at this point we still don't know what CHOICES is going to cost. Simmons is

Dr. Timothy Joyce, *chairman of MRI: "Far more important to clients than the money saved on elimination of access time charges will be the timed saved in access speed."*

Stanley Federman, *president of Telmar, feels the increased activity by data suppliers seeking to establish separate computer links to advertisers, agencies and media is a "situation that's causing a lot of confusion."*

right when it promises that its customers will save on time charges and on time waiting in line for mainframe access. But we don't know yet whether the additional license fee for use of their database will outweigh the time sharing access charge.

Solving storage problem

At Young & Rubicam Pearl Joseph, vice president, associate director of information services, explains that what Simmons is offering is "a PC-based system to access their database that gets around both the storage problem and the need to access somebody else's mainframe."

She says that Y&R personnel have been accessing Simmons from the agency's own in-house mainframe, which handles the agency's own reach and frequency systems, but adds that a subscriber without his own system would need a Telmar or IMS to make broadcast ratings information work with Simmons or MRI data for a broadcast-print mix.

At J. Walter Thompson, Irene Dunne, vice president, associate media research director, describes this as "an exciting period" because microaccess of massive media and marketing databases "means that major agencies will be going far beyond their current bookkeeping and billing and paying systems to more hands-on, creative use of these databases."

She explains that systems like Simmons' new CHOICES "eliminate the need for inputting multi-digit codes for

(*continued on page 100*)

Viewpoints

Julian Goodman

Retired chairman of NBC in recent speech at the University of Georgia upon receiving Distinguished Achievement in Broadcasting Award

Broadcasters' support of Fairness Doctrine repeal has lacked enthusiasm

There are three things I would like to see broadcasters do, as a group, to lift the level of our service in general. One would require just leadership; one would require leadership and money; and one would require leadership and save money.

First, I would like to see broadcasters have the freedom they need, they deserve and to which they are entitled, and to start by getting rid of the Fairness Doctrine. Nobody is against fairness, but as long as the Fairness Doctrine exists on the FCC books, fairness for broadcasters is something that can be decided by the federal Government. When FCC Chairman Mark Fowler—a Republican—and the chairman of the Senate committee important to broadcasters, Bob Packwood—a Republican—both came out voluntarily to suggest the Fairness Doctrine be abolished, I thought we were on our way.

You would think broadcasters would lift them onto their shoulders and march on to victory. And while they did support them both, and strongly, I had the feeling that it was with somewhat less passion than that which inspired Sam Adams and his friends to throw British tea into the harbor at Boston. Perhaps it was because the mood of Congress was to keep the Fairness Doctrine, and broadcasters wanted other things of Congress they think are more important. I wonder whether anything is more important than freedom. I do know that if Congress sought to impose on newspapers the same onerous and unfair yoke that the Fairness Doctrine imposes on broadcasters, the force of the combined energy spent on editorials in the U.S. press would lift the roof of the U.S. Capitol at least 10 feet.

In the meanwhile, the issue is on a convoluted course in the courts, where, I am confident, it will be decided in favor of broadcasters; but who knows when? And while it exists, the stories that are not done on the air take on as much importance as the ones that are done; for who knows how many times the excuse of potential regulatory trouble is used not to do a story.

Negotiating Olympics rights

The second point I raise might also save money. I would like to see broadcasters as a group—the networks, the stations, cable, public broadcasting —create a new entity, an American Television Authority, to negotiate for the American rights to big events like the Olympics, and divide the coverage rights among the American participants.

This is not a criticism of the networks. They have done a good job. I am glad to see ABC with the rights to the 1988 winter Olympics, and NBC with the rights to the summer Olympics in Korea that year. But the cost of the rights has escalated out of control; someday some rights holder on one of these big events is going to be badly burned. The holders of the negotiating rights—an international committee—uses the affluence of America and the fierce competition of the networks to exact a price from the United States that is proportionately far in excess of that paid in other parts of the world. And ultimately that high price must be paid by some segment of the American economy—the consumer, the company shareholder, or the network if it doesn't sell all the time.

Do away with the sweeps

And then, finally, this one costs money. I'd like to see broadcasters do away with the sweeps. As one who has spent his career in broadcasting, sweeps embarrass me, but that's not a good enough reason to get rid of them. They are unfair to the viewer.

To buy ratings for more than the one-third of a year now covered would cost more money, to the stations to the advertising agencies, and to commercial sponsors. How much more is a matter of negotiation, but it is not an insignificant sum. Real money would have to be spent. There would be no reason to spend it, if the practice of "sweeps" had no effect on programming, but it does. Under the urging of their affiliated stations, and prompted by self-interest in the stations the networks themselves own, that serve, for each network, about one-quarter of the population—the networks place in the sweep periods those programs they think will be most attractive to viewers. The result is that as much of the high-powered programming as possible is crammed into those 18 weeks, and for the rest of the year, the pressure is not so great, and neither is the programming. The abuses caused by sweeps could be corrected by a year-round purchase of ratings, by secret random rating periods, or by some way not yet brought forth. But it can be done. It takes money, and it takes broadcasting leadership. How it is done is not as important as the first step—recognizing that we have a problem in sweeps, and addressing it.

Programming/Production

Castle Hill builds film syndication

Castle Hill Productions, one of the major distributors of theatrical films, and which diversified into movie-film syndication distribution, is beginning to take on the dimensions of a large-scale film distribution company for the television, pay-cable and home video marketplaces. Basically, through the company's theatrical arm, Castle Hill will continue to acquire films which eventually will wind up on television or on pay-cable or both, notes Julian Schlossberg, president of Castle Hill.

In this regard, Schlossberg, in an interview, notes the company started a syndication division in January, 1985, with Murray Oken, formerly of United Artists, as senior vice president in charge of television of Castle Hill Television.

In its initial effort last year, the division successfully brought out three packages: Castle Hill Volume I, which consisted of titles such as *Breaker Morant*, two Charles Bronson movies, and the *Cat and the Canary*, all told a package of 15 first-run films, with some on pay-TV, but not on free television; *Made in Hollywood*, series of 26 reissued titles including some John Ford and Hitchcock film classics; and *Fright Night*, 16 first-run and reissue titles.

Volume II. The past January, Castle Hill Volume II was introduced, which consisted of 10 new-to-syndication films, including three which had run on CBS as late-night fare. Schlossberg notes that the past NATPE aided his company in that, while the company covers large cities, it enabled Castle Hill to make contact with smaller cities, with whom negotiations were started and in some cases deals were made as well.

At this point Castle Hill is close to completing deals with seven or eight stations on Volume II.

Last year, Castle Hill Productions distributed 10 theatricals throughout the country, which Schlossberg says is a lot considering the size of the company. Currently in release is the *Goodbye People*, with Judd Hirsch and Martin Balsam; and *Prince Jack*, about the Kennedys, with an all-star cast.

Release. According to Schlossberg, Castle Hill expects to release at least one first-run film package a year. At this point, the company has accumulated enough films to release a third package, he notes, but is concentrating on getting a large number of clearances on its second package. Castle Hill Productions also produces motion pictures, which down the road will wind up with pay-TV and free television exposure. Schlossberg just completed five films recently, and most recently finished *The Haunted Hollywood*, a compilation of films which involves not only clips of several of the horror movies such as *The Exorcist* and *Poltergeist*, but also contains interview with famous people discussing their unnatural experiences. The home-video rights has been bought by Warner Bros., just within a week of its completion, says Schlossberg.

Julian Schlossberg

Haunted Hollywood will be one of the titles in Volume III for syndication. The package itself will be released next January. *The Shooting Party*, starring James Mason and Sir John Gielgud, will also be part of the next year's package, as will be *The Imagemaker*, a new film doing good business theatrically in Washington, and is due for release soon in New York and Los Angeles.

No made fors. In any case, Schlossberg has no immediate plans to distribute made-for-TV movies, nor does he believe that selling films to networks is in the cards. Schlossberg says that the networks are "extremely discriminating in their taste. The chances of an independent selling the network is very, very small regarding primetime. In fact, even the studios are not filling the networks. Networks have found that after the home video and pay cable exposure the ratings are not very good even on big theatricals. Late night is another matter."

Castle Hill's first sales thrust is to home video, continues Schlossberg. "If you put it out on pay first, people will tape it off air, so the home video price goes down. Also, home video people don't want to accept the product if it has already been on pay."

Petry recap of shows

Petry Television has produced an update report on the status of first-run offerings introduced at the past NATPE for the coming season, and it shows that the new trend in game shows, bingo-type strips and other types with audience participation, may have a hard time getting on the tube in several cases, or at this point are still up in the air as firm "gos." For example, *Banko*, from 20th Century Fox, has been sold in 20 markets but does not yet have New York or Los Angeles.

WinAmerica Sweepstakes, from MCA TV, had little action at the recent NATPE convention, according to Petry, and looks like a "no-go for the fall, but not yet announced." Regarding "ordinary" game shows, *Card Sharks* from Television Program Source, has been cleared in New York and San Francisco on the ABC stations, but is still not a firm go, "although they have covered 75 per cent of their production costs to date and look to announce a launch very soon".

Cross Wits, an ABR entertainment strip, is a firm go for with NBC-owned stations in New York, Los Angeles and Chicago, plus seven Outlet Communications stations, with production beginning April 8. Bel-Air Program Sales' *The Dating Game*, a go before NATPE, has been sold to NBC outlets in Chicago, Houston and Pittsburgh; CBS stations in Philadelphia, Dallas, Seattle, Denver and Baltimore, and has cleared 16 of the top 25 markets. Orion Television's *The New Hollywood Squares* has cleared 56 per cent of the country, as of presstime, and is a firm go.

In the kid programming arena, according to the report, ITF/Gaylord's *Adventures of the Galaxy Rangers* has reached a coverage of 60 markets, representing 65 per cent of the country and is a fall go; *Defenders of the Earth*, from Orbis, has cleared more than 75 per cent of the country including the top 20 markets; Group W's *Ghostbusters* is a go with 70 per cent clearances, including all of the top 30 markets; *JEM*, from Claster Television, has clearances in more than 60 per cent of the country. It's set as a May, 1986, once-per-week debut, than as a strip for September, 1987; Worldvision's *Rambo* is a go with 60 per cent of the country. Chicago and Los Angeles have been cleared but it still needs a clearance in New York, according to the Petry report.

Syndication shorts

MCA TV is making *Knight Rider* available in half-hours as well as hours. Stations will have the option to schedule the series as either 90 half-hours or 90 hours, beginning this September. MCA TV previously sold **BJ/Lobo** as a half-hour or hour show, which had a lineup of 120 stations.

Lorimar-Telepictures' *Falcon Crest* has been sold to 47 stations representing 50 per cent of the country, including eight of the top 10 markets. Recent deals include all the Tribune Broadcasting stations and WTAF-TV Philadelphia, WDCA-TV Washington and KTVU(TV) San Francisco, along with Taft Broadcasting and Cox Communications station groups. The barter split is eight minutes for stations and five for L-T in each episode. Also at L-T, it has acquired the rights for *Henry V* for TV and pay-cable. The 137-minute film stars Sir Laurence Olivier.

D. L. Taffner has cleared 14 new stations for *The Ted Knight Show*, sitcom which begins airing on April 1. Most recent additions include WFTS-TV Tampa, KOLD-TV Tucson, KDEB-TV Springfield, WOI-TV Des Moines, KUTV(TV) Salt Lake City, KASK-TV Las Cruces and KUSI-TV San Diego.

The second annual Stuntman Awards two-hour special will begin taping March 22 for a mid-April–mid-May airing. Lee Majors will host the show, produced by Lee Majors Productions and Scott Sternberg Productions, in association with **All American Television** and Clarion Communications. All American expects a clearance of 135 stations covering 90 per cent of the U.S. households.

Mizlou Programming has acquired three properties for syndication this year. Properties are Cine Gold I: The Perfect 10, a package of 10 action/adventure films; *Strange Paradise*, a gothic soap opera available as a 13-week half-hour strip for late-night viewing; and *Star Tour Australia*, one-hour musical variety special to be filmed in Australia. Other properties to be distributed by Mizlou include *Super Pay Cards*, game show of 130 half-hours, and *The Victor Awards*, in addition to the *Wombles*, previously announced.

Orbis Communications will handle the ad sales for *The Video Game*, which premieres March 8. The program, which features celebrities, has been cleared by **J.M. TV Distribution** in 118 markets representing 85 per cent of the U.S., according to Orbis. All stations are network affiliates or NBC-owned stations, which will air the show in a Saturday kid time slot or following the network lineup.

Genesis Entertainment's *The Judge*, a "go" for the fall, has been purchased by CBS-owned stations WCBS-TV New York, WBBM-TV Chicago and WCAU-TV Philadelphia. The show is produced by Buckeye Productions, with Gary Kahn as executive producer.

ITC Entertainment has sold Volume Five to Metromedia indie in Chicago, WFLD-TV, bringing the market total to 61, including 10 of the top 10 markets. Strong ratings were registered for four of the 16 films in the package. *Halloween*, on WNEW-TV New York; *Policewoman Centerfold*, also on WNEW-TV, which topped the ABC made-for-TV movie; *The Haunting Passion*, on WNEW-TV, which got a 10 Arbitron share, making it the no. 1 rated show among the New York indies in the time period; and *Summer Fantasy*, on WTTG(TV) Washington.

Hold the Dream, sequel to *A Woman of Substance*, will air as a four-hour miniseries from **Operation Prime Time** in the fall. The series, which stars Jenny Seagrove, will begin shooting on April 7 in London. Robert Bradford Productions is producer in association with Taft Entertainment Television. *Dream* was a best seller in 1985.

'Real Ghostbusters' deal

In an unusual marketing arrangement, Columbia Pictures Television has sold *The Real Ghostbusters* in a joint network/syndication deal. CPT has licensed 13 episodes of the animation show to ABC Television for airing in

Programming/Production

(continued)

the fall, while 65 episodes of the series will air in syndication in the fall, 1987. On the syndication side, the series has currently been cleared in 70 markets, including 29 of the top 30, representing about 76 per cent of the U.S. Included are the six Metromedia stations, as well as the Taft, Gaylord, Gannett, Malrite and Outlet, groups, among others.

Griffin sale $250 million

Coca-Cola's proposed purchase of Merv Griffin Enterprises will cost the soft-drink company somewhere between $200 million and $250 million, according to industry sources. The purchase is subject to approval of Coca-Cola's board and completion of regulatory review, notes the company. Griffin produces the highly successful *Wheel of Fortune* and *Jeopardy,!* two game shows distributed by King World.

King World has issued a statement noting that if the purchase is concluded King World's "position and health remain unchanged." According to Roger King, chairman of the board at KW, the terms of KW's agreement with Griffin provide that KW is *Wheel* and *Jeopardy!* distributor "for so long as we cover the production costs. This is not affected by whether Merv Griffin Enterprises is sold. We expect to distribute these shows for the length of their runs."

Embassy 'Facts' hot

Embassy Telecommunications' *The Facts of Life* has become the most widely sold series in the history of the company. In an interview, Gary Lieberthal, president of the company, notes that the off-network series has been sold in 104 markets. "Usually, our previous product has had lineups of 85–90 markets as pre-sales." In addition, points out Lieberthal, *Facts of Life*, which will be available for airing in the fall, has amassed $152 million in sales, combining both its post prime-time network sale as a strip, and its syndication pre-sell dollars.

All told, *Facts of Life* has 153 episodes, "giving us about $1 million per episode," says Lieberthal. Embassy currently has eight sitcom half-hours in syndication and, excluding *Facts of Life*, three other sitcoms are being sold as off-network futures, Lieberthal says. These are *Silver Spoons* for 1987, and both *Punky Brewster* and *Who's the Boss?* for 1989. A future possible off-network half-hour sitcom entry is *227*, currently on NBC. Counting all 12, Embassy is in a position to be the largest distributor of off-network sitcoms in the industry, says Lieberthal.

Viacom sets record

Viacom International has reported record revenues and earnings from operations for the fourth quarter and for the past full year, marking the company's 15th consecutive year of record performance. Net earnings for the full year of 1985 were also at record levels, while increased interest expense and goodwill amortization associated with the company's acquisition of 66 per cent of MTV Networks Inc. and 50 per cent of Showtime/The Movie Channel Inc. contributed to lower net earnings for the quarter.

Full-year revenues were up 38.6 per cent from $320.4 million in 1984 to $444.1 million in 1985, while fourth-quarter revenues were up 104.8 per cent, from $89.2 million to $182.7 million. Net earnings for the full year were up 20.9 per cent, from $30.6 million to $37 million, while for the fourth quarter net earnings fell 15.3 per cent, from $9.8 million to $8.3 million the the 1985 period.

APD on must-carry

The Association of Program Distributors has recommended to the FCC that it adopt a narrow rule regarding the commission's rulemaking procedure on carriage of TV broadcast signals by cable television systems. The recommendation, filed as comments with the FCC, supports the position of the Association of Independent Television Stations, opposing any regulation that might encourage the imposition of fees to broadcasters in return for cable carriage. Specifically, the APD membership feels the FCC "should adopt a narrow rule which allows the greatest degree of marketing freedom possible; protects new indie stations and educational TV stations, and the programming community; and does not impose a fee requirement on local broadcast stations seeking cable carriage." APD is an organization consisting of 70 producer/distributors and syndicators of *TV* programming.

NATPE committees

The heads of committees for the coming year have been named by the new president of NATPE International, David Simon, program director, KTLA(TV) Los Angeles.

Charlotte Moore English, WMAR-TV Baltimore, will chair the publications committee; W. Hunter Low, Eastman Kodak, will chair the membership committee; Deborah McDermott, KMBC-TV Kansas City, will chair the budget committee; Larry Gershman, MGM/UA, will chair the international committee; and Joe Weber, USA Network, will chair the futures committee.

Bob Jones, KYW-TV Philadelphia, heads the nominations committee; John von Soosten, Katz Television, will direct the Alumni Club. Lew Klein, Gateway Communications, continues as president of the NATPE Educational Foundation.

General chairman for the 1986 Production Conference (St. Louis, June 19–22) will be Paul Krimsier, KGMC-TV Oklahoma City. His team includes Bob Lovelady, KRLD-TV Dallas, for facilities; Jim Schmidt, KYW-TV Philadelphia, for production; and Pat Patton, KMBC-TV Kansas City, for program.

General chairman for the 1987 program conference (New Orleans, June 23–27) will be Lon Lee, KCNC(TV) Denver. Joining him are Marc Doyle, WAGA-TV Atlanta, for program; Mike Seagly, WZZM-TV Grand Rapids, for facilities; Stu Seibel, KIMA-TV Yakima, for awards; Rick Reeves, WCPO-TV Cincinnati, for the Iris Awards ceremonies; Jody Low, Rochester, for spouse activities; and Ned Eckhardt, Glassboro State College, for interns.

Zooming in on people

Dee Eulberg and **Dan McRae**, both long time employees at **Warner Bros. Television Distribution,** have been named vice presidents. Eulberg, who joined WB 15 years ago, becomes vice president, product coordination. McRae, who becomes vice president, domestic contracts, joined WB 21 years ago, and was promoted to director of domestic contracts in May, 1979.

Also at WB, **Mauro A. Sardi** has been promoted to executive vice president, worldwide operations, Sardi joined WB-TV Distribution in January, 1984, as vice president, worldwide operations. Before that, he was with United Artists and its various divisions.

Mauro A. Sardi

Nicole Sabathie has joined **Telepictures Corp.** as director of Southwest sales. Before coming to Telepictures, Sabathie was an account executive at KCBS-TV Los Angeles since September, 1983. At the station, she held various other positions including manager, sales marketing and research and sales assistant in both local and retail sales.

Nicole Sabathie

Edward R. Monahan has been appointed sales manager, western division, **Multimedia Entertainment.** Before joining the company, Monahan was an account executive at Television Program Enterprises. Before that, he was director of research and programming at Avery-Knodel Television.

Margaret K. Mollo has been appointed director, advertiser sales administration at **Worldvision Enterprises.** Prior to joining Worldvision, Mollo was sales assistant, ABC-TV spot sales for the American Broadcasting Cos.

Margaret K. Mollo

Monte Carlo winners

For the first time, an American director, Joseph Sargent, director of *Love Is Never Silent*, has won the Silver Nymph Award for best direction, fiction, at the 26th annual Monte Carlo Television Festival. Richard Kiley won the Silver Nymph for best male actor, in *Do You Remember Love?*, from Telepictures. Yuko Tanaka won for best actress, in *Entracte*. The Golden Nymph Award for best fiction went to *Where to and Back—Santa Fe* (Austria) and a Silver Nymph for Best Scenario-Screenplay was garnered by "Christmas Present" (Channel 4, Great Britain).

The Golden Nymph Award for Best News Program was presented to the Swiss Society of Radio and Television report, *Football Crazy*, and the Silver Nymph for Best News Reporting went to UKID, England, for its *Bradford Football Club* report. A Silver Nymph was awarded for Best News Feature to *Pursuit-In the Wake of Nuclear Fuel Shipment* (Japan). Special mentions were given to *Israel-The Wasted War* (BBC) for journalistic qualities, news programs, and to *Everything Going Wrong* for fiction (Spain).

The AMADE-UNESCO top prize for Best Picture was awarded to *Love Is Never Silent* (Marian Rees Productions-Hallmark Hall of Fame). The AMADE-UNESCO (the World Association of Friends of Children) was also awarded to Richard Kelly for Best Actor in *Do You Remember Love*, and a special mention to *Children of the Loom* (Granada TV International, Great Britain).

The International Catholic Association for Radio and Television voted its UNDA Award to Belgian TV's *The Monastery in the Street*, in the news category, and to Telepictures' *Do You Remember Love* for fiction.

IDB expansion

IDB Communications will launch its second season of transmitting sports contests via satellite, with the beginning of Major League Baseball spring training broadcasts on April 6. According to Peter Hartz, vice president of marketing at IDB, three cities have been added to the lineup of clubs hooked in to their local radio stations via IDB uplinks at radio stations, for a total of 22. There are Cleveland Indians, via WWWE; Toronto Blue Jays, via CJBL; and the Boston Red Sox, via WPLM, flagship stations.

With the new signings, IDB services 22 cities and all the MLB teams, notes Hartz. Stations are offered free access to one channel of the uplink, in exchange for the installation site and use of power. The service, called the Sports Satellite Interconnect, also provides distribution of 22 of the 28 National Football League teams, 18 of 23 National Basketball Association contests, seven hockey clubs and one soccer transmission. The service uses Westar 3, transponder 2, and it's the largest user of radio transmission. IDB, in addition, has a remote programming service, servicing 10 radio stations at sites mostly in Florida.

Meanwhile, Public Interest Affiliates, recently named exclusive syndicator of Major League Productions radio version of *This Week in Baseball* and of the new *Baseball Radio Newsatellite*, has closed 55 stations on *This Week in Baseball* and about 20 on *Newsatellite*. *This Week's* stations include WGN Chicago, KMOX St. Louis, WERE Cleveland and WFBR Baltimore, after only two weeks of selling, according to Liz Brown, a PIA spokesperson.

Regarding *Newsatellite*, the company has closed WGN, KMOX, KTRH Houston and WFBR, among others. *This Week in Baseball* is a 15-minute recap of the previous week's action and will premiere April 11, with distribution on Satcom 1-R each Friday during the baseball season. The new service, *Newsatellite*, will begin operation on April 7, on Satcom 1-R with three daily feeds Monday through Friday, and one 45-minute feed on both Saturday and Sunday. Special coverage of the All-Star game, playoffs and World Series is planned (see baseball stories, this issue, for local and network and pay-cable developments). The Chicago-based company has recently opened a New York office, with Susan Null, national sales manager, heading the New York operations. Brad Saul is PIA president.

Radio syndication

American Comedy Network, Bridgeport, Conn.-based comedy group, has signed WLS-FM Chicago as the 125th station to carry its service. The service offers fake commercials, celebrity

Programming/Production
(*continued*)

drop-ins, parodies, political satire and character sketches. The station is owned by ABC and has a CHR format. With the signing of WLS, the service is now in all top 10 markets, and in 47 of the top 50. Other stations recently signed include KREO(FM) Santa Rosa, WORQ(FM) Pawcatuck, Conn., and WMNX(FM) Tallahassee.

Dick Downes, national sales manager at KWK/KGLD(FM) St. Louis, has been named vice president/general sales manager at **Drake-Chenault.** Downes, who began his career as an announcer for the Armed Forces Radio and Television Service in Vietnam, was general manager at WZEW(FM) Mobile and, before that, general sales manager at WAPI Birmingham.

WFBR Baltimore has begun airing *The Wall Street Journal Report*, information service covering business, economic and financial news. The station, utilizing its new satellite communications network, airs six *Wall Street Journal* reports per day Monday through Friday and three reports on Saturday.

Images Presentations Corp., Long Island, N.Y., has been named new syndicator of Richard Warner's *Moneyline*, feature radio series consisting of two 60-second daily programs. The series, which gives advice and information on the business world as it impacts on the consumer, is available on a cash or cash/barter basis.

Radio format shifts

KING Seattle-Everett has shifted the *Stacy Taylor Show* from 4 p.m. to 8, Monday through Friday. Taylor joined the air staff of the station in August, 1985, after several years at WING, Dayton where he was the Number 1 talk-show host.

Gary Bruce has joined WHAS Louisville as program director. He comes to the station from Peoria, where he was program director at adult contemporary station WMBD. Bruce's experience includes eight years in Maine and Vermont, working in all areas of AM and FM radio.

John Scagliotti has been named program director at WBAT(FM) New York, non-profit station. During the 1970s, Scagliotti was news and public affairs director at WBCN(FM) Boston, where he was instrumental in making the station one of the most successful in New England.

Paul Harris and Mike Wade have joined WYNY(FM) New York as the new morning team. Harris has been part of the station's *Harris & Harris* 5:30–10 a.m. team since its creation in July, 1985. Wade joined WYNY this past October, and replaces morning personality Rick Harris, who recently resigned to become part owner of a radio station. Before joining WYNY, Wade hosted *Night Time America* on the RKO Radio Network.

Roger Hedgecock has signed a long-term contract with the Gannett-owned station in San Diego, KSDO, an information outlet. *The Roger Hedgecock Show* will air from noon to 3 p.m. and will feature live interviews, commentary and audience phone-in participation.

NETCOM, CBS pact

NETCOM, the satellite television transmission company, has signed a year-long contract with CBS to provide the network with transportable uplink services for at least 19 major television sports events. NETCOM will uplink the events to CBS' transponders on AT&T's Telstar 301 and 302, but may occasionally provide transponder time if necessary. The first event which was slated for uplink services was the Super Bowl, in New Orleans. Events to be uplinked during the remainder of 1986 include 10 of the major PGA tournaments, as well as the NCAA playoffs, five professional car races, and the Blue-Gray and Sun Bowl games in December.

NETCOM's transportable uplink facilities division operates two state-of-the-art units, which transmit directly from the event's site. The signal is then transmitted back to CBS network operations in New York, for distribution to network affiliates in the U.S.

Global Video facelift

Global Video Productions has marked its 10th anniversary by completing the first phase of an ongoing game plan to upgrade and maintain its in-house equipment, services and personnel at a high level. The facelift, notes Global production manager Mark Mihura, is designed to provide a more "user-friendly, more economical production facility for clients" without sacrificing state-of-the-art equipment or the most highly experienced technical personnel.

Global's goal, according to Mihura, is to capture a larger share of the highly competitive southern California production market. And "our strategy is to supply clients with state-of-the-art production facilities at highly competitive fees, as well as 'people service,' which is so often swept aside in the hustle of Hollywood's larger production houses."

Within the past three months, Global Video, in the initial phase of upgrading, has acquired a Grass Valley model 1680 switcher and three Ultimates to augment its predominantly Sony-outfitted production house. Global recently added new personnel, including an in-house producer, to a staff of 10. Clients have included the Los Angeles Raiders, Hospital Satellite Network and the Ed Beckley Group.

Production notes

Lorimar has signed Charles Simon and Terry Laughlin, partners of Simon-Laughlin Productions, to develop all forms of programming with emphasis on network daytime and syndication series. The production team will work closely with Lucy Johnson, Lorimar's vice president, daytime and children's television. Simon has had various production positions in both TV and feature film. As executive vice president of Cannon Films, Simon developed and sold the mini-series *Moshe Dayan* and *The Nat King Cole Story* and the syndicated game show *Battle of the Sexes*. Laughlin's credits include being developer and/or producer for companies such as Paramount and Time-Life.

Henry Winkler/John Rich Productions, in association with Paramount Network Television, has set veteran character actor Dana Elcar as a recurring guest star in *MacGyver*, action adventure series on ABC. Elcar's debut on the show was in mid-January, at the time the series moved to its Wednesday 8 p.m. time slot, as a lead-in to *Dynasty*.

UBU Productions, in a continuation of expanding production into all product for TV, has signed Susan Seeger to develop and produce comedy and dramatic series. She will report directly to Gary David Goldberg, president, and be headquartered at Paramount, where UBU's *Family Ties* is taped. *Ties* is produced in association with Paramount.

Warner Bros. Television is producing *Stolen Dreams*, two-hour mystery/drama, for NBC. Starring Ann Jillian, in the dual role of twin sisters, the film tells the story of twins whose rivalry for the love of one man results in murder and the masquerade of one sister living the life of the other.

Twentieth Century Fox Television has begun production on *Fathers and Sons*, a new sitcom starring Merlin Olsen that will run Sundays on NBC starting in late March.

Bernstein/Hovis Productions has renewed its two-year contract to create daytime projects for Columbia Pictures Television. Gary Bernstein and Larry Hovis are also executive producers of *The Frame Game*, new syndicated game show offering from MGM/UA and Taft Entertainment.

Commercials

New Jersey shoots for the big time

Already attracting an increasing amount of the commercials production business from New York with its assortment of locations, New Jersey soon hopes to be in a position to also capture a major share of studio production, discloses Joseph Friedman, executive director of the New Jersey Motion Picture and Television Commission. There is a plan underway, he reports, to convert the National Guard armory in Jersey City into a large production facility to rival the Silvercup and Kaufman Astoria studios, both in Queens.

This development, says Friedman, has been under discussion for a few years, and it's now strictly a matter of finding a new home for the National Guard and working out some other details with the state, which owns the building and also commissioned Friedman and his staff to attract more production to the state, which it has been doing since 1978. He says he cannot disclose the name of the party who has indicated his intention to buy the building and operate the studio, but it has been learned that it is west coast TV producer Danny Arnold.

Friedman believes commercials would represent a major share of the studio's activities, along with such other work as music videos and television and motion picture production. The producer, he reports, would be "his own first tenant," doing his own production in the facility as well as leasing out space, and is prepared to invest some $10 million in equipment.

The facility, he adds, has a main floor big enough to contain a football field, a full basement, partial second and third floors and plenty of room for expansion. Friedman says the producer is planning to make a lease arrangement with an option to buy while the National Guard is still using the building and could be operational in unused space before the troops move out.

Meanwhile, location shooting in New Jersey continues to grow, Friedman reports, with the locations being used gradually moving farther away from the George Washington Bridge. With commercials being the largest category of production in the state—at least in terms of number of projects—134 commercials that went through Friedman's office were shot in the state in 1985, an 18 per cent increase from the 114 in '84. This represented almost half of the 276 total shooting projects that the commission is aware of. Out-of-state producers reportedly spent $16.8 million in the state during '85, but Friedman figures that commercials producers' share of these direct expenditures by production companies was much lower than half: "Commercials don't cost nearly as much as a television program—or a feature film that can run $3 million."

Joseph Friedman, *executive director of the New Jersey Motion Picture and Television Commission, is coordinating an effort to start up a major studio in Jersey City, which would rent facilities to commercials producers.*

Friedman estimates the number of commercials actually done in New Jersey in '85 was probably closer to 300 because the commission is not aware of all the projects undertaken: "Once we make contact with a company, they don't have to come back to us the next time. And we have over 350 liaisons throughout the state, appointed by their municipalities. Often the producers go directly back to these people."

The local liaisons keep the commission informed of locations and services that are available in their communities. The commission in turn calls upon them to host production people and arrange for crowd and traffic control through their local agencies.

Among the commercials shot in the Garden State in 1985 were two Miller Lite spots in Hoboken and Long Branch; a Stroh's beer campaign utilizing locations in Lebanon Township, Lafayette, Union City, Sharpstown, Englewood and Trenton; and three separate Coca-Cola commercials done in Paterson, East Brunswick, Montclair and Elizabeth. Others were Prudential-Bache Securities, Jersey City; United Airlines, Jersey City; Goodyear tires, Toms River; Kal Kan, Flemington; Ford, Edison and McDonald's, Princeton and Matawan.

When the commission pitches for work in New Jersey, Friedman relates, it's selling the state's proximity to New York: "Even people coming from California like the idea of being able to sleep in New York and avail themselves of its night life." And it sells its wide variety of locations, including urban settings, farms and even Wild West City, an amusement facility in Netcong.

For labor, the technical jobs go at New York rates, as the same union locals have jurisdiction in both New York and New Jersey. For non-technical positions, though, the rates are lower, as are food and sales tax.

Friedman gets considerable help from the appointed commission members, who typically are people in contact with production executives. Current commission chairman is actress Celeste Holm, a Morris County resident.

Children's ads nixed

Two TV campaigns directed at children were recently shot down by the Children's Advertising Review Unit (CARU) of the National Advertising Division of the Council of Better Business Bureaus—but in one instance the advertiser discontinued the product as well as the advertising.

Pharmed Laboratories apparently was all too willing to drop its advertising of Cabbage Patch Kids Chewable Vitamins, having taken the product off the market shortly after CARU directed a double-edged inquiry to the pharmaceutical manufacturer. One complaint was that the vitamin was being advertised on children's programming—in conflict with the industry practice of not advertising drugs and nutritional supplements directly to children. Also referred to Pharmed was a competitor's challenge of the accuracy of the description of ingredients, including exclusivity claims. Apparently there was no point in submitting material to back up the claims. Agency was Peters, McMahan & Cygan, based in Englewood Cliffs, N.J.

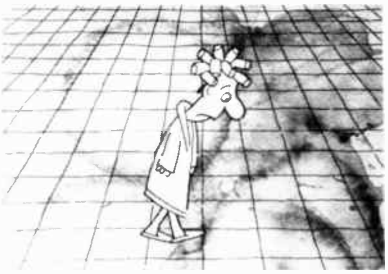
Another inquiry was directed toward Hasbro, Inc., involving three commercials—for the Bed Bugs, Operation and Simon games. The commercials by Griffin Bacal did not mention batteries were needed to operate the games, with Hasbro telling CARU that the products were intended for older children who would recognize the need for batteries.

CARU, though, said that the need for disclosing separate purchase requirements to the child audience is a fundamental industry practice. It add-

Advertising Directory of

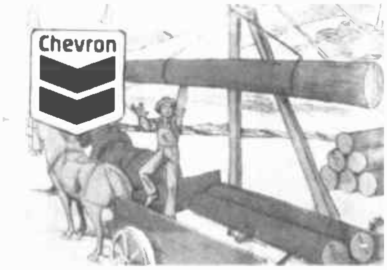
Selling Commercials

Armstrong Flooring • Kalish & Rice



GIFFORD ANIMATION, INC., New York

Chevron • J. Walter Thompson, U.S.A.

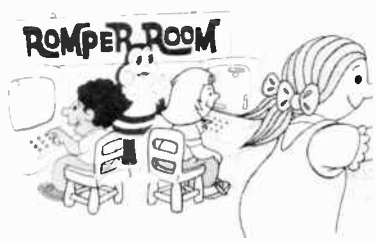


BANDELIER INC., Albuquerque, NM

Decongest

DOLPHIN PRODS., NY, COMPUTER ANIMATION

Kids World • RMR Advertising, NY

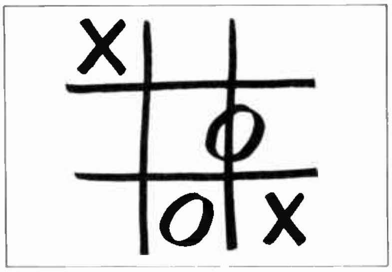


BANDELIER INC., Albuquerque, NM

Lender's Bagels • Velv Advertising

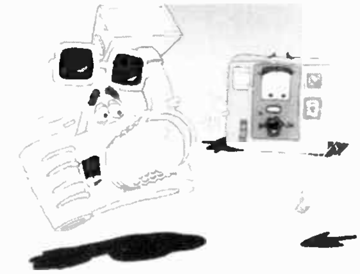
KCMP PRODUCTIONS LTD., NY

NYNEX-Tic, Tac, Toe • H.H.C&C



GIFFORD ANIMATION, INC., New York

Pathmark • Venet Advertising



KCMP PRODUCTIONS LTD., NY

Shell Helix • Interlink

DOLPHIN PRODS., NY, COMPUTER ANIMATION

Commercials *(continued)*

ed that, even if children realize batteries are necessary, they might not understand that they must be purchased separately. Hasbro consequently agreed to modify the commercials to include video disclosures on the need to purchase batteries.

One Show dates set

The One Club for Art & Copy has set its annual One Show awards dinner and presentation for May 28 in the Grand Ballroom of the Waldorf Astoria in New York, according to Ron Berger, One Club president and senior vice president/associate creative director, Ally & Gargano, New York.

Preliminary judging of the nearly 12,000 entries by top creative directors in the industry will be held during the week of April 8, with winners to be determined by final judging on the week of April 22. This year's entries for awards for television, radio and print advertising represent a substantial increase in number over last year's, according to Berger.

Further information about the dinner and ceremony is available from Angela Dominquez, director of the One Club, at 3 West 18th Street, New York, N.Y. 10011, (212) 255-7070.

Getting credit for guts

For advertisers who stuck their necks out and got results, one more awards competition has been added to an already long list of them. This is the first annual Gutsy Awards, engineered by New York ad agency Korey, Kay & Partners.

The agency has just lined up a five-member panel of judges: Dan Dahlen, advertising manager of Wendy's International; Richard Durrell, founding publisher of *People* magazine; Ollie Joy, former advertising director of Miles Laboratories; Walter L. Oleson, former director of advertising at Xerox Corp.; and Gary Tobin, corporate affairs, MCI Communications.

Advertisers may enter local or national advertising that appeared in any medium during 1985—to be judged on how much "guts" it took to run it and the success it achieved. The award is a Lucite-encased sales chart that depicts results going through the roof. Entry deadline for the new competition is April 30, and five finalists and a grand prize winner will be announced June 1. Entry forms are available from Cindy Rosenfeld, Korey, Kay & Partners, 130 Fifth Ave., New York, N.Y. 10011, (212) 620-4300.

Film Festival winners

Coca-Cola, Laura Scudder potato chips and Pepsi-Cola were among the top winners of awards for commercials at the 21st Chicago International Film Festival. Awards also went to commercials from two acclaimed Italian film directors, Franco Zeffirelli and Federico Fellini. In all, 59 awards were given out in the festival's International TV Commercial Competition, the largest of its 11 categories.

Winner of the top honor, the Gold Hugo, for best overall single commercials, was Coca-Cola's "PPS: Slow," produced by Bill Hudson and Associates of New York. The commercial was directed by Jeremiah Chechik and written by Lou Popp. Cinematography was by Richard Kline, art direction by Joel Levinson and editing by Scott Hudson.

The Gold Hugo for best series campaign—composed of a 10, a 30 and a 60—was awarded to Kurtz and Friends, Los Angeles for its Laura Scudder spots, "Ocean Liner," "Beach" and "Hard Hats." The commercials were directed by Bob Kurtz, produced by Loraine Roberts and written by Audrey Schiff. They were designed by Robert Peluce with art direction by Eric Hanson.

The Silver Hugo for the top commercial series went to Needham, Harper Worldwide's spots for Rubbermaid—"Dish Toss," "Closet Alt." and "Hot Hands." Dick Loew was the director, Dick Hazlett the writer and Bob Blanford the editor.

Winner of the third place Bronze Hugo was Pepsi's series, "Beach," "Hanging Out" and "Truck," produced by J. Walter Thompson/Chicago. Peter Smiley directed the series, which was written by Keith Condon, photographed by John Taylor and edited by Bob Blanford.

Zeffirelli won a Silver Hugo in the apparel category for his lavish commercial for Annabella Furs with a Marilyn Monroe-type in a full-length fur coat wandering through the 19th century drawing room. Fellini's commercial for Bitter Campari took the Bronze Hugo in the beverage category. This spot shows a man on a train pleasing the bored lady across from him by changing the view out the window with a TV remote control.

An A.1 cloning job

The Marschalk Co., San Francisco apparently hasn't had enough of New York actor Jim Murtaugh, who has been the spokesman for A.1 steak sauce since 1979. A new 30 has the familiar spokesman, known for his declaration that hamburger is ground steak and thereby calls for A.1, opening the A.1 Cafe.

As Murtaugh gives a pep talk to his crew of hand-picked waiters, the camera pans to what turns out to be a crew of Murtaugh look-alikes. Running in network primetime, the commercial will continue throughout the year.

The A.1 team at the agency includes Mike Hutchinson, art director; Dorie O'Leary, copywriter; Craig Allen, producer; Sharon Lack, account supervisor and Margaret Paradis, art director.

Friendships in Israel

The Israel Government Tourist Office is unveiling two new television commercials in its ongoing advertising campaign, "Come to Israel. Come stay with friends." The commercials, filmed on location in Jerusalem, Tel Aviv and the northern port town of Acco, combine lush scenery with human-interest stories.

One of the commercials by ad agency Biederman & Co., New York features the attractions of Israel as a destination for travelers of all ages. It depicts an American grandfather, who has visited Israel several times, introducing an Israeli friend to his family—including both "his son and his son's son."

Commercials *(continued)*

The other commercial highlights the unusual shopping available in Israel—the opportunity to buy antiques on a restored ancient Roman shopping boulevard in Jerusalem. The campaign is scheduled to appear in New York, the principal originating point for U.S. travel to Israel.

A Slice of wetness

Striking visuals communicating wetness are the central theme of four new commercials for Pepsi-Cola's Slice, coming out of J. Walter Thompson/New York and going into spot TV.

"Fantasy," directed by Mike Portelly, was shot in the clear waters of the Red Sea off the port of Elat, Israel. The security of the underwater sequences was guarded by the Israeli Navy. Props included lemon slices four feet in diameter. "Two Ways," promoting diet versions of the lemon-lime drink and new Mandarin Orange Slice, was filmed in a water tank in a London studio and directed by Julian Cottrell. It used special strobe lighting, hydraulics and high-speed cameras to depict the "wet and wild" theme.

High energy movement was used in two spots for regular lemon-lime and Mandarin Orange Slice. "Karate" features a five-member karate team with water cascading around the members. "Gymnastics," also directed by Mike Berkofsky, has athletes making their moves with water splashing around and on them.

Emery's weighty spots

Emery Worldwide, which has already made its presence known to "Office America," is targeting a second group of potential customers—heavyweight industrial shippers. Two new spots portraying the company's capability in heavy industrial shipping and international delivery will rotate with the original "Office America" campaign in network and spot TV.

Both new commercials, created by J. Walter Thompson/New York, continue to use 9 to 5 as a theme song. In "Industrial," the upbeat rhythm backs a series of dramatic vignettes of tractors, huge computers, motor scooters and machine parts in place for Emery shipment. "International" features Emery service throughout London, Paris, Hong Kong and Moscow.

Production house is Kira Films, New York, with Joseph Hanwright directing. The agency team included Mike Scardino, creative director/copywriter; John Kamerer, art director and David Schneiderman, producer.

Commercials Circuit

Editel/Chicago has opened a new film-to-tape transfer department, which it calls Seance. It is designed to enable clients to take advantage of specific services without requiring them to pay for features which are unrelated to their project. One of the elements is a new da Vinci Unified Color Correction System, offering 16 color vectors instead of the standard six. Another is the Rank Cintel Mark IIIC telecine. Also there is Steadi-Film, a pin-registered transfer system that eliminates picture weaving. Seance also has the Abekas A62 digital disk recorder.

Century III Teleproductions, Orlando, Fla., recently completed an on-line edit for a statewide commerical campaign from **Gouchenour Advertising** for Sun Banks. **Florida Film and Tape** shot and off-lined the commercial for producer-director **Ed Epstein** of **Woulfe-Miller Communications.** Century III's **Oliver Peters** and **Pete Opotowsky** edited the two 30s and two 10s, based on a "Thumbs Up" theme and jingle.

San Francisco-based director **Jon Francis** recently handled spots for Southern California Toyota Dealers and Axlon toys. One of the Toyota spots created by **Davis, Johnson, Mogul and Colombatto** had Francis battling cold winds during a one-day beach shoot in which a "nerd" and his Toyota

Director Jon Francis *shows a young actress how to turn her dolphin into a "Party Animal" for a 30-second Axlon spot.*

truck attract the attention of bikini-clad women. Three 30s for Axlon and **D'Arcy Masius Benton & Bowles,** San Francisco included one highlighting "Party Animals," hand puppets that make animal noises.

Mel Kane, who left **Doyle Dane Bernbach** two years ago to become a partner in **Altavideo,** Los Angeles post-production facility, temporarily returned to commercial producing, attracted to a two-spot package for the Tropicana

Hotel in Las Vegas. This was the first major campaign for **Suissa/Lockwood,** recently formed by former DDB creatives **David Suissa** and **Roger Lockwood.** The remodeled resort hotel was portrayed as "The Island of Las Vegas," promoting its Caribbean theme and with a closing shot of the hotel perched on a tiny island in the ocean. The commercials were shot on a sound stage in Los Angeles and on location in Las Vegas.

Nate Hubbard has joined editors **Chris Kern** and **David Lurie** at **AdVenture Film & Tape,** Los Angeles facility specializing in editing. Hubbard had operated his own editorial service, **The Fine Cut,** in Colorado. Kern and Lurie recently edited four 30s that are part of the initial ad campaign for agency **Ad-Marketing** and its client Circuit City, a retail chain specializing in home electronics and appliances. Produced by **Adreozzi & Toback,** the package includes a spot where a man in a cramped apartment "should have gone to Circuit City," having been steered in the wrong direction by a store that sold him equipment causing such great reverberations that walls shake, doors slam and plaster falls from the ceiling.

Big Time Picture Co., Los Angeles had added videotape editing to its post production services with the acquisition of a Convergence 203T edit system. Big Time specializes in renting editorial suites, equipment and supplies. It has added a number of enhancements to the Convergence system for special effects, tilting and audio mixing.

Director **John Urie** of **Wright-Banks Films,** Los Angeles followed a little boy and a balloon through the streets of suburban Las Vegas in a 30 for D'Arcy Masius Benton & Bowles and its client Centel. The spot demonstrates how Centel employees participate in their community as the boy, given the balloon by an employee of the Centel Payment Center, chases it throughout his community, receiving help from a Centel Little League coach and a Centel choir director along the way and finally having the balloon caught by a Centel lineman.

Recent activity at **Silvercup Studios,** Long Island City, N.Y. included a Benihana Oriental Lites frozen food spot done by **Iris Films,** including a dance sequence. **Roman & Tannenhotz** was the agency. Producer was **Geoffrey Hansen** and director was **Cosimo. Pfeifer, Story, Piccolo Productions** set up a game show on Silvercup's stage 5 for a Parkay margarine spot. Producer was **Barbara Gold,** and director was **Mark Story.** Three complete bedroom sets were used by **N. Lee Lacey** in a Robotech toy spot on stage 9. Producer was **Laurie Kay** and director **Maggie**

Commercials *(continued)*

Condon. Also in the studio was **Van Dusan Productions,** doing a Bryant air conditioner spot for **N W Ayer.** The set consisted of a complete house front and silhouettes of people inside the house. **Bruce Van Dusan** produced with **Leslie Larson** as director. Meanwhile, five vignettes were done for Schick Razor, including a complete dormitory set. **Power & Light** was the production company and **J. Walter Thompson** the agency. Along with its regular business activity, Silvercup also hosted a tour for the graduating film class of Columbia University.

A dormitory set *is put together with realistic messiness at Silvercup Studios as part of a shoot for Schick Razor by Power & Light and J. Walter Thompson.*

HLC, based in Los Angeles, has opened an east coast office at 309 West 57th St. in New York. It will be headed by **Bill Barton,** former general manager of **Lucas/McFaul Music.** The jingle firm has done music for such clients as Gatorade, L.A. beer and Wheaties.

Getting a chicken to look insecure was the recent challenge for **Griner/Cuesta's Michael Schrom.** He worked with six chickens in a shoot for Fleischmann's Egg Beaters, interweaving the chicken shots with pictures of a cake, French toast and an omelette made with the low cholesterol product. **Doyle Dane Bernbach** creative team was headed by art director **Dave Martin,** copywriter **Jeff Linder** and producer **Lisa Kalb.**

Joy Golden, chairman and creative director of **Joy Radio,** wrote, cast, produced and directed three radio 60s for Maxwell House coffee and **Ogilvy & Mather.** In each of the three, one of her typically zany characters discovers that Maxwell House packs its fresh-roasted coffee immediately after grinding and inserts a Fresh Lock packet inside each can to keep the coffee fresh longer.

One Pass, San Francisco has acquired a new Quantel Paintbox and has brought in **Roger Mocenigo** as video graphics and effects designer. Mocenigo had been with **Positive Video** in the Bay Area.

The professional advice offered by pharmacists at Eckerd Drugs was the thrust of three radio spots produced, directed and cast by **Dan Aron,** president and creative director of **No Soap Productions,** New York for **J. Walter Thompson/New York.** "Over the Counter Drugs" points out that, while non-prescription remedies can be bought in a variety of places, an Eckerd pharmacist can offer guidance on which will most effectively provide needed relief. "Vitamins" points out that each of the chain's pharmacists has a "comprehensive guide to vitamins." And "Advice Isn't Cheap" states that the druggists don't mind being asked for free advice.

The Lowe Runkle Co., Oklahoma City, has installed a new broadcast production room to provide professional production services. Capabilities include three-quarter-inch editing, VHS dubbing from or to three-quarter-inch tape, audio dubbing, editing and mixing, industrial-grade color camera and portable three-quarter-inch recorder and camera support equipment. Agency broadcast director **Mark Bauske** says the new equipment gives the agency much greater flexibility in working with clients since it is available on a 24-hour basis.

A miniature set including an underwater environment was created by **DuRona Productions** for a 30 for Kenner Toys' Centurions, action figures designed for use as underwater, land and air toys. In the spot for **Grey Advertising,** director **John Sturner** highlighted the features of the toy through an adventure orchestrated by a group of young boys. Executive producer was **Joe Mantegna.** Agency producer was **Barbara Barrow,** creative director was **Homer Wright** and copywriter was **Sam Goldstein.** In a series of spots for Kenner's Chuck Norris action figures, the same DuRona team traveled from New York to southern California, where they dressed up a Los Angeles-area seaport to look like Shanghai—complete with Chinese extras in rickshaws and a genuine Chinese junk—and then went to the Angeles Crest Range to create a Himalayan scene.

A beautiful "mother-type" and some bored socialites were among the recent casting challenges for **Elaine Herman** and **Linda Lipson** of **Herman/Lipson Casting.** For **Richard Greenberg & Associates** and Perma Lens contact lenses, they found a woman who was believably motherly but also possessed attractively colored eyes, wore contact lenses and whose eyes and skin could take the scrutiny of close-up camera work. Meanwhile, Frusen Gladje needed comedic talent for portrayal of bored socialites who find every exotic dessert dull until they dip into the advertiser's product. The 30 was directed by **Mark Story** and produced by **Dorothy Franklin** for **Geers Gross Advertising.**

At **Mindseye,** San Francisco, **Jonathan Shedd** was location manager on a job for **J. Walter Thompson** and **THT Productions,** New York for Ford Tempo. Additional Mindseye scouting work included assignments for **Kira Films/**Emery Air Freight and **Petermannn Dektor,** Los Angeles/GTE Sprint.

Locations throughout Florida were used in two 30s for the Florida Department of Tourism produced and directed by **AFI Productions,** Miami for Miami agency **Beber Silverstein & Partners.** Locations included Key West, Ocala, Silver Springs and Miami, along with such celebrities as Howdy Doody and jazz musician Jackie Davis saying, "If you want it, we got it, come and get it." Principal crew for AFI included director/cameraman **Steve Minor** and executive producer **Scott Thomas.** Among those from the agency were vice president/director of broadcast production **Darry Gayle** and vice president/creative group head **Russ Slaughter.**

A mental picture of dolphins performing amazing feats was used in three radio 60s by **Bert, Barz & Kirby,** Los Angeles for San Diego Transit. In the first spot, BB&K's **Alan Barzman** asks **Bert Berdis** to teach the dolphins to leap into the air and spell "no fuss bus." In the second spot, he is asked to train them to spell "no trouble shuttle," and the final theme is "no stress express."

MORE INDIES
34 independent stations sign on in '85: INTV/77

BUYER'S OPINION
Advice for stimulating more January business/79

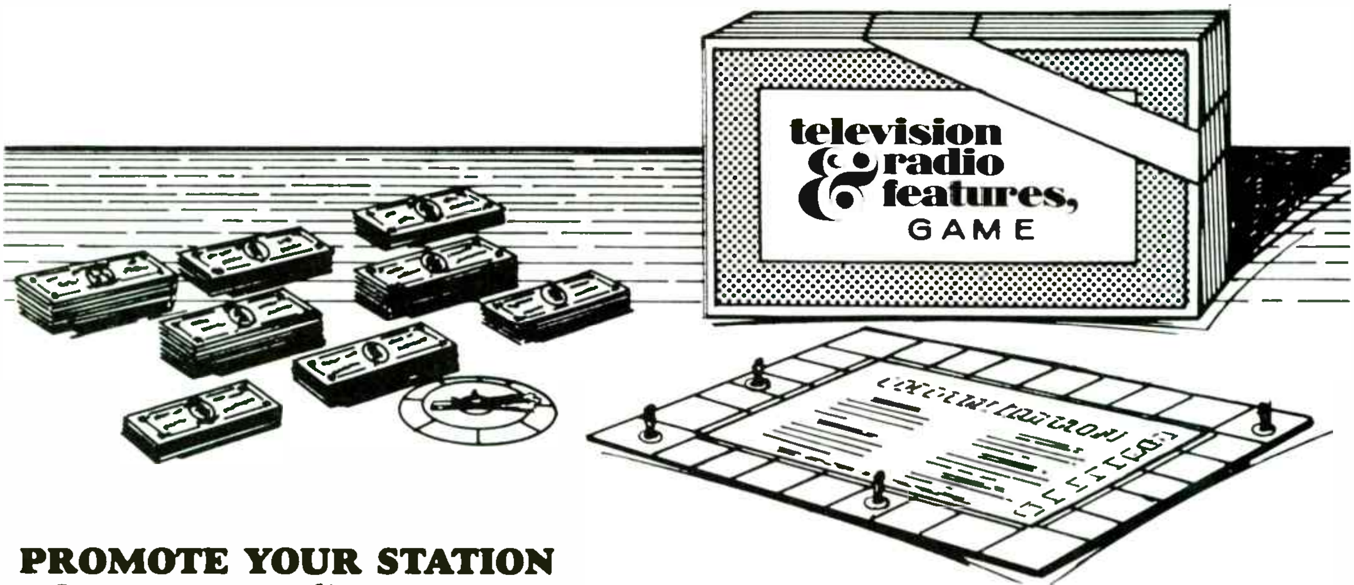
MEDIA PRO
Meter-diary transition period poses problems/81

TELEVISION/RADIO AGE

Spot Report

March 3, 1986

Television & Radio Features the only game in town that offers BRAND NAME PRIZES!!



PROMOTE YOUR STATION

- **Increase your audience**
- **Increase your ratings**
- **Increase your sales**
- **Increase your profit**

RUN YOUR OWN PROMOTION

• Bumper Sticker • Remotes • Write-Ins • Clubs • Trivia • Community Affairs

CLIENT TIE-IN

Tie in with an advertiser and sell a complete package!!!

SPECIAL PROMOTIONS:

• Grocery • Valentine • Easter Candy • Spring Car Care • Mom & Dad's Day • Summer Outdoor • Back-To-School • Halloween Candy • Christmas Toys

SAMPLE CLIENT ROSTER

• DuPont • Textron • Coty • Sheaffer/Eaton • Encyclopaedia Brittanica • Ames Garden Tools • Teledyne-Water Pic • Longine-Wittnauer • Carter Wallace, Inc. • General Electric • Rand McNally • Corning Glass • Houbigant • Syroco • General Mills

Television and Radio Features is the unique promotion service that offers marketing expertise in sales, client relations, community affairs and most important — station promotions. Our computerized system of handling and shipping products will simplify storage hassles and delivery.

And the best part is the merchandise itself. We supply top name-brand merchandise for on-air promotions of all kinds. . .radio or television, big market or small market. We're not a trade operation. We're not a barter house. We have a better way!

If this is your year to aggressively promote on the air, you need us. Call 312-446-2550, or fill in the coupon. Let our prize and professional experience and *your* promotion build some really big numbers for you.

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television & radio features, inc.

Willow Hill Executive Center
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Northfield, IL 60093

We are interested in your promotion and marketing service. . . especially the on-the-air station promotions.

Name ______________________ Phone ____________

Title ______________________ Station ____________

Address ______________________________________

City, State, Zip _________________________________

Spot Report

March 3, 1986

34 indies sign on in '85 according to INTV

With a record number of 34 independent TV stations signing on in 1985, there were 248 of them in operation at the year's end, according to the Association of Independent Television Stations (INTV). This makes for a total of 150 new independents for the decade, with 13 beginning operation in 1980, 21 in 1981, 29 in 1982, 26 in 1983 and 27 in the 11-month period tallied in 1984. Only 108 were in operation prior to the start of the decade, with a number of them failing.

In 1985, 13 of the sign-ons were in markets that had not previously had independents: Shreveport, La.; Flint-Saginaw, Mich.; Scranton, Pa.; Toledo, Ohio; Davenport, Iowa; Greenville (Tri-Cities), Tenn.; Huntsville, Ala.; Colorado Springs, Colo.; Charleston, S.C.; Fort Myers, Fla.; Savannah, Ga.; Wichita Falls, Texas and Jackson, Tenn.

From 1981 through 1985, 54 independent stations began telecasting in communities where such service did not previously exist. Forty-six of these stations are in markets 50 and higher and 20 in markets 100 and higher.

Twenty-four of the 34 new independent sign-ons in 1985 have become INTV members.

WOR-TV syndie impact?

The recent announcement that MCA Inc. has agreed in principle to buy WOR-TV New York from Gencorp Inc. for $387 million is seen as having little impact on the syndication marketplace. On the first-run syndication end, MCA is unlikely to begin accelerating its output because of the acquisition, according to observers, because New York represents only about 8 per cent of the U.S. households, hardly enough to warrent a rash of new productions. On the off-network sales side, MCA TV must still deal with the other two major indies, WNEW-TV and WPIX(TV) which, combined with their group partners, represent a much higher proportion of the country than the single MCA station. Also, it's pointed out that both the Murdoch-owned outlet and the Tribune Broadcasting operated indies in the market "have to be given a fair shake in acquiring product, or MCA could find themselves in an anti-trust suit," says a station rep who didn't want his name mentioned.

Other observers say that the aquisition obviously will benefit WOR-TV in its market. Their feeling is that it will bring a tightening of the efficiency reins on the management level, with MCA overseeing the operation, and making WOR-TV much more competitive with the two other indies. "For a market as important and profitable as New York, the environment has been relatively clear of competition. But if the station gets MCA leadership, it could spark heavy competition among all three stations, especially if the Mets' baseball team continues on its winning ways," says one observer.

Grant exec forms new firm

Earl L. Jones, Jr. is resigning as executive vice president of Grant Broadcasting System to form a new international broadcast marketing company called International Broadcast Systems, Inc.

The new company, which will begin operations in May in Washington, D.C., will act as consultants in the operation and creation of new TV stations in pro-western and non-aligned countries and will serve as media consultants to foreign manufacturers and advertisers. Jones says he is in the process of talking to U.S. television reps about arrangements by which foreign advertising could be sold, through him, on U.S. TV stations.

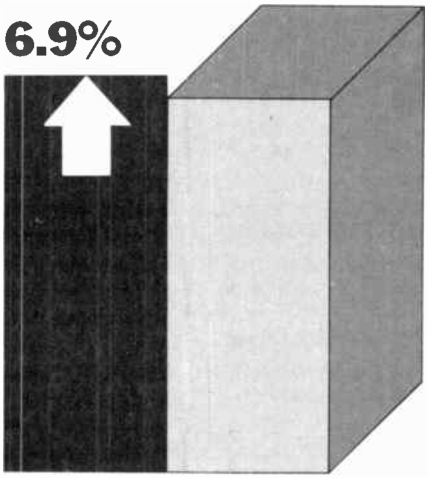
The company, he says, also plans to establish a standards conversion production facility in Washington.

A principal investor in the new venture is Sidney Shlenker, chairman of Grant Broadcasting, of which Jones was a founding partner. GBS now owns independent TV stations in Chicago, Philadelphia and Miami, having sold its outlets in Dallas-Ft. Worth and Houston to Gulf Broadcast Co., which was, in turn, acquired by Taft Broadcasting.

International Broadcast Systems plans to have more than 20 offices including locations in London, Tokyo, Rio de Janeiro, Paris and Hong Kong.

December

Local business *(millions)*



1985: $400.7 **1984: $374.8**

Complete TV Business Barometer details p. 30

Spot Report

Campaigns

Allstate Insurance Cos., TV
Leo Burnett Co./Chicago
HOMEOWNER and AUTOMOBILE POLICIES are being sold for six weeks that started on various February or March air dates in a long and nationwide spread of television markets. Media worked with news and fringe placement to reach both men and women 25 and up.

Beatrice Foods Co., RADIO
Zechman & Associates/Chicago
SELECTED MEAT PRODUCTS are being offered for three to four weeks that started in late February in a widely scattered selection of radio markets. Buyers set schedules to impress women 25 and up.

General Mills, TV
Laurence, Charles & Free/New York
GORTON'S OF GLOUCESTER FISH STICKS are enjoying eight to 11 weeks of spot exposure that started on various January and February air dates in a long and widespread lineup of television markets. Negotiators worked with a full lineup of dayparts to appeal to women 18-plus.

Goody's Manufacturing Corp., RADIO
Van Winkle & Associates/Atlanta
HEADACHE REMEDY is being prescribed for six weeks that started in early March in a fair list of southeastern radio markets. Amy Udoff is among buying supervisors handling placement to reach adults 25 and up.

Eli Lilly & Co., RADIO
Creswell, Munsell, Fultz & Zirbel/Cedar Rapids
VARIOUS AGRICULTURAL CHEMICALS are set for eight to 12 weeks of spot advertising that kicked off on various January air dates in a select but widespread lineup of radio markets.

Media worked to reach farm managers in the West and Midwest.

Procter & Gamble, TV
Tatham-Laird & Kudner; Leo Burnett Co./Chicago
CHEER and OTHER BRANDS are sharing 26 weeks of first half spot exposure that started on various January, February and March air dates in a long and nationwide roundup of television markets. Media teams worked with a full range of dayparts to reach women in various age brackets, depending on brand.

Ralston Purina Co., TV
CPM, Inc./Chicago
CHICKEN OF THE SEA FISH PRODUCT and OTHER BRANDS are scheduled for four to 13 weeks of first quarter spot appearances in a long and nationwide selection of television markets. Negotiators placed daytime, fringe and primetime avails to reach women 25 and up.

United Airlines, TV
Leo Burnett/Chicago
FLYING is being recommended for 12 to 26 weeks that started on various late December or early January kickoff dates in a select but coast-to-coast list of television markets. Media group used primetime and fringe inventory to reach both men and women 25 and up.

Wm. Wrigley, Jr. Co., TV
BBDO/Chicago
EXTRA and OTHER CHEWING GUMS are being offered for four to 26 weeks that started on various January, February and March air dates in a long and coast-to-coast lineup of television markets.

Buyers used daytime, fringe and weekend placement to appeal to women and children.

Zayre Corporation, TV
Ingalls Associates/Boston
DEPARTMENT STORE CHAIN is scheduled for 26 or more weeks of spot advertising that started in early March in a good many eastern and some midwestern television markets.

Negotiators placed fringe and prime access availabilities to reach women 25-plus.

Health care push

United States Health Care Systems is rolling into the New York market with a $5 million ad push that includes an introductory four-week flight of four 10-second spots out of Saatchi & Saatchi Compton. The medical insurance company, which started operations in Pennsylvania 10 years ago, is now expanding from its present coverage in Pennsylvania, New Jersey, Florida and Chicago to reach 18 to 49 year old household heads in New York. Radio and other media will be used later. The TV commercials promise insurance covering 100 per cent of all hospitalization and surgical, a doctor on call 24 hours a day, a choice of doctors to be paid no more than $2 a visit, and "a healthcare plan that will never ask you to fill anything out or even send you a bill."

Appointments

Agencies

M. Angela Castro, manager of the research department at McCaffrey and McCall, Inc., has been promoted to senior vice president. She joined the agency a year ago as vice president and research manager from Grey Advertising.

Jim McHugh has been elected a senior vice president and named media director at Ketchum Advertising/New York. He came to Ketchum in 1982 from Scali, McCabe, Sloves and now moves up from vice president/associate media director.

Gary Carr has been appointed vice president, director of network operations at SSC&B: Lintas USA. He joined the agency in 1976 following stints at Warren, Muller, Dolobowsky and at Ted Bates, and he now steps up from vice president, associate director of network operations.

Margaret Pekarna has returned to Carmichael-Lynch, Minneapolis as vice president, associate media direc-

Car sales to Hispanics

U.S. Hispanics spent an estimated $3.1 billion for new cars and trucks during the 1984 model year, according to results of the recently released third annual R. L. Polk & Co. study of Hispanic new vehicle registrations sponsored by the SIN Television Network. In the 19 major bilingual ADIs studied, which contain 60 per cent of all U.S. Hispanic households, Polk reports that Hispanics bought 166,839 new vehicles, with a value estimated at $1.9 billion, based on an average unit price of $11,000. The study covers every domestic and major foreign nameplate, model-by-model, size and type, showing sales to the general market as well as to Spanish-surnamed motorists, by numbers of vehicles and by percentages. Free copies of the report are available from SIN sales offices and affiliated stations.

tor for broadcast buying. Since leaving the agency in 1980, she has most recently been manager of broadcast services for Martin/Williams advertising.

Tom Szczepanski has been promoted to media group head at Ally & Gargano, Inc. He moves up from a post as media planning supervisor at the agency.

Pam Martin and **Val Kegley** have been promoted to senior buyers at D'Arcy Masius Benton & Bowles, Chicago. Martin came to the agency in 1982 as a media secretary, Kegley joined as a buyer last September, and both now step up from buyer.

Inge Olson has advanced to media planner at Foote, Cone & Belding/San Francisco. She came to the agency early last year and her responsibilities now center on the agency's Levi Strauss & Co. account, including Levi's 501's, Westernwear, and Levi's for men.

Richard Ward has been promoted to management supervisor on the Clorox business at Foote, Cone & Belding/San Francisco. Ward started with the agency in the media department in 1978 and switched to account management in 1980.

Dennis Wilkinson has been named to the new post of director of account and creative service at Foote, Cone & Belding/San Francisco. Wilkinson, a senior vice president, will continue to direct the agency's Levi Strauss & Co. business and will also oversee the agency's Impact Division.

Media Services

Cheryl Brown has been promoted to negotiator at Advanswers Media/Programming, Inc., a St. Louis-based subsidiary of Gardner Advertising Co. She joined Advanswers in 1979 and her responsibilities now include buying for the Ralston Purina, Monsanto, Jack in the Box, and Southwestern Bell Telephone accounts.

One Buyer's Opinion

Consumers buy products in January; It would be logical for advertisers to do the same, says buying chief

"**Hurry! Limited time only!** To celebrate the after-Christmas lull, first quarter prices have been slashed on name brand merchandise! Top TV shows! Great radio stations! And much, much more! All available now!

So come on down to the Broadcast Outlets, many convenient locations. If you can hear my voice, there's one near you. The Broadcast Outlets .... for the best buy you can get anywhere!!"

If that happens to sound familiar to you, it's because it is the language of our business, each and every day that we're all involved with selling our clients' products. From toothpaste to watching TV, if it's for sale, we'll make sure that people know about it.

But then why don't we practice what we preach in our own business? Why not sell the benefits of advertising during the "downtime" of first quarter? Especially January. In most cases, January is a buyer's dream. Rates are low and flexible, and more inventory is available to help assure optimum scheduling for clients. And best of all, this is not a "bargain basement" time of the year regarding purchasing power. Viewing levels are way up there during the frosty, winter months. You can buy more than at any other time of year.

Then if it's so great, why is it called "downtime"? Because many advertisers are not taking advantage of this "White Sale." I think it's because they don't know about it. Maybe we haven't told them. You see, there's no holiday in January—or at least there wasn't until we recently created one for Dr. Martin Luther King's birthday, which I'm sure in time will start to attract advertisers, since it is the only holiday in the month. Since more shopping is done near holidays, many advertisers focus on them, and rightly so.

But . . . shopping must be the number 1 activity in our country, especially in the major, urban markets. Check any mall or large shopping center on any weekend! With all that shopping going on, all year, there's no reason for an advertiser not to take advantage of a smart media recommendation if it is fully understood.

Packaged goods sell well all year around. People need tissues just as much in January as they do in November. Food must be purchased and cooked and eaten all 365 days of the year. Retailers can take advantage of the same "downtime" in their various industries. During the quiet after-Christmas buying lull, when people are catching their breath from the frenzied pace at which buying is practiced prior and leading up to Christmas, retailers can create their own pace in a very, very simple manner: Sell price.

Price is one of the main motivating forces in any purchasing decision. This is the very reason why advertisers should "Buy now!" Buy now because the price is right. It's not only right—sometimes it's even great. Advertising in first quarter can only increase awareness and build sales, since viewing levels are high.

After all, moving inventory is the goal of every business. It's not meant to just sit there on the shelf. If you can move more inventory, and move it more frequently throughout the entire year, you can make room for more stock, more quickly. And that creates profits.

So I say to advertisers, in earnest, Take a look at January, before rates begin their upward climb. It's a smart buy.—**Debbie Isola,** *vice president, media operations, CSI International Corp.*

Representatives

Ellen Hulleberg has been elected president of McGavren Guild Radio. **Ralph Guild** continues as president and chief executive officer of Interep, holding company for McGavren Guild and four other radio rep firms. Hulleberg joined McGavren in 1969 as director of research and now steps up from executive vice president/marketing and communications.

Luis D. Albertini and **Hector Chomat** have joined Caballero Spanish Media, Albertini as group director and Chomat as sales manager of Caballero's new sales office in Miami. Chomat was formerly sales director for The Discounter Publishing Co., and his new Miami phone number is (305) 553-8888. Albertini is a former president of SAMS, one of the larger agencies specializing in Spanish-language advertising, and has most recently been president of Lotus-Albertini Hispanic Reps.

Bill Shaw has been appointed group sales manager for the Hawks team at Petry Television. He had been director of special projects and group manager of the Mustangs team in Petry's Chicago office.

Jane Doherty has been promoted to manager of the Boston sales office of Blair Radio. She came to Blair in 1982 from WEEI(FM) Boston, now WHTT, and now advances from account executive.

Michael J. Masterson has been appointed sales manager, Los Angeles, for CBS Radio Representatives. He had been an account executive with CBS Radio Spot Sales since last January and will now report to **Richard Allen,** Western regional manager of CBS Radio Representatives.

James R. Pagliai has been named sports sales manager/Midwest-Western region for John Blair's Radio Representation Division, working out of Chicago. He joined Blair Radio in Chicago in 1973 and will now be involved in sports sales for Blair Radio, Selcom/RAR and for Torbet Radio.

Ron Cochran has joined the new Marketing Division of MMT Sales as New York sales manager. The Katz Communications veteran will report to **Robert J. Kizer,** president of the new MMT Unit formed to work with stations billing, or with the potential to bill, $2 million a year.

Amy Carney has been promoted to sales manager of TeleRep's Jaguar sales group in New York. She came to TeleRep in 1981 as a sales assistant, completed the company's sales training program in 1982, and was appointed an account executive with the Jaguar team in Chicago. She transferred to the New York office in 1984.

MMT promotes

Cannarella

White

Al Cannarella, Dolores White, Maureen Boylan, Jon Gluck and Dan O'Kane have been named corporate vice presidents of MMT Sales, Inc. Each heads one of MMT's operating departments and all report to Jack Oken, MMT president. Cannarella heads research, White is in charge of business operations and Boylan oversees the Computer Division. Gluck directs MMT's programming division and O'Kane is in charge of finance.

Stations

DeVaney

Zimmerman

Al DeVaney has been named to succeed **Derk Zimmerman** as vice president and general manager of WFLD-TV Chicago; Zimmerman had been appointed president of Metromedia Television. DeVaney joined Metromedia in 1972 as an account executive for KMBC-TV Kansas City (now owned by Hearst). He now moves up from vice president, general sales manager for WFLD-TV.

Karl Gensheimer has been appointed vice president and general sales manager of WFLD-TV Chicago, succeeding DeVaney. He joined Metromedia in 1979 at WTCN(TV) Minneapolis-St. Paul and now steps up from national sales manager at WFLD-TV.

Philip Nye, general manager of WLUK-TV Green Bay, Wisc., has been promoted to president of the Burnham Broadcasting property. The former vice president of News for the ABC Owned Television Stations joined WLUK-TV in August, 1984, at the time of its acquisition by Burnham.

Litewka joins J&G

Albert B. Litewka has been named president and chief executive officer of Jacobs & Gerber Inc., a Los Angeles-based agency specializing in broadcast advertising and promotion. The agency's clients include Lorimar/Telepictures, the CBS News Division, KCBS-TV Los Angeles, WRC-TV Washington, WCAU-TV Philadelphia, WJW-TV Cleveland, WSB-TV Atlanta and KPNX-TV Phoenix. Litewka was president and chief executive officer of Warner Software, Inc., a subsidiary of Warner Communications which he founded in 1982.

Media Professionals

Problem of half-meter, half-diary markets

Jean Meehan

Broadcast buyer
CPM, Inc.
Chicago

Jean Meehan, a broadcast buyer at CPM, Inc. in Chicago, observes that when a market that was previously measured by diary-only is switched to metered measurement, "audience increases start to show up, particularly on the independent television stations in the newly metered market, and the increases are more pronounced in some dayparts than in others. In fact during the late night period when many diary keepers start to get drowsy and forget what channel the set is tuned to, even the network affiliates show audience gains."

Meehan says the more accurate results from electronic measurement are due to the fact that electronic measurement is "instantaneous and uses a permanent panel," which "produces higher HUT levels of 12 per cent minimum."

But she adds that during the period between the time one rating service installs meters in a market and the time the second rating service finishes installing its meters, "a real problem can arise." A case in point, says Meehan, is the recent introduction of Nielsen meters into the Denver market, which creates problems for agencies and media management companies relying on Arbitron, "because there is such a disparity between the two rating services' results, and will continue to be until Arbitron installs meters in its own Denver panel homes—which Arbitron tells us won't be until next year."

Three questions come to mind as a result, says Meehan: "Are stations going to have two separate rate structures between now and the time Arbitron gets its meters in? Are Arbitron subscribers going to be at a disadvantage in terms of unit cost quotes? And how are agencies going to be able to meet client media objectives as efficiently as possible?"

Meehan considers it unlikely that two separate rate cards will be issued and believes that "Arbitron users could wind up with less efficient media schedules than they were able to achieve a year ago. There will be no rate distinction between the prevailing services, even though the audience sizes they report will differ, so long as Nielsen's reports are based on meters and Arbitron's continue to be based on diary-only measurement until next year."

But whatever happens, she observes that buying as early as possible should still be helpful in negotiating the best possible rates under the circumstances, from the client's point of view.

Charles L. Edwards has been appointed executive vice president of Gaylord Broadcasting Co. and will continue as general manager of the company's KTVT(TV) Dallas-Fort Worth. He joined Gaylord 23 years ago on the local sales staff of KTVT.

Jack Patterson has been named director of sales, Detroit for the Westwood One and Mutual Radio Networks, reporting to Mutual president **Art Kriemelman.** Patterson had been regional sales manager for the CBS Radio Networks, based in Detroit.

Cristina G. Wilson has been appointed director of midwestern sales at the United Stations Programming Network's Chicago office. She came to the RKO Radio Networks in 1984 as an account executive.

Craig Millar has been named vice president, television sales at Taft Broadcasting. He had been general sales manager for the company's WTVN-TV Columbus, and before that he had been vice president, general sales manager of WROC-TV Rochester, N.Y.

Charles (Chuck) Alvey has been named to the new post of station manager of KPHO-TV Phoenix. He moves up from program manager of the Meredith Corp. station.

Jack Thayer has signed on as a special marketing consultant to the United Stations Radio Networks. The former president of NBC's Radio Division had more recently been vice president, general manager of WNEW New York.

Edward G. Aiken has been named general manager of Hubbard Broadcasting's WTOG-TV Tampa-St. Petersburg. He moves in from Pappas Telecasting where he had been senior vice president-television. Before that, he had been vice president, director of programming for Petry Television in New York.

Albert J. Schottelkotte, senior vice president of Scripps Howard Broadcasting Co. becomes acting general manager of WCPO-TV Cincinnati, pending appointment of a replacement for **Robert R. Regalbuto,** now general manager of KSTP-TV St. Paul-Minneapolis.

New Stations

Under Construction

Channel 61, Wilmington, Del.; ADI Wilmington. Licensee, Delaware Valley Broadcasters, Lp., One Christina Plàza 303 A Street, Wilmington, Del., 19801. Telephone (302) 654-6161. Daniel G. Slape, general manager; Target air date, March 15, 1986

On the Air

K52AY, St. Louis; Channel 52; ADI St. Louis. Licensee, Flor de Río Television Co., 210 West 89th Street, New York, N.Y., 10024. Telephone (212) 580-7387. Carole Bird, general partner. Low power Spanish language station is represented by the SIN Television Network. Air date, January 23.

Buyer's Checklist

New Representatives

Christal Radio is now representing WLAD and WDAQ(FM) Danbury and WNLK and WLYQ(FM) Norwalk, both Connecticut. Both Norwalk stations and WLAD program adult contemporary formats and WDAQ offers an easy listening sound.

Hillier, Newmark, Wechsler & Howard has assumed national sales representation of WJYY(FM) Concord-Manchester, N.H. and of WTIP and WVSR(FM) Charleston, W.Va. WVSR features contemporary hits, WTIP airs MOR/nostalgia, and WJYY is easy adult contemporary.

Independent Television Sales has been appointed national sales representative for KVRR-TV Fargo, N. Dak. The Red River Broadcast property simulcasts its programs via satellite to Channel 12, Pembina, N. Dak. and to Channel 10, Thief River Falls, Minn.

Katz Radio is the new national sales representative for WSTC and WYRS(FM) Stamford, WINE and WRKI(FM) Danbury, both Connecticut, and for KQEO and KMGA(FM) Albuquerque, N.M. KMGA carries Transtar's Format 41 and KQEO airs oldies. Both WSTC and WINE program an MOR sound, WYRS offers jazz, and WRKI has a contemporary format.

Katz American Television has been tapped as national sales representative for WXYZ-TV Detroit. The ABC affiliate is owned by Scripps Howard.

Katz Independent Television is now selling nationally for KOKH-TV Oklahoma City. The station is owned by Blair Broadcasting of Oklahoma.

Major Market Radio has been appointed national sales representative

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for KSL Salt Lake City. MMR says the station reaches over 101 counties in nine states during daytime, and offers nighttime coverage "literally beyond measurement."

Republic Radio has been named to represent KLUV(FM) Dallas-Fort Worth, WICE Providence, R.I., and WKXR and WKRR(FM) Greensboro-Winston Salem, N.C. WKRR calls its format live classic rock and WKXR spins country music. WICE programs oldies and KLUV is adult solid gold.

New Facilities

KVEA(TV) Los Angeles reports eight Southern California cable systems covering 591,000 subscriber homes in 24 communities added to the potential reach of the new Spanish-language television station. The station says that 25 per cent of the market's Hispanics subscribe to cable.

WMGG(FM), new call letters for WELE (FM) DeLand, Fla., recently purchased by American Media from Elyria-Loraine Broadcasting Co., plans to build a higher 1,650 foot tower in Orange City. The station says that the tower will enable it to reach "the entire Central Florida area, including DeLand, Daytona and Orlando."

Transactions

Voyager Communications Inc, Raleigh, has purchased WXIK(FM) Charlotte-Shelby, N.C. from **Capitol Broadcasting Co.** of Raleigh for $5.5 million and has purchased WSVS(FM) Richmond-Crewe, Va. from **Southern Virginia Broadcasting** for $5 million, both subject to FCC approval.

Patrick J. Nugent of Austin Texas has bought KVSO Ardmore, Okla. from **Ardmore Broadcasting Co.** and KKAJ(FM) Ardmore from **Oktex, Inc.** for a total of $1.75 million. Principals in Oktex and Ardmore Broadcasting are Harold G. McEwen and his wife. Broker in the transaction is Norman Fischer & Associates, Inc., of Austin.

Devlin and Ferrari Broadcasting, Inc. has purchased WOUR and WUTQ(FM) Utica, N.Y. from **Bunkfeldt Broadcasting Corp.** for $1.5 million, subject to FCC approval. Principals of the purchasor are Robert H. Devlin, Jr. and Jon Ferrari. Broker in the transaction is The Mahlman Co. of Bronxville, N.Y.

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(1) — **THE EXAMPLE COMPANY**
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200 West 39th Street
New York, NY 10000
Contact
Bill Nelson, National Sales Manager
(212) 222-1111

(2) — **Retailer Co-op Plan**
See also Wholesaler Co-op Plan

(3) — **Products**
Pens; pencils

(4) — **Trademarks**
Yipee, Ya-hoo; Yellow; Yipes

(5) — **Eligible media**
Radio; TV; newspaper; weekly newspaper; circular; catalog; magazine; direct mail; flyer; outdoor
May include spot announcements only, not sponsorships; classified line ads.
Other media require prior approval.

(6) — **Regional variations**
Program only available in WA, OR, ID, NV, CA

(7) — **International availability**
Canada; Mexico

(8) — **Timing**
Program: Calendar year
Accrual: Previous calendar year
Advertising: Jan. 1 thru Nov. 30
Claim: Within 60 days of ad run

(9) — **Accrual**
5% of net purchases

(10) — **Participation**
100%
Lowest earned rate.
May include: agency fees; production charges; talent fees.

(11) — **Advertising specifications**
Maximum size: 3 column inches
All of manufacturer's products may be advertised.
No competing products.
Manufacturer's products must be clearly separated from other products.
Products must be illustrated.
Trademark name must be prominent.
Not misleading.
Store name and address.

(12) — **Media requirements**
All media: Manufacturer's agreement/commitment form or contract must be completed before advertising is scheduled; prior approval required.
Radio: FCC license.
TV: FCC license.
Newspaper: Broad general interest; serving retailer's primary trading area; paid circulation; audited circulation; audited rates.

(13) — **Advertising aids**
Print elements; radio commercials; TV elements

(14) — **Reimbursement method**
Credit memo or check

(15) — **Claim documentation**
All media: Paid media invoice.

Unique 3-way index saves you time and effort!
TRADEMARK INDEX (product by brand name)
MANUFACTURER'S INDEX (maker's name)
PRODUCT CLASSIFICATION INDEX (product by generic heading)

Outdoor: Photo; list of locations.

(16) — **Claim address**
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New York, NY 10000
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Wall Street Report

Viacom acquisition activity in '85: 3 stations, plus MTV, rest of Showtime/TMC

During 1985, Viacom International Inc. reached agreements to purchase three broadcast properties and also acquired the remaining 50 per cent interest in Showtime/The Movie Channel Inc. from Warner Communications and 66 per cent interest in MTV Networks Inc.

The largest of the station purchases was that of KMOX-TV St. Louis, which will be bought from CBS Inc. for approximately $122,500,000. Approval by the Federal Communications Commission is expected sometime during the first half of this year and will bring the number of television stations owned by Viacom to five. The other four are: WVIT(TV) Hartford-New Haven, an NBC affiliate; WNYT(TV) Albany-Schenectady-Troy (NBC); KSLA-TV Shreveport-Texarkana (CBS); and WHEC-TV Rochester, N.Y. (CBS).

The two other broadcast acquisitions were radio stations: WKDJ Memphis, for approximately $1,500,000, and WEAM (now WMZQ AM-FM) Arlington, Va. (Washington), for $1,250,000. Viacom now owns eight radio stations.

For the year ended December 31, 1985, the company's net earnings rose 21.1 per cent to $37,049,000 on a revenue increase of 38.6 per cent to $444,112,000 from $320,366,000. Earnings per share, fully diluted, decreased by 2.3 per cent to $2.17, from $2.22.

For the fourth quarter of 1985, net earnings dropped by 15.3 per cent to $8,302,000 on a revenue rise of nearly 105 per cent to $182,658,000. Fully diluted earnings per share dropped 38 per cent to 44¢ per share from 71¢ per share.

Interest expense

The company's drop in next earnings in the fourth quarter was attributed to increased interest expense and goodwill amortization (non-deductible for income tax purposes) associated with the acquisition of 66 per cent of MTV and the remaining 50 per cent of Showtime/The Movie Channel.

The decrease in EPS for both the year and last quarter reflected a 33 per cent and 37 per cent increase, respectively, in the average number of common shares outstanding.

Although all operating divisions, according to the company, had strong earnings and cash flows during 1985, the Broadcast Group and Cable Television Group are singled out as particularly strong contributors.

Of especial note within the Broadcast Group was the rise of soft contemporary radio station WLTW(FM) New York to a 4.5 share for all adults 12+, AQH Monday–Sunday, 6 a.m.–midnight, Number 7 in the market and, according to Viacom, Number 1 among adults 25–54.

The Cable Television Division's performance was due to "increased penetration of its customer base and improved productivity." During 1985, Viacom sold an 8,000 subscriber cable system in Tuolumne, Calif., for $7,300,000.

The Viacom Entertainment Group, also a strong earnings contributor, encompasses a number of businesses: Viacom Enterprises, distributors of series and feature films for television; Viacom Worldwide, launched in 1982 to explore opportunities in the international marketplace; Viacom Licensing and Merchandising, which distributes cassettes to the home video market; Viacom Productions, which produces programming both independently and in coproductions with others; TV Net, a joint venture with Tribune Broadcasting to provide primetime programming; and the Showtime/ The Movie Channel and Lifetime cable networks.

Viacom International Inc. and subsidiaries

Consolidated statements of earnings (Unaudited)

	3 months ended December 31, 1985	3 months ended December 31, 1984	12 months ended December 31, 1985	12 months ended December 31, 1984
	(In thousands, except per share amounts)			
Revenues	$182,658	$89,177	$444,112	$320,366
Earnings from operations	$36,192	$20,987	$92,717	$72,457
Net earnings	$8,302	$9,803	$37,049	$30,597
Average number of common shares:				
Primary	18,437	13,602	16,214	13,463
Fully diluted	18,890	13,837	18,380	13,823
Earnings per common share:				
Primary	$.45	$.72	$2.29	$2.27
Fully diluted	$.44	$.71	$2.17	$2.22
Dividends declared per common share	$.12	$.105	$.465	$.4025

Consolidated revenues and expenses include Showtime/The Movie Channel Inc. and MTV Networks Inc. beginning November 1, 1985. Prior to that date, the company's 50% interest in Showtime/The Movie Channel Inc. was accounted for by the equity method, and the Company owned no interest in MTV Networks Inc.

Michael Ortman *of Home Teams Sports warns against terming the new PPV baseball moves a trend—saying it's only viable where a regional sports network can't sustain itself.*

PPV *(from page 53)*

and Cleveland. But, he says, fans are interested primarily in the home team, and demonstrate little interest in paying for imported matches—some of which show up for "free" on cable superstations.

With local PPV, Blaemire says, "we're selling the Reds, not visiting teams." He confessed that he thought about assembling a broader package of events, perhaps importing Pacers games.

But the NBA was unwilling to make the contests available, and the region lacks strong local winter sports. Thus came the judgment that the Reds are strong enough to sustain PPV in the baseball season, but that any broadening of the service might not work.

The Reds organization also is counting on advertising revenues. It is selling full-card sponsorships for $25,000, which buys four 30-second spots per game (or $250 per spot). Product exclusivity is being offered, for a premium. Warner Amex is doing the selling, but revenues will be split according to the partnership stake.

"We feel now is the time to do it," Blaemire says of PPV. "We're going to start out just in Hamilton County, on the one Warner Amex system. We're not looking to get rich in the first year—we just want to see if it works. The ball club looks good, the community's enthused, and now is a good time to test the waters."

In St. Louis, home of the defunct Sports Time and its anchor team, the Anheuser Busch-owned St. Louis Cardinals, pay-per-view also is filling the regional sports network breach. But this time, the local cable company, Cencom of Missouri, bought the baseball rights for 50 home games for the next three years from A-B (the figure is undisclosed) to create the St. Louis Cardinals Cable Network. (The broadcast card consists of 40 games, all away.) Financially, A-B is closely involved, handling all production chores. Cencom already has signed contiguous cable systems of MSOs Continental, United and American Television and Communications, achieving full cable coverage of the St. Louis ADI with about 180,000 potential homes, according to Scott Whidham, vice president of Cencom. Cencom itself has 110,000 households, all addressable (40,000 are two-way).

Cencom hopes to sign additional affiliates, and may consider switching from microwave to satellite distribution if demand warrants.

Of the existing subscriber base, Whidham hopes to average a 10 per cent sell rate for each event. The season ticket costs $150; a half-season subscription, either the first or last 25 games in the package, is $80. The a la carte price is $5.50.

Advance sale

Cencom is using direct mail, newspaper, radio, and its own cable channels to promote the baseball package. But even before the pre-season hoopla begins, Cencom already has sold 4,000 season tickets, Whidham boasts—and that doesn't include subscribers of Continental, which recently joined the network. The early returns confirm Whidham's belief that St. Louis, being a strong baseball town, is right for PPV but not for a full-scale regional sports network. He notes that the NFL has football tied up; while the St. Louis Blues hockey team might be available, Whidham doubts the PPV saleability of that sport. "This is a baseball town, so why dilute the product with a lot of other stuff," he says.

While the demise of Sports Time meant no regular cable games last year, Cencom got on the PPV case early on; it tested four Cardinal games on PPV last season, and, says Whidham, "we did real well, considering the minimal advertising we did."

On the advertising side, Anheuser-Busch retains five minutes per game, and Cencom is selling 18.

With 30-second spots priced at $130, Cencom already has signed the Korger grocery chain and several local advertisers, including a truck dealer, a savings bank, the local Six Flags amusement park and the Monterey Jacks fast food chain.

Based on these early results, Whidham says of PPV: "It's a good business now; it will be a better business when we get more systems on. That depends on the microwave links, and that distribution is expensive."

These PPV newcomers have studied the experience of others who already have taken the plunge. Los Angeles, a town with much sports activity and over-the-air coverage, also has the largest concentration of PPV households in the country—more than a half-million out of a universe of some 8 million, according to Bonnie Pfeifer, director of business affairs for Dodgervision, the L.A. Dodgers' PPV outlet that is entering its second season. Last year, Dodgervision offered 20 home games via season ticket and PPV; this year, that number has increased to 25. The network now has 31 affiliates, having just added Communicom, a 50,000-home addressable system in the heart of L.A. Nearly all major cable operators in Southern California carry the service, which boasts a total reach of over 800,000 households via 34 cable systems.

Of the affiliates, 23 systems offer both season ticket and per-game buys. The remainder sell only the season card. The suggested retail is $79.95 for the 25-game package. The team throws in two game tickets. (During a holiday promotion, the team also included two Dodger caps.) The operator gets 50 per cent of the pay cable gate. According to

Neal Fenkell *of the Detroit Tigers, remembers how ON-TV flopped with PPV. In a real sports town, he says, the fans like a mix of events on a sports channel and balk at slicing up the menu.*

Don Heller *of PRISM says new-builds in major markets will determine whether PPV is viable in those areas. He sees more games coming off "free" TV and coming onto cable as these markets get wired up.*

the Dodger organization, the home game cable card is a moneymaker; Pfeifer says the operation averaged an $11,000 buy rate per game last season. To ensure awareness of the service, Dodgervision does its own marketing, mostly via direct mail and bill stuffers, rather than relying on the cable operator.

On the advertising side, Dodgervision has contracted with the sales staff of KTTV(TV), a Metromedia station, to handle ad sales. Last year, season sponsors included Nissan, Miller beer, Coca-Cola, McDonald's, Farmer John meats, and Canon cameras. Spots generally run $500–$700 per 30, Pfeifer says. While ad sales are a "significant" contributor to revenues, she won't give the percentage.

The "granddaddy" of all the PPV baseball operations, now at the ripe old age of three, is the San Diego Padres Sports Network. It is a joint venture between the team and Cox Communications, whose San Diego system boasts of 120,000 addressable homes, the largest addressable system in the country, representing nearly 65 per cent of total TV households in San Diego county. The system is a pioneer in PPV, having run its own PPV movies for several years.

This season, as last year, the network is offering a package of 41 home games, priced at $140 (with four stadium tickets thrown in). The Padres also offer two 21-game packages' Wednesday and Friday games or Monday, Thursday and Saturday games, each priced at $80 (with two free stadium tickets). The a la carte price is $5.95 per game.

Jim Winters, director of broadcasting for the Padres, won't get specific about PPV revenues, but he says it's a good business that complements the broadcast card of 51 away games. He also shares the view that the operation wouldn't be as great a success if it was expanded to encompass other sports. "That only works in the top three or four markets in the country," he declares, "where you have enough major sporting events, the pros and college. Today, over basic cable, you get more football and basketball than you can keep score of. So the viewer in Kansas City or Cincinnati says, 'Why should I pay for what I can get for free?' "

The Padres handle ad sales, with Stroh's and Miller beer leading season sponsors. (Anheuser-Busch sponsors broadcast games.) The team won't talk ad revenues.

Tv's marketing clout

Despite the apparent success of PPV in San Diego, Winters shares the view that the number of cable-exclusive contests will not increase dramatically. The reason, he says, is that despite the revenue potential of cable, for now the team still sees television coverage as "a strong marketing tool to sell people on the fun of coming out to the ball game." But does home-game PPV diminish the gate? "The jury is still out on how PPV affects stadium attendance," Winters confesses. "There is one side that says when the game is on some people will say, 'Why go to the stadium?' But there is another side of the coin that says, you may lose that person for that night, but you might pick him up on a night he wouldn't otherwise come out.

"There's no question that within a short period of time, all revenues from media will surpass ticket sales," Winters continues. But he says that in San Diego, still "a very small market," that won't happen for another half-dozen years. In any event, the Padres' strategy is to directly control as much of the media component as possible; with that in mind, the organization this year is taking its radio production and sales in-house, to "maximize the dollar income and control our own destiny," Winters says. While such moves do not yet constitute a trend, if other clubs follow suit, it could have a profound effect on the business and equity relationships between team owners and broadcasters.

Meanwhile, the surviving regional sports networks continue to do well in markets that can sustain year-round operations. And most have little interest in PPV. SportsChannel spokesman Larry Wahl notes that lack of PPV capability in Manhattan, the key cable market for the Mets and Yankees. He also doubts that baseball would be much of a seller on its own in a market where fans demand, and the market sustains, multi-sports channels.

Home Team Sports (HTS), with 67 affiliates representing 259,000 cable households and 500 MMDS homes in Maryland, Virginia, West Virginia, Delaware and Pennsylvania, also sees little need to venture into PPV. "The interesting thing with PPV is that there is no rights payment, just the revenue split," says HTS' Ortman. "That works nicely in areas where there are not enough sports to sustain a whole network. But when a team goes in with a third party and runs a season ticket operation, your success ebbs and flows with the success of the team, and there's no set rights fee. It can be great in good years, and disastrous in bad years."

To Ortman, the fact that PPV is a "logical alternative" in the absence of regional sports networks doesn't mean that it's worth pursuing where the regional sports concept is viable.

But that logic seems to assume that the impulse buy is the most important component of the new PPV ventures; in practice, the teams doing PPV are banking most on season ticket sales and the up-front revenues they provide. In some markets where the baseball component on regular regional sports networks remains strong, some team owners are looking to PPV to provide that extra edge for certain home

John Claiborne *of New England Sports Network warns that the PPV option could hurt sales of a monthly regional sports service. Also, he's wary that PPV could hurt attendance of home games.*

contests that could be held in reserve —just in case the team gets hot around pennant time and becomes a potential impulse buy.

Playoffs only

That explains why the Chicago White Sox, which hold a 40 per cent stake in the SportsVision regional pay service (the Rainbow partners own the rest), recently revised its contract with Rainbow to allow PPV by 1987, but only for playoff games, according to Laureen Ong, vice president of broadcasting for the White Sox, and also head of SportsVision. (She notes that major league baseball's network contract still would be a controlling factor in whether the play-offs could be sold via PPV.) The service already plans to experiment this year with PPV in play-offs involving the Chicago Black Hawks, Bulls and Sting, the other teams on the service. The thinking, according to Ong, is this: "If they're going to pay extra for something, why not cream off the best?"

She also notes that PPV will become much more desirable as the four companies wiring Chicago for cable come on line in the next couple of years.

Despite the PPV trials, Ong still harbors doubts about PPV's potential in a big sports town like Chicago: "Maybe it will work. But when you've got 67 (regular season) games available over the air (14 home, 53 away), I still don't know if pay-per-view makes sense."

SportsVision will telecast 75 White Sox games, 60 at home and 15 away. The entire cable package represents some $2 million in rights fees, she says. In contrast, the broadcast schedule represents fees of "more than $50,000" per game. Those broadcast fees, higher than last year, also reflects a shift from cable to broadcast that increased the number of broadcast games and reduced the number of cable games by 25 regular season games. That, Ong says, was the upshot of a bidding war for the White Sox rights between Rupert Murdoch's WFLD-TV and Grant Broadcasting's new WGBO-TV—and it demonstrates the dominance of the broadcast schedule over cable, despite slow and steady progress on the cable side.

Houston Sports Entertainment (HSE), controlled by the Houston Astros and Texas Rangers and reaching 3.2 million cable homes in a five-state region, also has experimented with PPV as a secondary revenue source, doing five PPV events since 1983. Both Houston and Dallas have significant addressable capability, having been former sites of Warner Amex' QUBE system. But as far as baseball is concerned, "we're considering (PPV), but only on a supplemental basis for cable homes that don't subscribe to the regular service," says Jack Stanfield, HSE program director. HSE hopes to try the concept sometime this season, with affiliates using a movie PPV channel that may be dark during certain periods, he adds. HSE would price the PPV games at $6–7 each.

HSE plans to do 67 Astro and 57 Ranger games this season, a slight decrease from last year, when it presented 80 Astro games and 59 Ranger contests. The mix remains primarily home games. Says Stanfield of the broadcast-cable mix: "The teams are sensitive to the balance between broadcast and cable. It's something that continually will be analyzed. There's no question that cable is as important as ever. It would be misleading to see adjustments in the numbers and reflect on the importance."

Of course, that's exactly what people do, and Stanfield concedes that "from the advertisers' and public's standpoint, I think you'll see (broadcast) remain dominant for a while." He notes that at its launch three years ago, HSE did 99 Ranger games and 80 Astro games, and that the consensus was "that was too much" on cable. It also caused scheduling problems, with the network sometimes presenting two different games on the same night. The network has the capability for dual feeds, and will run simultaneous games about ten times this season, but tries to keep dual feeds at a minimum for cost reasons.

Tough sell

Despite the White Sox and HSE dabblings in PPV, most regional sports people appear to be cool to PPV. It's hard to argue with their logic—that fans in a solid, multi-sport market would rather pay monthly for a good mix of sports rather than seasonally or by the event. They also note that team owners get a set rights fee under the traditional arrangement, while PPV introduces a new and unpredictable set of variables.

"I'm not criticizing what they're doing, but I would rather go with the full pay service," says John Claiborne, general manager of New England Sports Network (NESN). The network, with 130 affiliates reaching 1.4 million households and less than two years old, has Boston teams and New England's strong college sports component as its anchor product. Even though the new Cablevision of Boston system is addressable, NESN has given "no thought" to trying PPV. "The jury's still out on whether if we had PPV totally available to everyone, a person would wait around for a hot game and then order it," he says, adding, "I question how much real revenue is being made on pay-per-view. If you generate a dollar on PPV, but it affects the sales of your regular (regional pay) service as well as the team's gate, maybe it's not a positive."

Instead, NESN would rather rely on ad sales as an ancillary revenue stream; ad sales account for about 12 per cent of NESN's gross revenues, even though the network sells only about 40 per cent of the inventory it could sell. Spots are priced at about $500 per 30. Toyota, Polaroid, Stroh's, Digital, and New England Ford Dealers are season sponsors.

In Detroit, another solid sports town, the Detroit Tigers remain pleased with the action generated by the Pro Am Sports (PASS) network owned by John Fetzer, formerly owner of the Fetzer group of stations, says Tigers director of broadcasting Neal Fenkell. WDIV-(TV) airs 45 Tigers contests, most road games, while PASS gets 80 contests, 21 away, the rest home. He notes that the churn rate last year among PASS' 100 affiliates in Michigan and in northern Ohio was half of the 1984 rate. PASS does no PPV, and that's fine with Fenkell: "My personal view is that PPV is only effective on blockbuster events." Fenkell notes that the now defunct ON-TV tried it, and that it was "totally unsuccessful."

In Philadelphia, the sports and movie service PRISM has rights to 37 Phillies games this season (28 home, 9 road), one more than last year. Vice president Donald Heller believes the course of the new-builds in New York City and Philadelphia will dictate whether PPV would be a viable option. Noting a trend toward "plain vanilla" hardware among cost-conscious builders of the remaining urban cable systems, he doubts whether addressable technology will be in place to handle PPV in some urban markets.

Finally, Heller notes that because PRISM carries movies as well as sports, it's got a dual programming strategy that makes any incremental profits from PPV less important. All of this seems to indicate that despite PPV's inroads this season, broadcast TV is dominant, and will continue to dominate the TV scene for years to come.

But PRISM's Heller is not so sanguine about cable's apparent relegation to second-class status. When New York, Philadelphia and Chicago are built out, he cautions, the economic impetus may arise to put all home games on cable.

"With a lot of the metropolitan areas not wired yet, the teams aren't prepared to take many games off free TV," Heller says. "But eventually, that's what will happen. It's a function of how fast (the cities) are wired." □

Web news *(from page 55)*

ancials." A decision, he estimates, will probably be made sometime in the middle of this month.

Says KCTV's Jones: "We want to try to come up with a plan that best takes advantage of the new technology and that is better than what has been offered to affiliates of the other networks.

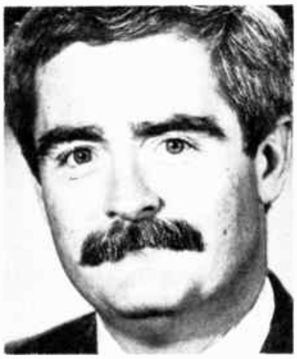
"We feel CBS is far ahead on regionalization; we don't understand the compulsion of the other networks [in moving on the installation of trucks]. We feel we're in a good position to get the sense of the total affiliate board."

what they have to do."

The network, he continues, is working on the final design of the communications package and has set a deadline of July 1 to have a master station ready for testing. When the testing process is completed, the system will be turned on.

Meanwhile, Cable News Network is moving ahead with plans for its own SNG support system for affiliates. According to Paul Amos, vice president, the aim is to set up "a full service SNG operation—one call does it all." This would include provision of satellite transponder time, help in securing Ku-

"It used to be that stations and networks were irrevocably wed. Now there's a growing tendency to preempt. It used to be the networks had clout; they could forbid you to preempt."



Mike Burke
News director
WCPO-TV Cincinnati

NBC, according to Art Kent, vice president of news operations, will reimburse "any NBC affiliate up to $150,000 for a satellite uplink truck." In addition, the network will install a communications package, which "will permit the truck to communicate through the NBC system." The latter, he says, will cost about $30,000.

Affiliates already owning Ku-band trucks, Kent says, will be entitled to the same reimbursement, "with a couple of caveats. The truck must be complementary with the NBC system. Since the NBC Ku-band system is leased, any uplink must meet COMSAT's standards. So existing trucks will have to be checked—if they need to be retrofitted, we expect stations to do that." Other caveats:

- "NBC transponders may only be used for feeding of material to NBC affiliates and the network."
- "Stations must put the NBC logo on the truck somewhere."

NBC, says Kent, has met with truck manufacturers, "and we have laid out the aspects that need to go into the trucks. We've sent the specs to general managers, news directors, engineers; so the people with the trucks will know

band vehicles, "advice, training whatever they need."

Amos says CNN is on the verge of signing contracts with two equipment manufacturers and adds that satellite capacity is "in the process of negotiation. We hope to get all of the pieces together by the NAB."

He stresses that the CNN operation is being set up as a "cooperative; we're trying to incorporate suggestions and ideas into the system." Key elements, he says, will be economy and flexibility. "There will be no restrictions on who affiliates deal with outside of CNN. We have no problem with them using our facilities to feed their network. They should have the right to decide who can downlink their material."

CNN is not in any way subsidizing affiliate purchases of equipment. The cable web's role is to provide stations with the opportunity to purchase certain equipment at what it believes is an economical price.

The base price of vehicles CNN hopes to be able to offer its affiliates will be $175,000, according to Amos. "This enables SNG to move out of the top 30–50 markets into markets where the cost has been prohibitive."

Between CNN and CNN Headline News, the company has 188 broadcast affiliates. Amos says contracts for the SNG operation are out to five stations now, and he hopes to have 30 on board by the end of the year.

The Independent Network News plans to install Ku-band trucks at its Washington bureau and at those Tribune stations that are "deeply involved in news," according to John Corporon, INN president. The stations are: WPIX(TV) New York, KTLA(TV) Los Angeles, WGN-TV Chicago and KWGN-TV Denver.

INN will also begin leasing four hours of transponder time daily on RCA's K-2 satellite in the second quarter. For awhile, Corporon says, the network will be feeding on both Ku-band and C-band because not all affiliates will have their Ku-band downlinks in place.

There are no plans to become involved in the supply of Ku-band trucks for non-Tribune affiliates, however.

Affiliate reactions

The NBC plan is considered a "great idea" by Bill Peterson, news director at affiliate KCST-TV San Diego. "It's exactly what a network should be doing," he says.

"We will be able to do satellite news gathering and exchanging of material. It's something which we would have done anyway, but the alternative [if the network hadn't done it] would have been to go to one of the independent companies that are building ad hoc networks. But they cross over affiliate lines, making it very complex."

In the Sacramento-Stockton market, Al Jaffe, news director of KOVR(TV), is "very pleased" with the ABC West Coast regional feed. "It has been a big help to us," he says. "The satellite feed delivery system is miles ahead of what we had previously. They're talking to our desk everyday; we're providing a lot of stories to them, and we've taken in a lot of stories."

As for the Ku-band truck proposal, Jaffe says, "We hadn't planned on it until next year's budget, but it's something we'll have to look at. It's going to really help to have ABC pick up half of it."

In Portland, Ore., NBC affiliate KGW-TV is "planning to order a truck and get it in here as fast as they can build one," according to Reagan Ramsey, news director. "Our Seattle station [KING-TV] is doing the same thing."

Another Pacific Northwest station, CBS affiliate KIRO-TV in Seattle-Tacoma had "independently decided, at the current prices of the Ku stuff, that we were not going to get one," says John Lippman, vice president/news director. Now, however, Lippman is waiting for CBS to drop the other shoe. "It all depends on how CBS structures it," he says. Meanwhile, KIRO-TV is pleased with the CBS West Coast regional feed. "Just last night we had a story out of Los Angeles about a plane that got tangled up in high tension wires. The NBC and ABC people here didn't have it."

Impact on other services

How will the networks' expansion plans impact on the operations of other satellite-fed breaking news services such as Conus and Newsfeed?

Tim Morrisey, news director of WISN-TV, ABC affiliate in Milwaukee, has been a Conus member since last August and is sold on the value of Ku-band trucks. "It has made our lives much easier," he says, "locally and when something goes on in another city. We have had so many good experiences. We have the truck, and we can point it at any satellite. The beauty of Conus is you have the cooperation of 30 other stations; the beauty of the network is you have virtually all of the network affiliates."

Another Conus station, WRTV(TV) Indianapolis, hasn't committed itself yet to participation in ABC's Midwest regional setup, but, says Robert Gamble, news director, "I suspect we will." Gamble terms the regional feed concept "a good deal for the network" because of the material it will receive from affiliates." As for the value of additional material fed to affiliates, Gamble says, "The actual performance will have to be tested."

Charles Dutcher, vice president and general manager of Conus Communications, views the network activity as "a very positive situation. We're happy they're putting the trucks out there." The difference between what the networks are doing and how Conus works, he says, is "we operate without the network bureaucracy. Besides fixed feeds, we are live 24 hours a day—like a satellite news wire. Stations have the option of going live at anytime."

As an example: "Say there is a 2 p.m. mine disaster in Utah. We can cover the event completely. Are the networks going to provide stations with the tools to preempt themselves [regularly scheduled network programming]?"

Dutcher believes the main reason the networks are embarking on these expansions is that "they want to be sure they have access to any breaking news."

Despite this, he feels the partial reimbursement plan for the purchase of Ku-band trucks is "a good investment to help the local station," and he is especially complimentary of ABC's plan, which he feels gives the stations a great deal of flexibility in the use of the trucks for the feeding of local and regional material.

Conus, which currently has 34 affiliates, has no financial stake in the trucks used by its affiliates but does assist the stations in ordering them.

At another satellite-fed news service, Group W's Newsfeed Network, Richard Sabreen, vice president and general manager, says, "Diversity is a good thing.

"We at Group W feel quite complimented. After five years of slugging away, others are imitating us."

"Anything the networks can do to enhance the newsgathering ability of affiliates," he continues, "works to the benefit of the industry as a whole. An analogy to the wire services is quite appropriate. Newspapers use a variety of wire and news services. Television stations are increasingly using a multiplicity of wire services.

"And in TV there is an opportunity for more than one source of video; it's becoming an accepted way of doing business."

Newsfeed has more than 70 affiliates, and Sabreen points out that, in addition to scheduled feeds, "if a station tells us what coordinates they're on, we will passively downlink a signal for them.

"And we can take material from C-band and put it on Ku-band."

Networks' motives

Although the feedback from news directors on the three TV networks' expansion plans is generally more positive than negative, there is an undercurrent of suspicion about the webs' ultimate motive.

This is perhaps best expressed by Mike Burke, news director of WCPO-TV, Scripps Howard CBS affiliate in Cincinnati.

Pointing out that "a lot of ad hoc networks have already been in place," and that "local stations have been trading back and forth for a long time," Burke believes the TV webs are mounting their current plans as insurance —"to continue a strong relationship with affiliates" in the face of "the growth of syndication and the growth of locally-originated programing.

"It used to be," he continues, "that stations and networks were irrevocably wed. Now there's a growing tendency to preempt. It used to be, the networks had clout; they could forbid you to preempt. The attitude of network news executives he points out, "used to be one of 'measured arrogance.' They used to say, 'We're doing you a favor.' Now, they say, 'We want to help you; we want to do what CNN and Group W are doing.' " □

C. J. Waylan, *president of GTE Spacenet, says the transponder glut has lowered prices, stimulating new use of satellites. But if prices keep falling, cutthroat competition could force some firms out of the industry.*

Satellite *(from page 58)*

themselves more as information and programming delivery vehicles, either through wires or through the sky, and the same applies to the Ku band," Thoss says.

Efficiency stressed

An HBO spokesman, reiterating that HBO has no intention of bypassing cable operators, stresses the efficiency of Ku delivery to cable headends as well as the opportunity to better service homeowners in noncabled areas. The spokesman also says the move reflects HBO's opinion that the cable industry would be better served by the eventual migration from C-band to Ku—although the service plans to continue on C-band for the foreseeable future.

Some of RCA's satellite competitors, however, believe that HBO is positioning itself for the day when consumers demand the high signal quality made possible by direct-to-home broadcasting. "HBO is positioning itself for DBS," declares John Mattingly, director of product management for American Satellite Co. of Rockville, Md., proprietor of the ASC I Ku-band bird. "There's no reason to transition to Ku band, and make a larger investment in ground installations, if you intend to do what you're already doing. We look at HBO as positioning itself to do what STC (Satellite Television Corp.) and USCI (United Satellite Communications Inc.) failed to do (with direct-to-home medium power DBS service)." Those latter two firms failed to crack the direct-to-home market with Ku technology; but some believe the results had more to do with marketing and timing than anything else.

Will migration from C-band to Ku turn into an exodus, tolling the death knell for C-band as C-band satellites approach the end of their useful lives in the early to mid-'90s? RCA's Thoss strongly hints that he believes that will happen but hedges his bet by saying that providers will follow the dictates of the marketplace. Ku represents "another path" to stations and headends, Thoss says. "It could be an alternate, backup path, or it could be as a primary path. The primary opportunity is that there are 31 million homes that are underserved or not served by cable. And that is a revenue opportunity for programmers and cable operators. Cable companies will have the option of wiring up homes [at high per-mile costs of thousands of dollars] or putting up a $500 antenna and marketing the programming as opposed to the wire."

C-band staying power

Dutcher of Conus Communications sees Ku accounting for half of broadcast-cable satellite services in the near future, although he says C-band's superiority in heavy rain, its large installed base of TVROs, and its increasingly attractive cost structure will keep it around for a good while.

"C-band is a good, reliable tool, but certain areas will migrate from C to Ku—sports and news in particular," he says. That, coupled with the growth in private satellite networking facilitated by Ku's smaller dish size and lack of interference on the ground, will further drive the migration.

"Ku already has hurt the second battery of satellites," Dutcher says. "Satellites are like neighborhoods, only as good as the guys on them and the antennas looking at them. The successful marketers, the ones whose 'neighborhoods' have homgeneous populations will do well. It's like like a condominium: All things may be equal in the building, but because of the occupants, there is greater value."

Yet Dutcher does not see the growing Ku band obviating the need for high-power DBS—something still on the Hubbard drawing boards. Ku may depress high-power DBS "in the short run," he concedes. But he insists that the tiny dish size made possible by 250-watt transponders—perhaps 18 inches—will "swing the economics to DBS in the long run."

At that point, predicts Dutcher, programmers may decide to bypass cable operators completely: "All of the sudden, you have HBO capable of going direct to the home. They can price it less, don't have to split revenues with a cable operator, can double the revenue stream and the viewer gets a better signal. When the time comes for [coaxial] cable to retool, a couple of satellites in the sky with high-power DBS will be a damn sight cheaper than rebuilding cable plant."

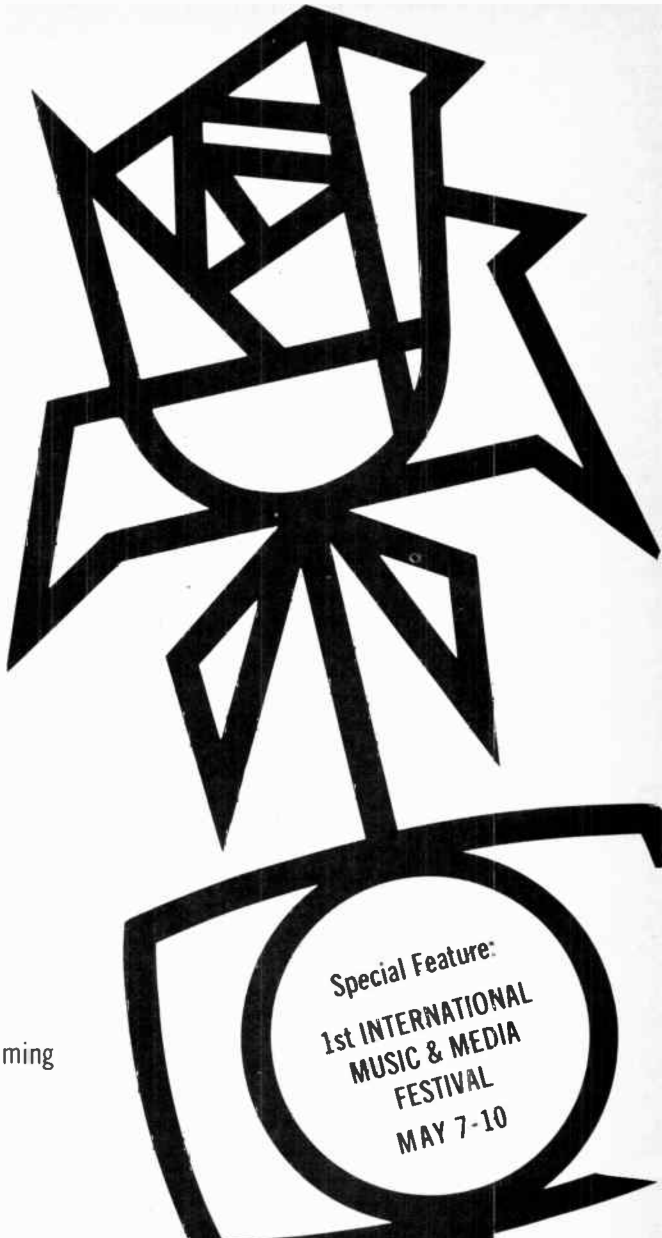
And at 250 watts, Dutcher says, you don't have the "ugly problems" that bigger dishes sometimes create. Too, high power will eliminate atmospheric problems such as rain attenuation and potential interference caused by the advent of two degree spacing, he says.

A major question is whether satellite companies will decide to service C-band's installed base of receive dishes with a new generation of C-band birds. RCA has no plans for new C-band birds, but doesn't rule out C-band replacements. Hughes, citing competitive factors, chose not to comment on satellite issues for this article. Other

Satellite news gathering: a major use of flexible Ku technology by TV stations.

COMSAT's mobile SNG unit

THE '86
GOLDEN ROSE OF MONTREUX
26th EDITION
MONTREUX, SWITZERLAND
MAY 7-14, 1986



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providers are banking on hybrid birds to allow them to meet market needs. GTE's Spacenet 1 and 2, and Spacenet 3, scheduled for launch in June, are hybrid birds with 18 C-band transponders and six Ku-band transponders. Its G-star 1, launched in May 1985, and G-Star 2 and 3, set to launch in February and November of this year, are dedicated Ku birds with 16 transponders each. American Satellite's ASC 1 and its ASC 2, scheduled for launch next year, are both 24-channel hybrids (18 C-band transponders, six Ku).

Perhaps the strongest endorsement of C-band comes from Western Union, whose Westar satellites were among those hardest hit by the cable programming service shakeout of 1983–84 and the migration to Galaxy I. Western Union, which has experienced financial troubles recently, still plans to launch a higher-powered C-band bird Westar 6S, later this year. That Satellite will carry 24 transponders, each powered at 10.1 watts compared with 7.5 watts for Westar IV and V, and five watts for Westar 3. Western Union also has received FCC authorization for two Ku satellite slots, but has not yet announced construction plans.

Westar 6S will partially replace Westar 2, which is expected to be retired this spring after more than 10 years in orbit, says Peggy Abramson, senior product manager of video services. While she acknowledges something of a "transponder glut" outside of the prime cable birds, along with the growth of Ku, Abramson believes the large installed base of C-band dishes guarantees the continued vitality of the technology. "We'll just have to market C-band smarter," she says.

Cost of transponders

Of course, pricing is a major tool. Abramson notes that transponder lease fees on so-called "secondary" broadcast-cable birds have dropped from $200,000–$300,000 a month to $50,000 a month. But she says availability is "fairly low" on the Westar birds due to continued demand.

Prices will stay soft through 1988, she predicts. But the executive cautions that C-band prices may be reaching an absolute low, for two main reasons: First, not much additional C-band capacity is going up, a factor that should make existing capacity more desirable. Second, if prices go any lower, satellite operators will have a tough time covering expenses.

For now, however, the concentration of broadcast and cable business on RCA and Hughes birds means that the "transponder glut" really doesn't apply to the most desirable broadcast-cable birds—at least for now. RCA reports that transponder selling and leasing prices have held steady on Satcom III-R, although two full transponders were available as of this writing. Satellite brokers report that transponder costs have actually increased for Galaxy 1 and remain firm for Galaxy 2—reflecting the desirability of the "condo" real estate environment.

John Mattingly, director of product management for American Satellite Co. of Rockville, agrees that the current excess of transponders has stabilized or reduced prices on less-looked-at broadcast-cable birds. Some of the bargains, he says, can be found on the GTE Spacenet and Westar series, satellites impacted by the programming shakeout. Today a programmer might pay $60,000 a month for a transponder, whereas the price tag would have been $160,000 just a couple of years ago, he says.

Prices for occasional use have dropped even more dramatically, even on some of the most desired broadcast-cable birds, Mattingly notes: "You can get prime cable time for $300 a hour. Now, when you're talking about transmitting an event, the transponder cost is really next to nothing."

Leone, the independent satellite time broker, confirms that the transponder situation has made it a buyer's market for occasional time. She brokers time for major satellite owners and lessors, claiming to beat primary suppliers' prices with volume purchases and last-minute orders for what otherwise would be downtime.

Hybrid-bird market

If C-band is going to be around well into the '90s, as many predict, then there should be a market for so-called "switchable hybrid" birds carrying both Ku- and C-band transponders, with onboard switching capability for uplinking and downlinking in any combination of modes.

That is the business strategy at Ford Aerospace Satellite Services, based in Washington. Although there are hybrid birds in the sky now (ASC and GTE are among those touting dual capability), present-day satellites lack onboard switching. This is the market niche Ford Aerospace Services seeks to fill with a pair of 48-transponders C-Ku switchable hybrids it hopes to launch in 1989.

Moreover, Hollis believes that today's transponder excess will actually turn into a shortage by late in the decade, as voice, data and new video applications snap up Ku capacity and as C-band stays healthy due to its lower costs.

New capacity, however, will be at a premium, due to limitations on FCC authorizations, as well as the high cost of launch and insurance, he maintains.

Because "C-band won't go away," Hollis foresees the need for easily sited Ku uplinking, with conventional C-band multipoint downlinking. That's where on-board switching comes into play.

"The people now doing C-band won't leave C-band totally for Ku, but they will do both if there's a good way," Hollis says. "We can serve both [broadcast and business] industries very well."

'Technical edge'

Ford is the last of the major satellite makers to enter the marketing end but believes its technical edge with the switchable hybrid will allow it to penetrate an already crowded market. "So we don't feel threatened by what's up there today," he concludes.

ASC's Mattingly says C-band's large installed base gives that technology "effective capacity" until at least the mid-'90s. After that, he says, C-band's future rests largely on whether programmers will attempt to "bypass" cable operators and broadcast direct-to-home.

Mattingly foresees a "multitiered market": Signal-conscious consumers may op for a Ku dish capable of some form of high definition TV, while less finnicky viewers may stick with the coaxial cable, which he says is not capable of matching Ku signal quality under current technology. □

Rex Hollis, *president of Ford Aerospace, believes that today's transponder excess could turn into a shortage by decade's end, as launch and insurance costs limit the number of new satellites.*

Baseball races *(from page 51)*

pand the station's audience base, according to Bill Scaffide, general sales manager. Renewals so far are Anheuser-Busch, Toyota and Burger King. Prices are up slightly.

KTVT(TV) Dallas-Fort Worth (Texas Rangers): The station is in a five-year rights deal with the Rangers, which calls for a flat fee during the term of the contract of somewhere in the $3 million range each year. Charles Edwards, general manager, says the station will do a six-hour telethon shortly as a promotion for ticket sales, with Rangers players taking part in the special program. In addition, the station has changed its broadcast team, with Bob Carpenter, who had done play-by-play basketball for the pay-TV service in St. Louis, doing play-by-play on the Rangers, and Steve Busby, former Kansas City Royals' pitcher, doing the color. The station recently signed Budweiser as one of its major sponsors, in a four-year agreement, says Edwards.

WDIV(TV) Detroit (Detroit Tigers): Unit rates will go up about 10 per cent this season over 1985's, notes Christopher Rohrs, general sales manager at the station, with strong sales activity expected. He continues that sales are slightly ahead of last season's upfront pace, which is excellent, considering that the Tigers did a boom business coming off their 1984 World Series winning performance. Usually, the station sells out on the 85 per cent sponsorship it keeps, saving about 15 per cent for spot sales. The station's games averaged an Arbitron 23 household rating last season, about even with the 1984 numbers, says Rohrs. Major incumbents in the games are Miller beer, Chevrolet and the local Chevrolet dealers, McDonald's, J.C. Penney, Kroger, Republic Airlines, and Kentucky Fried Chicken. New sponsors this season include Pepsi-Cola, the *Detroit News* and the Henry Ford Hospital.

KTXH(TV) Houston (Houston Astros): Under a recently signed 10-year rights agreement, the station will take over selling of Astros games from the ball club. The station is part of the Taft Broadcasting group, co-owner of the Astros, "so the move was in the best interest of the team, as well as of the station," notes Vincent Barresi, general manager. Also involved is a substantial change in the at-home schedule, with 13 set for this season. Last year there were no home airings. While most sponsorships have still to be firmed, the station has lined up Anheuser-Busch. Ad rates will be somewhat higher this season over last year's, across the board.

WDAF-TV Kansas City (Kansas City Royals): Because of their World Series win, the Royals' sales are running better this coming season than 1985's, notes Jim Conschafter, general sales manager at the station, with the high performance of the team as the main contributing factor. "The ball club did so well throughout the season that it was averaging a 20 household rating even before the championship games," says Conschafter, which has added to the general upbeat sales climate, despite the fact that the station is getting a hefty rate increase. While all the renewals haven't been wrapped up, incumbents signed at presstime were Miller beer, Toyota, McDonald's and Long John Silver.

KTLA(TV) Los Angeles (California Angels): The Angels have added four home games this season, for a total of six. In 1985, only two home games were carried because of the ball club's deal with the now-defunct pay-cable serve SportsVision, which aired 63 home contests. Also, the station carried only two home contests because it was felt that any additional carriage would hurt attendance of the Angels. However, as it turned out, according to Tom Arnost, sales manager at KTLA, the airings had no effect on the ball club's gate.

KTTV(TV) Los Angeles (Los Angeles Dodgers): Registering 13s in ratings last season, the station has been averaging some of the highest numbers in the country, compared to other stations carrying ball games. According to Martin Bergman, sales manager at KTTV, the games last season did 60–70 per cent better in ratings than NBC's *Game of the Week*, and more than 50 per cent higher, on average, than the Angels' games. Rates to advertisers this year are up between 5 and 10 per cent, and although it's too early to get a complete sales picture, he says sales are good, and the station is about 80 per cent sold out (at presstime). Renewals include Union Oil, Miller beer, Nissan-Datsun, Coca-Cola, McDonald's, and Farmer John, a meat packager. New paticipants not in full sponsorships are Pacific Telephone and Canon camera, among others.

WVTV(TV) Milwaukee (Milwaukee Brewers): With the Brewers coming off a disappointing season on the field, sales are slow generally, reports Gregg

Graber, national sales manager. But, he continues, "I don't see any real problems this year, and all the major sponsors have returned, including Miller, True-Value and Toyota." "All the cars haven't come in yet, but I see at least two of the four we are negotiating with as coming with us." The four are Chevrolet, local Buick dealers, and Pontiac and Buick nationally. Marine Bank, which had a part sponsorship last season, has taken a full sponsorship, and Goodyear Tire Co. is a new sponsor. On the other hand, McDonald's will not return this season, he notes, and the station is looking for another fast-food franchise. This season the station will carry some 80 games, a substantial increase from the 38 away games carried last season, mainly due to the dropping by the Brewers of their pay-cable deal with SportsVue.

KMSP-TV Minneapolis-St. Paul (Minnesota Twins): New ownership at the Twins last year helped to push up the team's overall ratings dramatically. In 1984, primetime telecasts received an ARB rating of about 8, while the ratings jumped to an average of 15 in 1985, says Stuart Swartz, the station's general manager. The station, which is in the second year of a four-year contract with the Twins, will air 60 contests in primetime this season. Rates are up this year by a small percentage, according to Swartz, and renewals are strong.

CBMT-TV Montreal (English) CBFT-TV (French) (Montreal Expos): The stations, which are part of the Canadian Broadcast Network, have not yet begun selling in force for the coming season, but, according to a spokesman at CBMT, sales prices will increase between 5 and 10 per cent. In the schedule end, CBMT will air 18 home games, and 10 away, while CBFT will broadcast 24 at home and 20 away, reflecting an increase of 14 home games.

WOR-TV New York (New York Mets): Prices are up at least 10 per cent over the season before, with rates averaging $10,000 per 30, depending on the game and time of season, notes Peter Leone, general manager. This year's incumbents are Budweiser, Nissan, Burger King, Oldsmobile dealers, Manufacturers Hanover Bank, Purolator, Ivory Soap, Lincoln-Mercury dealers, General Cigar, Metropolitan Life Insurance Co., Mita copiers and OTB (Off Track Betting). With the Mets in contention throughout the past season, the ball club had excellent ratings, averaging a 10.9/20 in primetime. The Mets highest ratings were during the series with the Cardinals from October 1–3, when the contests got a 22.5/47, 25.6/60 and a 26.1/55, respectively, on average, although the peaks were higher. The third contest peaked at 32.7, says Leone.

WPIX(TV) New York (New York Yankees): Sales look good for this season, according to a station spokesman, and renewals with all the major sponsors are expected, including Budweiser, Toyota and Dodge. Spot rates are going for $9,000–11,000 per 30, depending on the time and games. One added plus seen for the station is the addition of Billy Martin, ex-Yankee manager, who will do the pre-game commentary and review game highlights. Also, Jim Kaat, former Yankee pitcher, replaces Spencer Ross in the play-by-play.

KPIX(TV) San Francisco (Oakland Athletics): In the second year of a three-year rights contract, the station is scheduled to air 33 regular-season contests but has the option to go to 36. And, notes Fred Ebbinger, national sales manager, incumbents returning include Anheuser-Busch, Toyota, and Union Pacific Bell, with talks going on with new potential sponsors. He says ad prices this year are comparable to last year's.

WTAF-TV Philadelphia (Philadelphia Phillies): This year's schedule calls for an additional seven games over the 83 broadcast in 1985 by the station, owned by Taft Broadcasting, which is part owner of the ball club. Steve Mosko, sales manager, is particularly bullish on the airings this season because WTAF-TV is introducing a local news broadcast at 10 p.m. following the games, which replaces off-network syndicated product. (TV/RADIO AGE, December 23, 1985). Ad rates are staying about the same as last year, according to Mosko, and sales are "coming along fine," he says.

KDKA-TV Pittsburgh (Pittsburgh Pirates): The team is under new management, having been bought by 10 local blue chip companies, says Joe Berwanger, general manager at the Group W outlet. Under the rights contract, which runs through 1987, the station will air 40 games. Sales this year are running better than in 1985, Berwanger notes, and prices are up nearly 10 per cent over the same period.

KSDK(TV) St. Louis (St. Louis Cardinals): The station is going into its 24th year of airing Cards' contests, and is in the second year of its rights contract with the Cards. And, according to Bill Katsafanas, sales manager, the games in July, 1985, averaged an Arbitron 50 share, topping all other TV stations which carry baseball. As to ratings for the same month, the games averaged a 24. Because the Cards did so well on the field and got high audience numbers, the station is selling advertising at a 15 per cent rate increase over 1985, and sales are considerably ahead of last year's pace, notes Katsafanes. Incumbents include Midas Mufflers, Toyota dealers, Snapper mowers, Anheuser-Busch, Kroger stores, and TWA. This year's new sponsor is McDonald's, replacing Hardee's.

KCST-TV San Diego (San Diego Padres): Bruce Stein, sales manager at the station, says that rates will increase "modestly" this season, with the pace about the same as last season's. At this point all but one major sponsor has renewed, but he sees no problem if a replacement is needed. With the market growing, plus the team's potential improvement on the field, Stein is looking for a good sales season. Major sponsors include Anheuser-Busch, Union Oil, Nissan and McDonald's.

KTVU(TV) San Francisco (San Francisco Giants): Even though the Giants had a poor on-field performance, the team managed to average shares in the low 20s, and went from a 5 rating to a 6 over the past season. Jerry Jones, sales manager, says the station "is just cranking up on working on Giants sales," with KTVU looking for an 8 per cent rate increase. The major sponsorship activity is moving along at about the same pace as in 1985, he notes, with Toyota of Northern California and Miller beer both firmed up. He expects Canon camera to return as sponsor. Also, Union Oil is a "possibility" as are various airlines.

KIRO-TV Seattle-Tacoma (Seattle Mariners): The Mariners will be carried this year by KIRO-TV in a one-year rights arrangement, while KIRO Radio continues to air the Mariners as well. Last season, KSTW-TV broadcast 50 Mariners' contests, but this season the number of telecasts will total only 37, notes Glenn Wright, vice president and general manager at KIRO-TV. The station, however, will televise eight games in primetime and many in the early-fringe time period, stronger time periods than last year's weekend and early-fringe airings on KSTW-TV.

But Wright admits that the station is a little late getting out on the street because the rights were not locked up until mid-January.

CFTO-TV Toronto (Toronto Blue Jays): Very little information was given by the station's sales rep, Canadian Standard Broadcast Sales, regarding sales or the program schedule. It's understood that CFTO-TV will broadcast 35 contests this season, 19 at home and 16 away, similar to last year.

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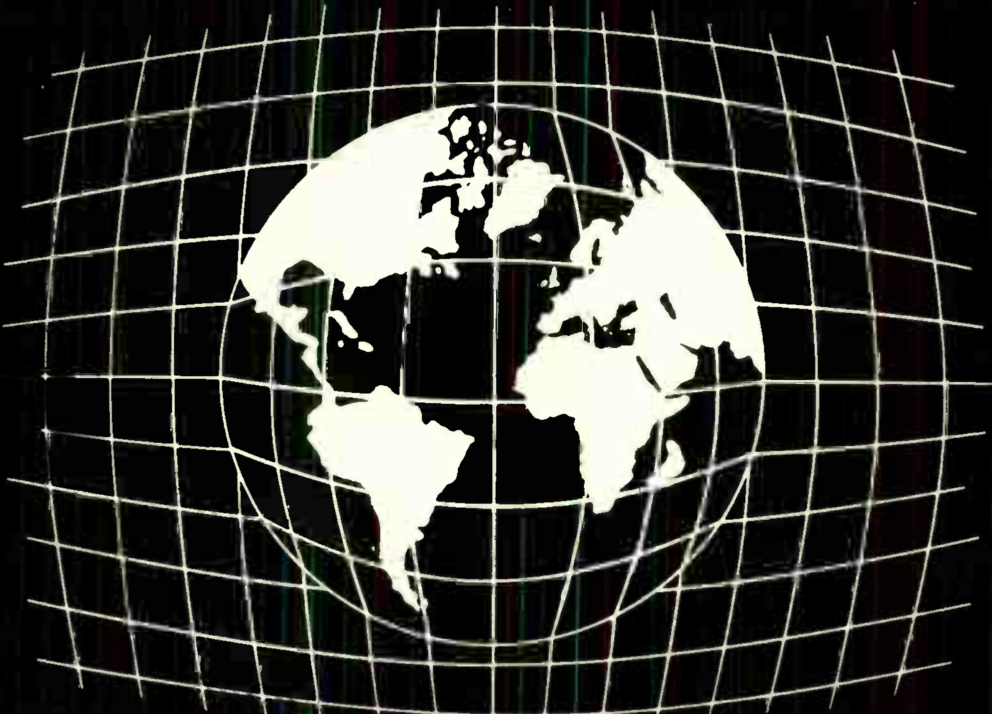

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Microcomputers *(from page 62)*

every item requested from a database, "enabling planners to bypass the research department. Planners will no longer be concerned about bothering the people in research, or about running up online access time charges. That means they'll use the system more, they'll be using it more experimentally, trying out alternative options, and seeing how far the data can carry them."

Dunne explains that so far the only computerized broadcast data available is on tapes at Donovan Data, and buyers access it from Donovan for their pre-buy estimates and later post evaluations. But the only information on the Donovan tapes is the same information that appears in the printed rating books.

"To go beyond this for the kind of unique data on TV or radio audiences that comes even close to the kind of things SMRB or MRI has on magazine readers, we now have to go back to Nielsen or Arbitron for special computer runs."

Dunne adds that JWT does use a Marketron system for radio that applies a formula to the standard Arbitron data that comes up with a combination of spots on a multi-station schedule to reach a specified target demographic. But again, she says, "To go beyond that for anything non-standard we have to go back to Arbitron for a special AID run.

At Foote, Cone & Belding, Daryl Scott, vice president, corporate media operations research, says he's been among those who have encouraged the data suppliers to make their information available for in-house subscriber use on micros, and that "It was inevitable that eventually data management would move" in the direction that Simmons is going.

He reports that FCB has its own reach and frequency programs for multi-media mixes "that do a lot of what the Telmars and IMSs do. We can download MRI magazine information and transfer it by telephone to our own systems and combine this into our own media mix programs."

But he also explains that even if Nielsen and Arbitron come up with software compatible with the same IBM PC hardware that Simmons' CHOICES is accessed with, "That doesn't mean that there aren't software differences between the Nielsen and Simmons software that prevent direct evaluation of television vs. magazine audiences without further adaptation of the Nielsen and Simmons software programs to each other. That's why, without the kind of in-house media mix formulas we use, a medium sized agency would have to rely on an IMS, Telmar or MSA."

"We don't need such systems [MSA, Telmar, IMS] for analyses involving Simmons data. But we do need this kind of service to maintain a Nielsen database for our post buy evaluations."

Sam Sotiriou
Vice president
Dancer Fitzgerald Sample

With Simmons' new CHOICES, 300 million pieces of information are stored on one disk that can be inserted in subscribers' in-house micros. Data include audiences of television, radio, magazines, newspapers, cable, outdoor posters and *The Yellow Pages* from the Simmons 1985 *Study of Media & Markets*, all broken out into 27 demographic factors including age, sex, income, education, occupation, marital status, number of children, region of the U.S., county size and value of residence.

Also in CHOICES are consumption and purchase information on over 800 product categories and 3,900 brands, cross-tabbed by demographics, psychographics and media. SMRB president Frank Stanton says CHOICES is so user-friendly that only minimal computer literacy is needed for advanced tabulation and that advertisers can access the data base for trends, growth opportunities, strategic planning and new product development, while agencies can use it for media planning, creative direction, marketing strategy, sales promotion and new business presentations.

And at Mediamark Research, Inc., chairman Dr. Timothy Joyce says MRI isn't far behind. He says part of the database is on floppy disks now and expects the rest to be on floppies "within the next two or three months." Like Simmons' CHOICES, the IBM or IBM compatible hardware has to be XTs or ATs to store the 512 K minimum required for "a database as big as MRI's, based on 20,000 respondents, with 120 punch cards worth of data on each respondent, if it were a punch card system."

Both MRI and Simmons have agreements with the suppliers of the VALS lifestyle consumer breakouts and geodemographic segmentation systems like PRIZM (both), ClusterPlus (Simmons only) and CACI's Acorn system (MRI only) to be included in their databases and on their microdisks.

Basis of charges

Charges by both suppliers will be based on subscriber size—agency billing or dollar volume of media and advertiser clients. Range for Simmons' CHOICES will be from $5,000 a year to $250,000 and up. MRI isn't showing its rate card yet, but Joyce does estimate that the annual on-line market for processing such syndicated research data adds up to more than $7.5 million. Simmons estimates a 40 per cent customer saving from elimination of time charges for mainframe access, even though Simmons' basic charge will be 20 to 25 per cent higher than for SMRB's database in its pre-CHOICES form.

But Joyce emphasizes, "Far more important to clients than the money saved on elimination of access time charges will be the time saved in access speed. No more waiting in line for other clients who tapped into the mainframe earlier. It will be five to 10 times faster for a subscriber to do this on his own in-house micros."

And just as MRI can't let Simmons get too far out front, IMS is hard on Telmar's heels with its own system for micros that it plans to unveil at the upcoming Advertising Research Federation Conference later this month. It's a system that IMS chairman Leon Liebman promises will be able to access all available media and marketing databases through a single system that allows both data selection, access and manipulation by in-house micro, plus access to the IMS mainframe.

But above and beyond the technology of it, or of Telmar's new MicroNetwork II "gateway system" for ac-

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"Our concern is not about any possible threat of monopoly. Our concern is, now that all this data is going to become available, what's the best way to handle it?"

Daryl Scott
Vice president
Foote, Cone & Belding

cess of industry databases by subscriber in-house micros (TV/RADIO AGE, January 20), Liebman believes, "The more critical issue is that we and Telmar do continue to compete. The more critical problem that so many of our agency, advertiser and media clients are concerned about is that if Simmons can succeed in locking out MRI through its new CHOICES system, or if MRI through its new system may be able to lock Simmons out, will this lead to a spread of the kind of monopoly Nielsen has managed to hang on to for so long in television—and could continue to hold if AGB fails to raise enough money to give it the longterm staying power it needs to give Nielsen a real run for its money on its own U.S. turf?"

Liebman says that, through their years of experience with Nielsen, "Our clients know that where competition in the data-providing industry is lessened, companies in a monopoly or even semi-monopoly position will be slow to bring out new products and help keep pricing down. Right now, he asserts, "Both we and Telmar process Simmons and MRI data at prices that are under the cost of an average business lunch because, and *only* because, IMS and Telmar compete with each other so fiercely. But if CHOICES enables Simmons to force its subscribers to get its data only from Simmons and from no one else, they could enjoy the same kind of monopoly pricing Nielsen has succeeded in clamping on its special runs."

But at DFS, Sotiriou does not see Simmons in any position to establish a monopoly so long as MRI produces the same kind of magazine information. Says he: "There are only two monopolies in this business—NTI [Nielsen Television Index] and BAR [Broadcast Advertisers Reports]—until Nielsen's new MonitorPlus takes over from BAR, and then Nielsen will have both monopolies because we don't need two services to tell us the same thing."

At Y&R, Joseph observes that whether or not development of CHOICES puts SMRB in a monopoly position "will depend on whether Simmons ceases to make its data available to other people—to customers with their own media mix systems like ours, or to services like Telmar and IMS, from whom other subscribers access it."

Withholding data

Joseph says that, if Simmons takes the data withholding road, "I'd consider it outrageous. I'd also consider it outrageous if I asked for access from Nielsen and they refused. But I haven't asked them yet, and I think Nielsen knows what their customers' attitude would be if they did refuse. I think that's why they're already in the early stages of starting to make access possible to everyone in the various forms that their various subscribers will want it in.

"They've already developed bits and pieces of what I hope is to come, and SpotBuyer is one of those pieces."

Nielsen executives describe SpotBuyer, scheduled to hit the market this month, as a user-friendly system for use with IBM XT or AT micros to help buyers manage broadcast audience data and allowing them to "apply their knowledge of each market to fine tune estimates and save them more time for actual negotiations."

The floppy disk system, says Nielsen, is flexible enough so that instead of being limited to basing a buy on just February 1985 data, the buyer can average February '85 with February '84. And if they still think the average is too high or too low, they can make their own adjustments.

SpotBuyer puts on the CRT the ratings, shares and costs by daypart, by station, by demographics and by week. And Nielsen says that, "As the schedule is being constructed, SpotBuyer maintains an accounting of GRPs accumulated and dollars spent, as well as budget dollars remaining."

But Arbitron's Arbitrends, in both its radio and television versions, is, to date at least, another story. A spokesman says that his company "has no plans to release either on microdisks. Subscribers can continue to access Arbitrends information direct from our mainframes. It's faster and more efficient than mailing out disks to them."

And at FCB, Scott says, "Our concern is not about any possible threat of monopoly on the part of the data suppliers. Our concern is, now that all this data is going to become available, what's the best way to handle it? Agencies will have to look at the trade offs between continuing to pay time charges for on-line access to a supplier's mainframe, to a service company's mainframe, or going out and buying more in-house micros, training staff to use them, and maintenance of the hardware."

Each option, adds Scott, will probably look somewhat different to a smaller agency than to a larger one. "And the smaller agencies would need a service like Telmar or IMS more than ever. Either that or farm more of the operations that depend on this kind of data to the larger media services who probably have their own micros and trained staff to use them."

SpotBuyer, according to Nielsen, will enable buyers to "apply their knowledge of each market to fine tune estimates."

Scott figures that the smaller agencies probably don't get as good a rate from Telmar and IMS as larger ones, but that the smaller shops are probably more dependent on the outside services because they have less staff to handle it themselves. "But if they have to," he adds, "they can get at least some of what they need from the media reps who can do runs for them." □

In the Picture

Ellen Hulleberg

Now that she's president of McGavren Guild, Hulleberg describes how she plans to make information—"up to date, accurate, and more of it," a key tool in servicing buyers and establishing the most productive business relationships with them.

Hulleberg takes reins at McGavren Guild Radio, says selling involves listening, too.

Ellen Hulleberg new president of McGavren Guild Radio, sees the radio rep business as "a good deal like many other businesses, in that one or two companies control 40 per cent of the industry, another one or two have another 20 per cent, and the rest have to really scramble to compete over what's left."

At first glance, she adds, "This might seem to make my new job easier. But in a way it's like kids playing King of the Hill. When you're one of those on top, you become everyone else's target, because you have more of what everyone else wants."

One of the moves she plans to make in her new job at the top is to "get out and visit every McGavren Guild office, sit down with everyone in each office, and make sure they all understand our mission." And she adds that, "Just because I'm president now doesn't mean that Ralph (Guild) is no longer involved. He'll still be running Interep (the holding company for McGavren Guild and four other rep companies) and may even start a fifth rep. But you can't start a company that's been through everything we've gone through, build it into a success, and then just forget about it and leave it entirely alone."

As for Guild himself, in describing why Hulleberg got the nod, he explains that, "we have a whole platoon of experienced and very well-qualified managers here to choose from. Any one of them would have been an excellent choice. But I recommended Ellen to our Executive Committee because after seeing her operate for 17 years with us, starting as director of research, moving up to executive vice president, then serving as acting president since this summer, there could be no doubt that Ellen can provide the leadership for continued growth that I'd like to see McGavren Guild pursue. After that it was up to the Executive Committee. They agreed unanimously."

Working at the stations

One McGavren Guild practice that Hulleberg plans to build on, she says, is to "continue our strategy of making our sales teams the most knowledgeable people in radio. If we know our clients and their markets better than the competition, we can sell quality of delivery, not price alone."

In this connection, she says she plans to send all McGavren Guild managers and sales executives out to actually work in their client radio stations for several days each year. She says that, "All this first-hand knowledge they pick up on these visits—what's going on in the market's local economy, programming changes on the competing stations, and what these do for their audience position in the market vis-a-vis how our station is doing—all this will update what's on our computers now about each market and station, and be automatically available to the sales staffs in all our offices. It's this information that will help make our sales people the clear cut leaders in this business. It will be the edge that will make it possible for our people to establish the best relationships with buyers—not because they're taking those buyers out to lunch, but because the buyers will know we're the people they can always rely on for the most recent and most accurate information on every market and on what's going on in radio there. And it's that information that will help us sell radio the way it's supposed to be sold, and continue to get the price for it that radio is worth.

"That's the only way this industry can establish a lasting impression of radio's real value in buyers' minds, instead of letting them continue to think of us as just another commodity."

Marketing radio

And how is radio supposed to be sold?

Hulleberg's answer is "Instead of doing all the talking, persuading the prospect to buy just because you know the product is great, start out asking questions, then listen. Let the prospect tell you what he and *his* clients need. Then figure out ways to make your product fit those needs. The nice thing about radio is that its vast variety, with so many formats and so many locations to choose from, makes it easier than most other products to adapt to whatever any client needs at any particular given time."

Hulleberg's recent reading includes *The Winning Performance* by Don Clifford Jr. And like some of the sales courses she's been through, she explains that this book is not about radio specifically, either: "It's about how to make any medium sized company successful, whether it's a radio station, an appliance dealership, or whatever.

"But Clifford does things like turn the old saying about 'If it ain't broke, don't fix it,' into 'If it's not broken yet, it probably soon will be if you don't get busy and fix it fast, before it *does* break.' He has a lot of things like that that can really start you thinking."

She reports that Interep billed "in the range of $300 million last year, of which McGavren Guild billed between $140 and $150 million, which "makes us one of the largest radio rep companies in the business, with a market share of 15 per cent. By the end of 1985 we were either Number 1 or Number 2."

Arbitron *(from page 60)*

much more popular among the $25,000-plus households than the remaining households. In fact, in Los Angeles and Chicago, the $25,000-plus households showed twice the rating of the lower-income households.

Attention to geography

Arbitron was particularly interested in the effect of geography on household viewing habits; by geography Arbitron means the location of the household relative to the boundaries of the TV market, and the type of community, e.g., urban vs. suburban in which the household lives.

Two reasons for this interest were given. First, geography is unique to each market. Counties vary in population size and area. "Even regions vary in meaning across markets. For example, the metro area of New York is not directly comparable to the metro area of Los Angeles."

A second reason for Arbitron's interest in geography is the belief in many quarters that viewing is affected by geography. (Geography, for example, is a factor in Nielsen sample household substitutions for non-cooperating households or sample households that move to another location.)

Thus, if geography makes a difference, household viewing patterns would differ according to the market's makeup, e.g., the mix of urban and suburban would affect lifestyles and commutation times and, hence, the way TV is viewed. Spill-in viewing would be affected; distance from the transmitter in a large market would affect the stations tuned in. Race and ethnic makeup could also be a factor in "geography."

Arbitron reports that it made an "exhaustive" search to find consistent evidence of a relationship between geography and viewing behavior. But "the findings of this study indicate that geography is *not* strongly related to television viewing behavior."

Arbitron first studied viewing in three "regions": the Central Metro Rating Area (CMRA), the Balance of the Metro Rating Area (BMRA) and the Balance of the ADI (BADI). Viewing differences were also examined at the county level "because it was thought that region may mask viewing differences that existed on a finer geographic level." Then, assuming that the region definition was too broad and the county definition too fine, researchers clustered counties in various ways to find relationships to viewing.

There was one notable exception to the general finding on geography. It had to do with stations that have geographically limited coverage. The Arbitron report cited, as examples, the cases of two New York PTV outlets, WNYE-TV, channel 25, and WNYC-TV, channel 31. In both cases 98 per cent of the stations' audiences were in the metro, with 2 per cent in the balance of the ADI.

But with the exception noted about stations with limited geographical coverage, the Arbitron researchers said they had to conclude that "viewing differences related to geography, per se, are quite small compared to those found for other demographic characteristics."

One of the more obvious areas of interest to Arbitron is that of cable. Nothing unexpected was discovered in this area. The fact that cable households do more viewing than non-cable households has long been known. Arbitron research found that it was true in all of the dozen dayparts examined in the study.

The 6–1 a.m. HUT, Monday-through-Sunday, for cable homes was 39. For noncable homes it was 32. That's a ratio of 0.82, i.e., viewing in non-cable homes was 82 per cent of the amount of viewing in cable homes.

It was also found, to no one's surprise, that cable homes generally tuned less to standard on-air broadcast stations than non-cable homes did. In the four metered markets, the Monday–Sunday average rating for broadcast stations in cable homes was 4.1. For non-cable homes, it was 4.95. That's a ratio of 0.83. The comparison was also made for the 12 dayparts. The biggest erosion of broadcast audiences in cable homes was during late night and Saturday morning. Perhaps most important is what the Arbitron researchers didn't find—a relationship of program choice to the presence or absence of cable. In general, there isn't any.

Another area of special interest was what Arbitron labels "race/ethnicity." Blacks were of major interest. Here it turns out that black households "view significantly more television" than non-black households. The black Monday–Sunday HUT in the four metered markets was 42. For nonblack households it was 33. Thus, the viewing ratio of non-black to black households was 0.79. The finding of more black than non-black viewing was true across all the 12 dayparts.

What kinds of programs do blacks like—programs with blacks? Not necessarily. It was true in the case of *The Jeffersons*. But, the research found, "Many programs that feature black characters or appear to have a black orientation attract as much (or more) viewing by non-black households as by black households."

Moreover, it was found, there were many programs that had no particular black orientation that still showed a high degree of black interest. Some of the primetime soaps attracted significantly higher viewing by black households, "but other apparently similar programs show just the opposite effect." So while black households show differences in program preferences vs. nonblack households, they are "program specific" and can't be predicted by the type of program or its content.

The analysis bearing on age of head of household showed that, overall, there is no strong relationship to the "aggregate use" of TV, but there were large differences by daypart and program types. The age groups employed for the HOH analysis were: 34-and-under, 35-to-54 and 55-and-over. The 55-plus group registered high HUTs in the 6–8 p.m., Monday-through-Friday, but quite low HUTs on Saturday morning. The difference between the top and bottom age groups was around 20 rating points in the early evening period, it was found.

Viewing of news

It was also established beyond doubt that the older heads and their households view news much more than households with younger heads. This was just as true for independents in the mid-primetime periods as for affiliates in early evening. Also, households with older heads had higher ratings for issue-oriented or "soft news" programs. This was illustrated with age of HOH data on ratings of *60 Minutes*. Without exception, the older group liked it better than the middle group, which liked it better than the youngest group.

One of the strongest indicators of the amount of household TV usage is ownership of TV sets. If households are divided into two groups, those which own one set and those which own more than one, a marked difference in usage becomes apparent. This is shown across all 12 dayparts measured.

The Monday–Sunday HUT for multi-set homes was 37, for single set homes it was 27. This difference across the four metered markets appeared to be distributed proportionately among stations, independent as well as affiliate. The average ratio of multi-set rating over single-set rating for affiliates was 1.45; for indies, it was 1.47.

The strongest indicator of the volume of household viewing was household size, viz., households with one or two persons had a weekly HUT of 28, households with three or four persons sported a HUT of 38, while the five-plus household showed an average HUT of 45. But relating household size to specific programs or specific stations was not so easy. □

Inside the FCC

Timothy E. Wirth

Democratic congressman from Colorado and chairman of the House Subcommittee on Telecommunications, Consumer Protection and Finance, in a recent speech at Stanford University, Palo Alto, Calif.

Deregulation, as pursued by FCC Chairman Fowler, is merely vacuous ideology

I assumed the chairmanship of the Telecommunications Subcommittee just as the Reagan Administration came to town. To head the regulatory agencies that my subcommittee oversees, the administration appointed officials who felt government should not govern, but should get out of the way. For example, the chairman of the FCC, Mark Fowler, assumed his position espousing not deregulation, but "unregulation."

I have no gripe with deregulating markets—but the administration and Chairman Fowler pursue deregulation solely for its own sake.

Deregulation is not a goal. It is a means to an end.

In the mass media, the goals of public policy are clear and constant. We want more video outlets in the marketplace to bring greater program and viewpoint diversity. And we want greater access by citizens to the mass media so that they can help shape a power so powerful it shapes us all.

Where deregulation is appropriate, it can help serve these goals—but as an end in itself it is merely vacuous ideology.

This obsession with sidelining government—with the idea of getting it off our backs—is a genuinely radical notion in American political thought. It denies the lessons of our history and ignores the needs of our future. It does not add to our strength as individuals. It weakens us as a community.

Spectrum is still limited

The FCC now claims that we have overcome scarcity in the electromagnetic spectrum—that we have achieved television abundance in the form of cable television, satellite backyard dishes, and VCRs. That abundance is good, but it does not change scientific reality. Broadcast frequencies remain a scarce resource. Spectrum, obviously, is limited; just look at recent sales prices of television stations. In Los Angeles a single TV station recently sold for over $500 million, and it wasn't even a network affiliate.

Why do stations sell at such astronomical figures? Certainly not because the transmission and studio equipment is worth very much. The truth is plain. TV frequencies are a scarce commodity—and a lot more people would like to own a TV channel than there are TV channels to go around.

My philosophy says it is a privilege to be a broadcaster, because broadcasters are *given*—free of charge by the government—an extremely valuable license to use the public's scarce airwaves; and that broadcasters, as public trustees, should give the public "something" back in return.

The marketplace has produced some heartening returns in quality programming. But the market responds to the promise of profit and the pressure of mass tastes—often the lowest common denominator.

So market forces must be balanced by government efforts to set public interest, public service standards as well.

As the Supreme Court, in discussing the First Amendment in its landmark *Red Lion* ruling, clearly stated: "it is the right of the viewers and listeners, not the right of the broadcasters, which is paramount."

Just as government should never determine what information is "good", neither should a handful of private entities monopolize such decisions. In our information age, the survival of our democracy depends on an electorate choosing from a broad menu of diverse views.

Fairness Doctrine

The Fairness Doctrine ensures that all sides of important public controversies are aired. This doctrine is not a government regulation to chill or inhibit speech as the FCC has suggested in seeking its repeal. It is simply a statement by the government saying let there be more speech—let's make sure that a broadcaster who is licensed to serve the public transmits not only his own views, but the other sides as well.

Cable television requires a different approach to the goal of diversity. Cable operators control 36 or 54 or even more channels—not the single channel a broadcaster programs. A little over a year ago Congress passed the "Cable Communications Policy Act", which I authored—the first comprehensive update in 50 years of the Communications Act of 1934. In that law, we affirmed the goal of diversity by requiring cable operators to set aside 10 to 15 per cent of their channels for programming by independent third parties. The public policy goal: more people programming channels brings more diversity of viewpoint.

I believe those requirements are examples of public policy in service to the public interest. But we have also succeeded in bringing new health to the television environment, in encouraging the dramatic expansion of video outlets—by *undoing* a regulatory scheme that protected the existing players, against healthy, innovative competition.

Again, our goal has been to promote diversity —here by fostering competition. Competing outlets mean more competing views. They have also meant more specialized programming—narrowcasting—so that the least common denominator no longer governs the entire program marketplace.

More programming outlets

Thanks to the public policy support for competition, the electronic media revolution rages on, providing the public with programming outlets that not long ago seemed wildly futuristic. While the three major networks still dominate the video marketplace, a vast array of outlets now offer viewers choices as never before. Streams of alternative programming flow through electronic media outlets such as cable television, LPTV (low-power television), MMDS (multichannel multipoint distribution service), SMATV (satellite master-antenna television), STV (subscription television), ITFS (instructional television fixed service), videotext, optical discs, DBS (direct broadcast satellites), VCRs (videocassette recorders), and, the latest video technology to sweep America, backyard satellite dishes.

We now have an all-news channel, a 24-hour public affairs channel, an all-music channel, a financial-news channel and even an all-weather channel. Programming tastes which traditional broadcasters barely sampled can now be widely satisfied.

This banquet took a lot of cooking. And a lot of cooks tried to spoil the feast. With technological innovation came cries for protectionism—with government often beseeched to squelch competition. AM radio broadcasters sought protection against the challenge of FM. VHF television stations wanted regulators to kill UHF in its cradle. Over-the-air broadcasters tried desperately to restrain the cable industry. Finally, low-power television and multichannel MDS (known as wireless cable) have begun to break through the regulatory logjam. Now the cable industry is having its problems adjusting to the competitive threat of the backyard satellite dish.

While it has been fascinating to watch our successful efforts to create more video outlets, the last five years have also seen much frustration. For the ideological "unregulators" have been successful, too. Obviously, there were some very appropriate actions taken in the name of deregulation, which I've strongly encouraged and supported. However, the FCC has essentially pulled back from any meaningful regulation of the broadcast industry—the only real protection that remains for the public is the Fairness Doctrine. And now the FCC is even attempting to assist an assault on the Fairness Doctrine in the courts.

So broadcasters continue to get an exclusive right to use a valuable portion of the spectrum, while the public gets only what the marketplace dictates. But the marketplace does not and cannot respond to many needs.

Television responds fastest to the loudest commands and slowest, if at all, to the still, small voices of conscience, taste and dissent. Television programming rewards success with excess, knowing no form of flattery except imitation. *Dallas* breeds *Dynasty* and *Falcon Crest* and *Knots Landing*. *Love Boat* docks as *Hotel*.

The marketplace is a phenomenal mechanism, but it cannot solve all our challenges, or meet all our needs. In the area of television, we know very well the outcome of a pure marketplace approach.

Treatment of children

In general, commercial television treats children —our most precious natural resource—as consumers of products and entertainment, not of useful knowledge. The marketplace provides a special niche for them on Saturday morning and fills it with the likes of: *Snorks*, *Gummi Bears*, *Smurfs*, *Alvin and the Chipmunks*, *Kidd Video*, *Mr. T*, *Spider Man*, *13 Ghosts of Scooby*, the *Super Powers Team*, and *Hulk Hogan's Rock'n' Wrestling*.

The gap between what television could deliver and what it does provide is deepest in the field of children's programs.

We know so much about what a positive role educational programming can have on our young. We know that television can teach a wide range of skills and behavior. We know that television can motivate and interest children in what they need to know and learn. We know that TV can simultaneously entertain and educate.

Public affairs paucity

What else has the "deregulate-for-deregulation's-sake" approach given us? The boom in the video marketplace has largely been a national phenomenon —involving more outlets for the distribution of national programming, but coverage of community affairs has suffered. C-Span, while a true public affairs programming achievement, is a national service. News coverage on the three national broadcast networks, particularly with the addition of *Nightline*, has made significant progress. It also earns significant advertising revenues.

But what about local public affairs coverage? Most local news shows around the country have degenerated into chit-chat hours highlighting coverage of sensational crimes.

And the in-depth documentaries, distinguished analysis of events and their meaning, have become rare events instead of regular ones.

I call today for the creation of a new environmental movement—one focused on the television environment. A citizen movement dedicated to establishing grass roots community organizations to engage in active dialogue with broadcasters, cable operators and programmers. A citizens' movement overseeing our passive role in our media environment. A citizens' movement serving as a constructive partner with the media in attempting to tackle many of the challenges that regulatory solutions cannot now meet.

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