Television/Radio Age

SPANISH NUMBERS BATTLE/42

GREMLIN VCRS
Network skeds may never be the same/37

MONEY MADNESS
Home shopping, PPV shop for MSO bucks/40

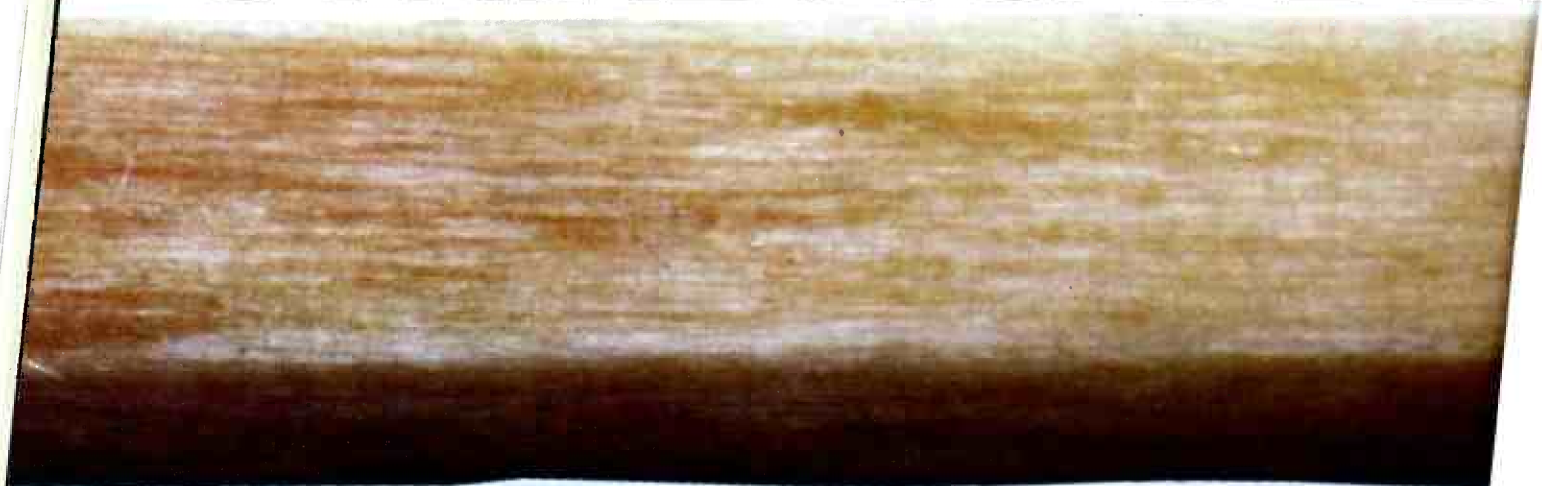
LIFE AFTER 35
Arbitron makes it easier to pull data/45

TYING UP RADIO
Westwood One moves to cover all the bases/47

May 25, 1987 • $3.50

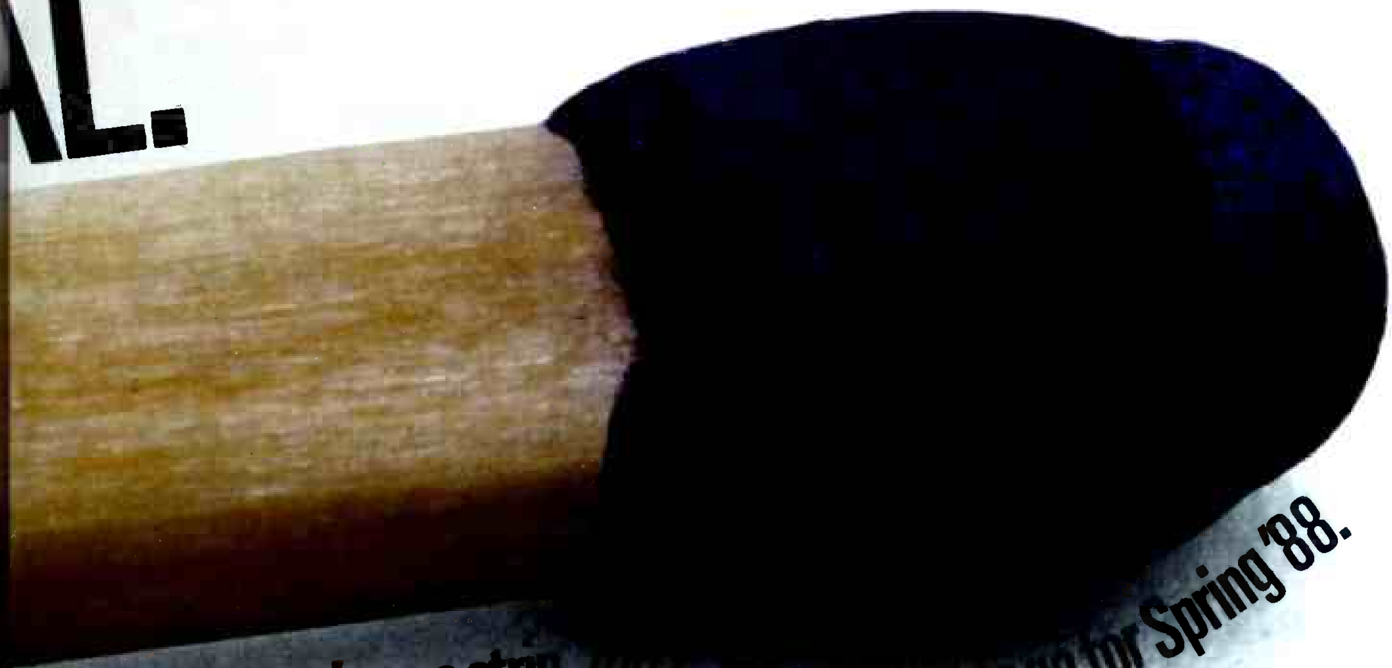
LORIMAR

STRIKE A SAFE DI



Fire up the <u>only</u> off-network/first-run comedy tested and proven

AL.



form matchlessly as a strip. 100 half-hours hot to go for Spring '88.

It's a Living

A WITT/THOMAS PRODUCTION

Play it Safe.

Television/Radio Age

May 25, 1987 *Volume XXXIV, No. 22*

DEPARTMENTS

Television/Radio Age (ISSN #US004027?X) (USPS #537160) is published every other Monday for $50 per year by the Television Editorial Corp. Publication Office, 1270 Avenue of the Americas, New York, NY 10020. Second class postage paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Television/Radio Age, 1270 Avenue of the Americas, New York, NY 10020.

The Hour.

All Hours are not the same. In today's marketplace, the differences are real and measurable —and can be counted in dollars and cents. That's what makes T.J. Hooker an undeniable value.

T.J. Hooker
The Hour

COLUMBIA/EMBASSY TELEVISION
A unit of Coca-Cola Television

Television/Radio Age

Editorial, Circulation and Publication Offices
1270 Avenue of the Americas
New York, NY 10020
Phone: 212-757-8400
Telex: TELAGE 421833
Facsimile Number: (212) 247-3402

Publisher
S. J. Paul
Executive Vice President
Lee Sheridan

Editorial
Vice President & Editor
Sanford Josephson
Vice President & Executive Editor
Alfred J. Jaffe
Managing Editor
Edmond M. Rosenthal
Associate Editors
Robert Sobel, George Swisshelm, Les Luchter
Contributing Editors
Dan Rustin
Europe: Pat Hawker

Washington
Howard Fields
716 S. Wayne St.
Arlington, VA 22204, (703) 521-4187

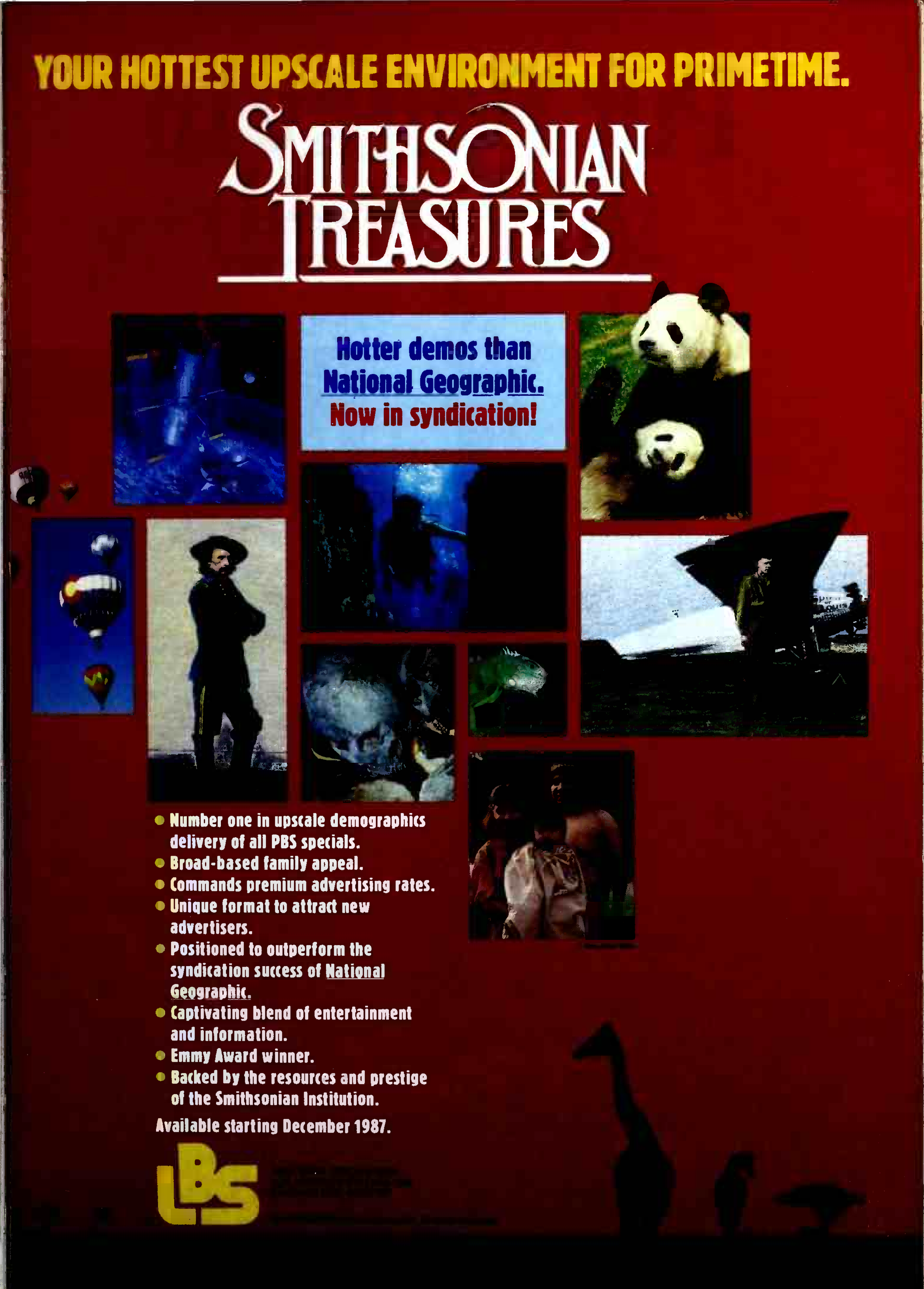
London
Irwin Margolis, *Managing Director*
Sally Mann, *Associate Editor*
International Division
Commerce House, 6 London Street
London, W2 1HR, England
01-402-0919

Advertising
Vice President & Sales Director:
Mort Miller
Sales Representatives
Marguerite Blaise,
William J. Mathews
Production Director
Marvin Rabach
Circulation/Marketing Director
Brad Pfaff
Marketing Coordinator
Anne Hoey
Business Office
Marjorie Bloem

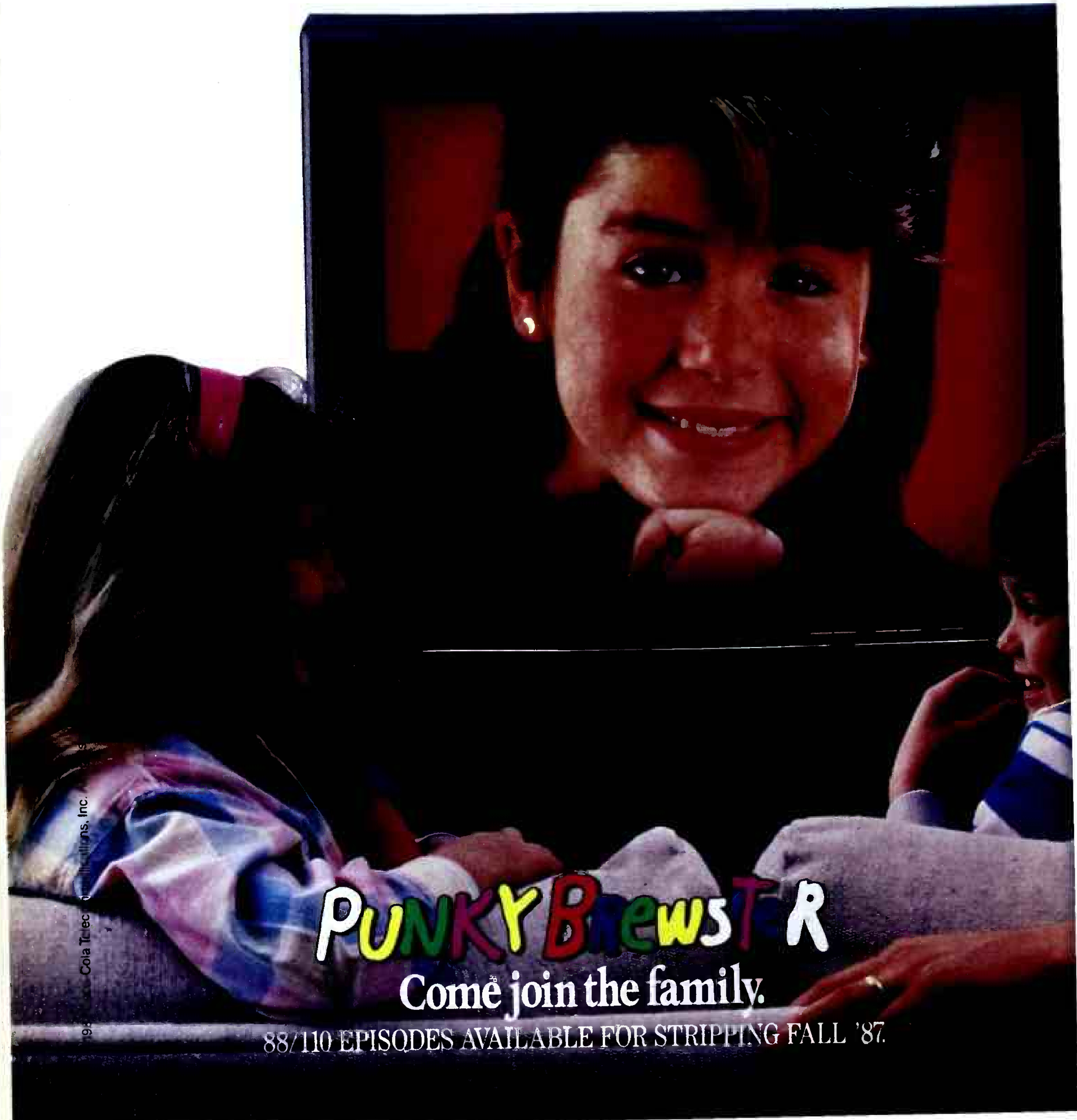
West Coast Office
Jim T. Moore, *Sales Account Executive*
Paul Wilner, *West Coast Correspondent*
1607 El Centro, Suite 25
Hollywood, CA 90028
(213) 464-3552

Member Business Publications Audit of Circulations, Inc.

TELEVISION/RADIO AGE is published every other Monday by the Television Editorial Corp. Sol. J. Paul, President: Lee C. Sheridan, Executive Vice President; Mort Miller, Vice President; Alfred Jaffe, Vice President. Editorial, advertising and circulation office: 1270 Avenue of the Americas, New York, N.Y. 10020. Phone: (212) 757-8400. Single copy: $3.50. Yearly subscription in the U.S. and possessions: $50; elsewhere: $60


YOUR HOTTEST UPSCALE ENVIRONMENT FOR PRIMETIME.
SMITHSONIAN TREASURES
Hotter demos than National Geographic.
Now in syndication!
• Number one in upscale demographics delivery of all PBS specials.
• Broad-based family appeal.
• Commands premium advertising rates.
• Unique format to attract new advertisers.
• Positioned to outperform the syndication success of National Geographic.
• Captivating blend of entertainment and information.
• Emmy Award winner.
• Backed by the resources and prestige of the Smithsonian Institution.
Available starting December 1987.
LBS

Put Punky in her place.



With the family.

Remember Punky Brewster? Cute, precocious, an 8-year-old whirlwind of energy?

Well, look again. She's not just kid stuff anymore.

These days, Punky's place is with the family. Moms, dads, and kids of all ages.

With 44 new family-oriented episodes, plus all the charm of the original 44 shows, Punky's got the edge in turning everyday family situations into everyday fun.

It's a half-hour of guaranteed laughs, love, and surprises for everyone. With enough "PUNKY POWER" to propel your station right to the top.

Punky Brewster. 88/110 episodes available for stripping, Fall '87. From Coca-Cola Telecommunications.

Publisher's Letter

One more look into the CBS eye: Bill Leonard—with candor and love

Among the growing library of insider books about CBS—particularly those dealing with CBS News (see also *Sidelights*, page 18)—a new entry by Bill Leonard, president of CBS News until his retirement in 1982, promises to make its mark. *In the Storm of the Eye: A Lifetime at CBS*, published by G. P. Putnam Sons, offers more to those in the industry than it does to the passive reader. And despite its candid recounting of the political infighting, the all-too-human failings of the top brass and CBS' darker moments, the book still must be characterized as the story of one man's love affair with an entity that he accepted for better or for worse.

Early in the book, Leonard tells how, as a recent Dartmouth graduate in 1937, he felt he was *destined* for CBS and how, as one of 500 applicants for six jobs, he made it all the way to the final 10, only to be disappointed and vowing, ". . . you've wasted six months of my life. I'll get even with you for this." Incidentally, one of his interviews at that time was with a "middle-aged man named Frank Stanton. He must have been nearly thirty."

But CBS hadn't seen the last of Leonard. After working as a reporter on a small newspaper and in the radio department of an advertising agency, he was back again after World War II, having earned some stripes. Actually they were the two-and-a-half stripes of a Navy lieutenant commander. The book follows his career as a newscaster on New York radio and then TV, his move into production and management and his tour of duty as an initially reluctant Washington lobbyist for the network just prior to his selection as head of CBS News.

Turmoil. Some of the juicier portions of the book deal with Leonard's battle with then-CBS-president John Backe over Dan Rather's hefty salary as Walter Cronkite's successor and with the removal of Arthur Taylor and Backe from the presidency. Leonard's job as lobbyist included making Taylor as big a man in Washington as was Stanton, but the book indicates that Taylor might better have worked at enhancing his image with chairman Bill Paley. Leonard reports Taylor "made the mistake of telling one or two of the wrong people that he thought Mr. Paley was on the downhill path of life." And, when a few years later Leonard was brash enough to ask Paley why he got rid of Taylor, the answer was, "He thought he was bigger than the company."

Along with first-hand observations on everybody who was anybody at CBS News, Leonard provides some insight on CBS in the McCarthy era, the evolution of convention and election coverage and the dangers of "staging" the news.

S. J. Paul

Barney

Great legs.

COLUMBIA/EMBASSY TELEVISION

A unit of Coca-Cola Television

Good news for NBC affiliates

It's a rare occasion when a network's news arm can grab a slice of station time without incurring affiliates' ire. But *Sunday Today*, set to launch Sept. 20 in the 8–9:30 a.m. time slot, is pulling it off with ease. NBC News president Lawrence K. Grossman tells TV/RADIO AGE that the new show not only stems from affiliate urging but that few will miss the local time—except maybe some smaller market stations that were using the time period for paid religious programming.

The choice of Maria Shriver and Boyd Matson as co-anchors, with Garrick Utley as principal correspondent, got enthusiastic response from the network's affiliate board of governors when he met with them recently, Grossman says (see also story on page 48). As for the early time period, Grossman says he wanted to be "the first one up," starting ahead of Charles Kuralt's 9 a.m. trip down the road for CBS. Any earlier would have been too early, he notes, and affiliates have the option to clear the show later.

Meet The Press will follow *Sunday Today* to complete a two-hour block, and NBC affiliates are guessing it will probably be seen in more of a common time period across the nation than it has in the past.

Competition. Executive producer Steve Friedman apparently thinks the new show's competition is CNN, which he says gleans higher-than-usual audiences on weekends "because there's nothing else on." He adds that, when there's a major event going on, he may take the show on location. Meanwhile, Shriver and Boyd will alternate weekly feature pieces out in the field.

Maria Shriver: *Ready to try again*

Compared with the weekday version, *Sunday Today* will be less structured, according to Shriver, with Utley adding, "We have the opportunity to set the agenda on what early morning is going to be on television." In addition to his role on the Sunday-morning program, Utley will also anchor the Sunday editions of *NBC Nightly News* as well as continuing to report for its weekday version and serving as substitute anchor for Tom Brokaw.

Meanwhile Shriver has hardly forgotten her involuntary departure as coanchor of *CBS Morning News*: "The main reason I wanted to take this job is that I didn't get to do the job the first time out."

Completing the cast are weather reporter Al Roker and sports reporter Bill Macatee. Macatee holds that weekend is the best time for sports because "the big sports events on Saturday and Sunday may be the dominant news."

WWBT's cable victory

Jefferson-Pilot's WWBT(TV) Richmond, blacked out Charlottesville, Va. cable homes the same week it opened a news bureau there (*News about news*, May 11), has won its battle against the local cable operator. Jefferson Cable, an affiliate of Multi-Channel TV Cable, has put WWBT back on in Charlottesville and also in Waynesboro, where it was removed at the same time.

John Hutchinson, WWBT vice president and general manager, says the city councils of both communities—in separate moves—passed resolutions protesting the station's cable ouster. Wanesboro, where the cable franchise is not exclusive, invited competing cable companies to come in and build, according to Hutchinson, while Charlottesville emphasized that the removal of WWBT would have a bearing on the franchise's renewal. Meanwhile, a poll of 150 cable subscribers by the *Charlottesville Daily Progress* newspaper found that 83 per cent wanted WWBT back on cable.

Following meetings involving the towns' mayors, Jefferson Cable, the MSO and others, Hutchinson says, the system announced WWBT's reinstatement. The outcome, he adds, shows that community action can overcome the effects of recent cable deregulation and changes in must-carry.

WUAB-TV adds news

WUAB-TV, the Gaylord Broadcasting independent in Cleveland, will launch its first local newscast—a half-hour at 10 p.m. weeknights—in January, 1988.

Michael E. Schuch, vice president and general manager of WUAB-TV, says, "Our news will be comparable in all aspects to the news telecasts delivered by the local network affiliates." He notes that "many independent stations in the eastern time zone have been successful with an earlier news program. Cleveland is no different than Detroit, Philadelphia or New York."

Newslink investigates

Carlton Sherwood, winner of both the Pulitzer Prize and the Peabody Award during 15 years of news reporting, has been named to head a new investigative unit at Newslink. The unit, said to be the first of its kind at an independent news service, promises to provide local stations with the type of stories usually found on *60 Minutes* or *20/20*.

Art Browne, Newslink vice president and director of its news & public affairs division, says Sherwood's work could "fundamentally change the way independent news organizations serve their clients. He calls most non-network news services "geographical driven, not story driven."

Carlton Sherwood: *Newslink sleuth*

NewsOne's weather

ABC-TV's NewsOne service for affiliates has contracted with Weather Central, Inc., Madison, Wisc., to supply all weather graphics—including current national weather and forecasts. Weather Central is also a supplier to CBS' domestic newsfeed, as well as to local TV and radio stations.

WRTV
INDIANAPOLIS

We're Showing Radio and Newspaper Advertisers a Better Channel.

Advertising is the art of persuasion. And at WRTV/ Indianapolis, we've been persuading radio and newspaper advertisers to tune into our channel.

How? Our Vendor Support Marketing Program. With this innovative program, we understand the vendors' needs, and offer them a more effective and efficient media buy for their dollar. For many, it's their first time ever using "expensive T.V." The results have been extraordinary—20 new accounts in the last year, alone.

The success feels great. Like our recognition for excellence in programming, community leadership and news. We won best newscast in the state (AP/ UPI), and in the entire midwest (UPI).

About our sister stations? They're all on the same channel. Broadcasting excellence.

McGraw-Hill Broadcasting.
Broadcasting Our Commitment.

KMGH-TV *Denver* **WRTV** *Indianapolis* **KGTV** *San Diego* **KERO-TV** *Bakersfield*

With lots of fans, supporte
this 10-year-old is having t

and a loyal staff, time of its life.

Back in 1977, one of those wild and risky "what if" ideas didn't fall through the cracks.

"Evening Magazine," a uniquely interesting local TV program concept, emerged.

Some doomsayers predicted it would fall flat on its face, underestimating the power of imagination, enthusiasm, and relentless hard work.

Of course, rave critical reviews and an embracing audience helped as well.

Today, after a long run of 2,500 shows, "Evening" remains good TV for Philadelphia viewers, and good business for advertisers.

What's more, "Evening Magazine" has been good for the broadcasting industry, providing opportunities for bright, talented people to shine.

Who would ever think so many people would have so much fun with a ten-year-old?

Group W and KYW-TV did.

KYW-TV 3 GROUP W

Letters

Good news from Houston

I enjoyed reading your recent article entitled, *United front key to local radio groups' strength*. It was good to see that these important groups are getting recognition by the press.

Houston, Texas, also has a strong radio association. Houston Association of Radio Broadcasters, or HARB, has been in existence since 1980. General managers of 25 of Houston's top stations are members, as well as nine national rep firms.

In light of the recent national press that we have been receiving, one of HARB's major projects this year was to compile a video presentation which informs people of the positive things happening in Houston. There is quite a story to tell. Houstonians don't intend to let the slump in energy prices ruin their dynamic city and are taking great strides to see that it continues to grow. Many people don't think of Houston as a major port, but it is. The fourth largest port in the U.S. (in tonnage) is located over 50 miles inland, right in the heart of Houston!

The Texas Medical Center is located in downtown Houston, and this massive complex of hospitals employs over 50,000 people. In fact, while the total number of jobs in Houston has shrunk 7 per cent over the past two years, the number of jobs in the medical sector has increased by 7 per cent.

Houston is one of very few cities in the U.S. with both a resident ballet and opera company, as well as standing theater and symphony. Many businesses continue to be attracted to Houston. Macy's opened their first store in Houston in 1985 and now has four in its Houston chain, one of which was the flagship for the opening last year of the Galleria III, the third phase of Houston's most prestigious retail complex.

The most important thing Houston has going for it is the attitude of its residents. Since 1982, Rice University has asked a question in an annual survey that they undertake. That question is: "If you work hard in this city you will be a success: agree or disagree?" In 1982, 81 per cent of Houstonians agreed they would be successful. In 1986, 75 per cent agreed, but what is interesting is that in the national sample taken in other cities throughout the country, response to the same question in 1982, '83, '84, '85 and '86 *never exceeded* 63 per cent! This is a statement in fact on the Houston spirit.

NANCY GEX
Executive director,
Houston Association of
Radio Broadcasters

Appreciating reps

I thoroughly enjoyed your interview with James Rosenfield, the new chief executive of John Blair. With all of the abuse that the reps seem to take these days, it is certainly refreshing to hear someone talk about the rep business in such positive terms.

Yes, it is a "window on the marketplace." The rep business is truly the pulse of the broadcast industry.

That the reps are underappreciated is evident from the commission rate problems addressed by both Rosenfield and Timothy McAuliff. Maybe if the reps *do* start charging stations for those services they're used to getting free, the stations will finally cease taking their rep firms for granted.

LLOYD VENARD
San Diego

Sidelights

Turmoil at CBS

The ink was hardly dry on *Bad News at Black Rock* (Arbor House, New York), Peter McCabe's book chronicling the trials and tribulations of the *CBS Morning News* before events had already overtaken it.

The book ends with Van Gordon Sauter's forced resignation as president of CBS News but prior to the most recent round of budget cuts and layoffs, spiced by Dan Rather's op-ed piece in *The New York Times* and the flap over Andy Rooney's involvement in the writers' strike.

Despite this handicap, *Black Rock* makes compelling reading primarily because of McCabe's well-drawn sketches of many of the personalities involved as well as his ability generally to capture the human side of the grinding news business. (The author worked as a producer at the *CBS Morning News* in 1985 and '86.)

Although Diane Sawyer had already departed for *60 Minutes* when McCabe arrived on the scene, her reputation apparently lingered.

Sawyer is characterized as extremely "political" and held personally responsible for the firings of the two executive producers—George Merlis and Bob Ferrante—who had brought the show to its highest rating level (4.2).

When Ferrante began to fall out of favor with Sawyer, McCabe writes, "She began to complain about him to [Ed] Joyce [then president of CBS News]. Her method of undermining him was the same she used on Merlis. She stopped talking to Ferrante, then complained to the management that he wasn't communicating with her."

Her co-anchor, Bill Kurtis, on the other hand, is painted as the consummate professional. According to McCabe, "It was always a cinch producing for Kurtis. It was hard enough in television news to get a good, original story past an executive producer, and if you succeeded, you often had to sweet-talk an anchor or correspondent into doing it . . . Kurtis, however, made life easy . . . there were a lot of sad faces among the producers at his goodby party."

Phyllis George. By the time McCabe came to work at CBS, Phyllis George had been installed as co-anchor, and the book is full of stories about her gaffs. "It was clear Phyllis was a major problem," McCabe recalls." It quickly became apparent to me that it was not easy to build a program around Phyllis George. Everyday we performed all sorts of inverse somersaults so that Phyllis would *think* she was doing substantive stories when, in fact, she was not. Almost all the substantive stories, certainly anything that concerned a major political or social issue, wound up with Kurtis."

McCabe gave high marks to John-

Diane Sawyer *is described in "Bad News at Black Rock" as "political" and held personally responsible for the firings of the two "CBS Morning News" executive producers who brought the show its highest ratings.*

athan Rodgers, current vice president and general manager of WBBM-TV Chicago, who served briefly as executive producer, replacing Jon Katz, who had hired the author. Rodgers was "approachable, smart, able to make decisions. He also had the ability, rare among executive producers, of being able to admit when he was wrong."

And, finally, for those wondering how *The New York Times* television reporter Peter J. Boyer gets all those inside scoops about CBS News, McCabe reminds us that Boyer was briefly media critic for *The CBS Morning News*, a rather stormy stint. Boyer, according to McCabe, resisted pressured to attack the print media, but his real downfall apparently came when he did a weeklong preview of the fall '85 TV season during which he had "less than nice things to say about the upcoming CBS schedule—and some very complimentary things to say about NBC's." After the series ran, Boyer says, Katz called him to his office and "lambasted him," saying five affiliates had threatened to drop the *Morning News*.

Bad News at Black Rock is, of course, a subjectively written book, based on one man's perceptions. It reads, however, like a good action novel and is apparently just the tip of the iceberg in terms of reading material forthcoming about CBS and its news division. In the epilogue, in fact, McCabe reports that Gene Jankowski, president of the CBS/Broadcast Group, took Ed Joyce to lunch "in an effort to talk him out of doing [a] book, but Joyce insisted he was going ahead with it."

For perspective on yet another book about CBS News, see *Publisher's Letter*, page 10.

International appeal

While Steven P. Beeks, vice president of Republic Pictures Corp., concedes that American companies have difficulty understanding the international marketplace, he also recognizes the opportunities that exist overseas. Beeks, member of a team of eight executives who have been at Republic less than nine months, says the company had more international revenue in the first quarter of this year than all of 1986 and that the recent MIP-TV was its most successful ever.

To the extent it is able, Republic, he says, plans to be among those actively participating in co-productions. One of the three TV movies to be produced by Republic this year—*Indiscreet*—particularly lends itself to co-production, in Beeks' opinion. "Robert Wagner is a big European star, and the picture is set in London and Paris," he says.

Beeks is among those who credit privatization in Europe with fostering a more commercial attitude toward production. He says that with the increased competition nationally, European producers and networks are now recognizing that television is a business and are looking realistically at costs.

And in the U.S., Beeks points out that the reduction in the amount of money networks are prepared to pay for programming is forcing producers to become smarter about making movies and series, making it mandatory to find cheaper ways of delivering programming. "One way," he says, "is to shoot outside the U.S. We are going to produce as much as we can outside the United States."

The appeal of American TV product in Europe is attested to by Anna Hall, new vice president for program development for Telso Communications, Inc., the TVS (U.K.) subsidiary. She arrived at TVS from CBS where she was director of miniseries, and she states unabashedly that, "Everything in America works in Europe. It is salable; it is watchable." British TV, she observes, "works only on PBS and cable." Hall's job will be to find suitable British product for export to the U.S., and she does not expect financing to be a problem. "There's always enough money for a good project," she says. "I can read a script and know how much it will cost down to the last million dollars."

EMBASSY NIGHT AT THE MOVIES TOP PIX LIST

(Starts on page 1)

VARIETY

Vol. CCX No. B | USPS 656-960 | New York | 02371 | 112 PAGES

EMBASSY #1 BARTER NETWORK

Columbia Pictures Adds Strength To 'Embassy Night At The Movies'

Hollywood—Leslie Z. Tobin, Vice President, Motion Picture Sales and Acquisitions for Columbia / Embassy Television, in an exclusive interview discussed the future of Embassy Night at the Movies and barter movies in general.

"We are extremely confident that 'Embassy Night at the Movies' will maintain its #1 position in the years to come," Tobin stated. "A key factor in the future success of 'Embassy Night at the Movies' is the recent addition of Columbia Pictures' theatrical product to our existing library of potential releases.

"With Columbia Pictures being a leader in theatrical feature production, we will be gaining quality titles with outstanding name talents, both above and below the line. Moreover the value gained through their promotional campaigns will only add strength to the films we will use in 'Embassy Night at the Movies.'"

In addition to the Columbia Pictures films, Columbia / Embassy Television is continuing with what Tobin calls "our aggressive acquisition campaign. In recent months we completed deals with New Line Cinema, DEG and two separate arrangements with ex-Beatle George Harrison's HandMade Films.

"Some might think that we will slow down our program now that we have the Columbia product. They couldn't be more wrong. It just helps our position as a major player in film acquisition."

(Continued on page 67)

Quarterly Release Schedule Gives 'ENATM' 'Event' Feel

Hollywood — In an exclusive interview yesterday, Barry Thurston, President, Syndication, Columbia / Embassy Television, reflected on the outstanding success of the company's "Embassy Night at the Movies" barter movie network.

When pressed for details, Thurston revealed that a key element entails the once-a-quarter release schedule — as opposed to the one-movie-per-month schedule followed by other barter movie networks.

(Continued on page 88)

'EMBASSY NIGHT AT THE MOVIES' LEADS PACK AS LATEST TOP 10 UNVEILED

Hollywood— 'Embassy Night at the Movies' ('ENATM'), the first of the current genre, continues to be the #1 barter movie network, as shown by the latest NSS ratings, it was announced today by Barry Thurston, President, Syndication, Columbia / Embassy Television.

Since its premiere in October 1983, Columbia / Embassy's 'ENATM' is the only barter movie network to maintain a double digit Average Rating (10.4).

According to NSS SON Oct. '83 – Feb. '87, among networks airing more than one time, the top 10 list reads as follows:

1.	EMBASSY NIGHT AT THE MOVIES	10.4
2.	MCA DEBUT NETWORK	8.2
3.	BUENA VISTA MAGIC I	7.4
4.	TRIBUNE TV NETWORK	7.3
5.	ROACH / LBS COLORIZATION NETWORK I	7.2
6.	MGM / UA PREMIERE MOVIES	6.8
7.	ORBIS PREMIERE MOVIES	4.3
8.	COLUMBIA / LBS	4.2
9.	FOX HOLLYWOOD THEATER / METRO PRIME '86	4.1
10.	LBS MOVIE OF THE MONTH	3.1

"Our success with 'Embassy Night at the Movies' is a result of many elements," Thurston stated. "Timing is extremely important. Selecting the proper film and knowing when to schedule it, albeit an inexact science, is one marketing strategy in which we take enormous pride. Understanding the nuances between theatrical and television film audiences is the key.

"Our partners, the individual stations in our lineup, constitute another important ingredient. Their efforts to promote each film, utilizing the extensive materials we provide and having the proper lead time, add greatly to their ability to generate audience awareness and interest, which translates to performance.

"Advertising confidence couldn't be any higher than it is right now with 'Embassy Night at the Movies,'" Thurston added. "We're certain we will continue to justify this confidence as a result of the excellent movies we will have available."

(Continued on page 73)

LATEST SUCCESS

TOM CRUISE "LOSIN' IT" SHELLEY LONG

'EMBASSY NIGHT AT THE MOVIES'

139 STATIONS

COLUMBIA/EMBASSY TELEVISION

A unit of Coca-Cola Television

'Embassy Night At The Movies' Swamps Competition With 13.3 Rating

Hollywood — Columbia / Embassy Television's "Embassy Night at the Movies," the most successful syndicated barter movie network, scored a major success with an outstanding performance by its latest presentation, "Swamp Thing" which concluded its window (February 5 – March 4) with an exceptional 13.3 National Rating, tying it as the fourth highest barter film of all time.

In addition to the national number covering 139 stations, "Swamp Thing" made an impressive showing in the 13 metered markets with a strong 13.7 overall Rating performance. The movie was the #1 independent offering in 20 of a possible 24 airings. It placed #1 in its time period at least once in 5 of the 13 markets, including Chicago, Philadelphia, San Francisco, Houston and Miami, and was #2 in its time period in Boston and Washington, D.C.

In New York, "Swamp Thing" first aired 8:00 PM and scored an 8.0 Rating and 11 Share, making WPIX the #1 independent station in that time period. (The second airing in New York garnered an even higher 9.5 Rating and 16 Share.)

On KTLA, L.A., the film was initially run 8:00 PM as well and resulted in an 8.4 Rating and 13 Share. On WKBD, Detroit, the show first aired 8:00 PM and came in with a whopping 10.0 Rating and 14 Share.

(Continued on page 96)

Promotion Contest Adds Flavor To Columbia / Embassy's Summer Release Of 'Sheena'

Hollywood — Columbia / Embassy Television is conducting a station contest with promotion managers in conjunction with "Embassy Night at the Movies" July 9 to August 5 release of "Sheena," it was announced today by Michael Zucker, Vice President, Marketing, Columbia / Embassy Television.

The contest will entail prizes, such as television sets, VCRs, compact disc players and an AM / FM stereo radios for the most unique and effective

(Continued on page 58)

Tele-scope

Fox Network prepares for the post-Rivers era

Whether Joan Rivers was fired from Fox Broadcasting's *The Late Show*, as a spokesman for Rivers originally put it, or left the show as part of a "mutually amicable" separation, as FBC later put it, the effect was the same: temporarily leaving the show high and dry.

The well-publicized problems *The Late Show* has been experiencing, with Rivers as host, despite attempts to breathe new life into it with a new producer and format changes, made the actual report of Rivers' departure seem almost anticlimatic. Fox had been making good with advertisers because of the show's failure to meet the 4 rating originally promised.

Some West Coast observers question the timing of the host's actual departure, noting that Fox would have preferred to carry Rivers a little longer until it had its back-up plan firmed up. They note that Rivers' could not have been unaware of such concerns, and they may have affected the manner in which she handled the parting.

In any case, *The Late Show* will continue. "We have a franchise in the 11 p.m. time period," as one Fox spokesman put it, and FBC expects to continue no matter who is hosting the show.

Onward. The nascent fourth network's assault on the airwaves continues, in any case. FBC executives are flip-flopping *Duet* and *The Tracey Ullman Show* in order to capitalize on *Duet's* potential strengths and work out some of the kinks in *The Ullman Show*. And they have delayed the launch of their Saturday Night lineup from May 30 to June 11 in order to allow more time for promoting the Sunday night lineup and to broadcast both nights continually into September without a summer hiatus.

Network moves on movies

In scrapping eight of its 22 hours of weekly primetime programming—the biggest reshuffle CBS has ever been forced into—the number two network was at least able to carry out one unrealized ambition voiced by NBC Entertainment boss Brandon Tartikoff—and double it. Tartikoff said he would have preferred to drop a movie night, but prudence dictated few changes in NBC's success-proven schedule.

CBS doesn't have that much to lose, so B. Donald Grant, president, CBS Entertainment, was able to describe his much shaken up primetime schedule as "an aggressive one that's enabled us to add four one-hour series in place of two movie nights.

Agency programming chiefs explain the networks' preference for series over movies, at least in part, by pointing to production costs and the growth of cable. Says one: "With cable penetration now in the area of 50 per cent, we now not only have movies coming to television today that were available to the public two years ago in theaters. Now we have them available to cable viewers in almost half the country's households for a second time, one year ago. As a result, ratings of theatrical movies have been rather disappointing."

That leaves the made-fors, whose ratings have remained fairly satisfactory. But agency execs note that production budgets are out of sight. They concede that budgets are inflated for series production, too, but add that they're not quite so steep: "The sets can be the same, week after week. The cast is the same. The cast can even wear the same wardrobe, week after week."

ABC. As for what ABC stands to gain by switching its movie night from Sunday to Thursday, Richard Kostyra, executive vice president, director of media services, at J. Walter Thompson U.S.A. thinks that ABC "might have done better to start Sunday night with two-hour Disney movies. A one hour Disney only gives *Murder, She Wrote*, and now *Family Ties* in its new 8 p.m. period on NBC, more of an opening to pick up even more viewers. And after *Spencer*, both Dolly Parton and *Buck James* are older-appeal shows."

Robert Igiel, senior vice president, network and programming at N W Ayer, notes, "Continuing to program movies against other movies on the other networks often found ABC coming out third best. So it seems that ABC's strategy is to counterprogram by investing in Dolly Parton on Sundays and trying to build a movie viewing habit on a different night where the other networks don't have movies. On nights when ABC's movie is a strong one, it gives them a fighting chance to be viable and competitive against NBC's Thursday night powerhouse."

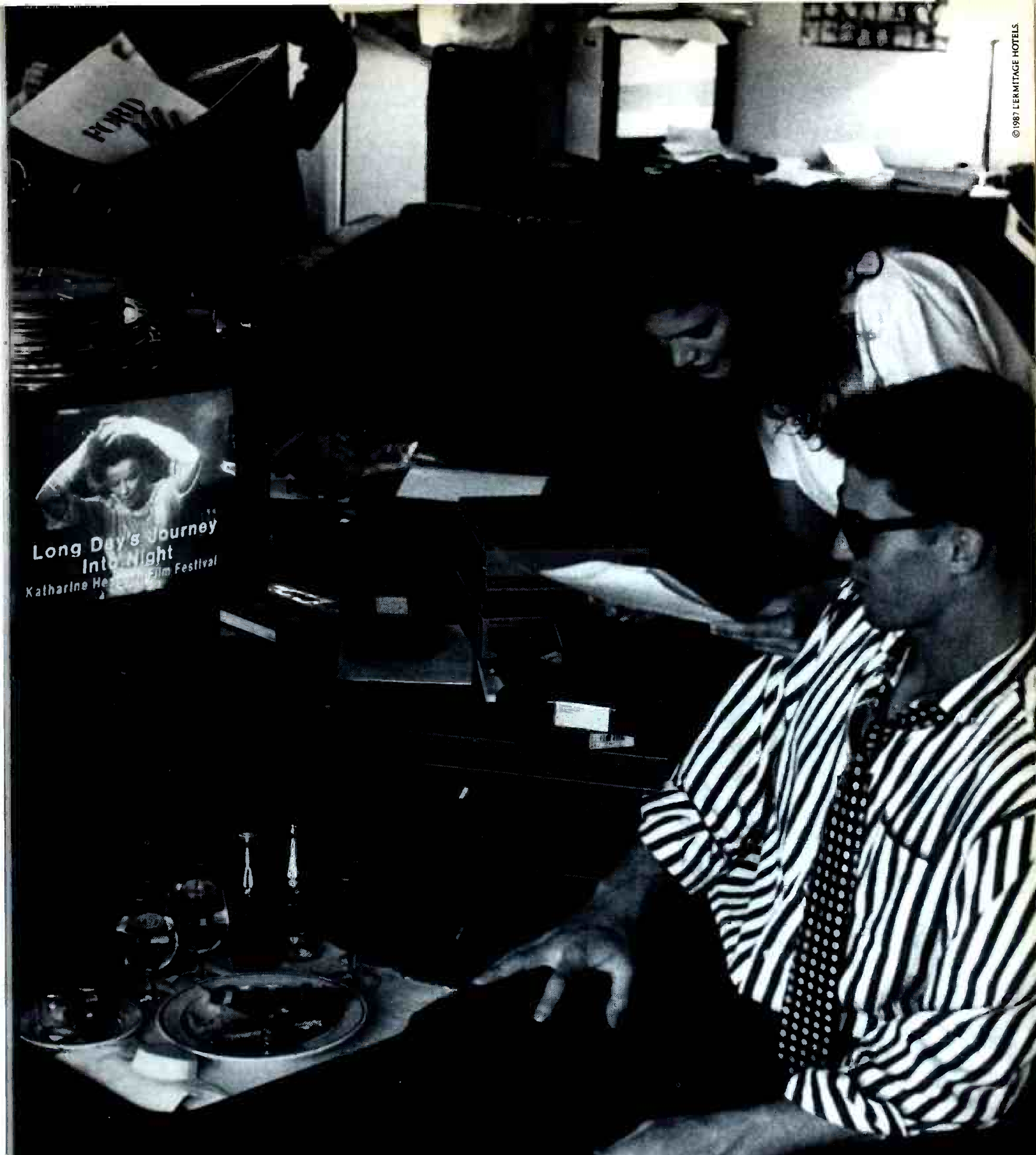
'Boss' drives hard bargain

Reports of the decline of the syndication prices may be greatly exaggerated in the wake of the recent sale of rights to *Who's The Boss* to Disney for a pricetag estimated at between $230,000 to $240,000 per week.

The three-and-a-half year deal, which reportedly includes a clause that it will be honored even if Disney's prospective purchase of KHJ-TV Los Angeles is not successfully completed, further underscores Disney's intention of becoming a player in the national television scene. And it also emphasizes the heating up of the already red-hot Disney-MCA rivalry, since WWOR-TV New York, now owned by MCA, picked up the rights to *Boss* in that major market.

"The price that got *The Cosby Show* in Los Angeles could not have got *Who's The Boss*," notes Columbia/Embassy chief Gary Lieberthal, who points out to TV/RADIO AGE that his research shows that high-energy shows like *Boss* frequently do better in syndication than more relaxed comedies like *Cosby*.

Some industry observers are questioning the finances of the Disney buy, pointing out that KHJ-TV would have to dramatically increase its advertising rates for 30-second spots and get a minimum 12 rat-



fe is art. Or should be.

A lot depends on the way you live your life. And where.
In the bedlam of mini-meetings that your project uires, many moods bounce off each other. You're always ancing aesthetics with the bottom line, and the pressure he clock never ends.

So it is especially gratifying to stay and meet and work an environment that is conducive to creativity. Not everyone got to make the trip, which is why you have those three- and four-way calls to report daily progress. Isn't it funny how often they ask about the weather and the view?

At the end of each day, everyone heads for his own suite, and the magic of Los Angeles and Mondrian continues.

Mondrian is a perfect example of what you want from your own efforts; a masterpiece.

ERMITAGE HOTELS SM
COLLECTION OF ORIGINALS

L'ERMITAGE, BEL AGE, MONDRIAN, LE PARC, LE DUFY
FIVE ALL-SUITE LUXURY HOTELS IN LOS ANGELES. 1-800-424-4443
OUTSIDE THE USA AND CANADA TELEX 4955516 LEGG SABRE APOLLO LE

ing in order for the investment to break even. But Lieberthal is unperturbed by such criticism. "I remember when Lev Pope [president of WPIX New York] bought *Happy Days* for $35,000 an episode and people were saying he was crazy, and it turned out to be a bargain," he says. "I must tell you when I look at *Who's The Boss*, I can't help but think it's a better buy than *Cosby*. If someone were to say it would be directly competing against Cosby, I wouldn't be afraid. I would welcome it."

Servodidio's show goes on

Pat Servodidio, recently promoted from president of RKO Television to president of RKO General, replacing Shane O'Neill, says he'll stay with the GenCorp company at least as long as it takes for RKO to restructure into a nonentertainment entity. In his new position, Servodidio has responsibility for RKO Bottling, RKO Hotels, RKO Radio, RKO Television and RKO Pictures. The latter, he says, is "in a sale mode right now." Sales of the two remaining RKO Television stations are awaiting final FCC approval. As for the 12 RKO Radio stations: "My mandate is to run these stations at full pace, make profits, and seek to sell them and reach settlements."

Tisch: Refocused CBS

Laurence A. Tisch, president and CEO of CBS, spoke of a refocused CBS in his recent address before the TV network's affiliate meeting in Los Angeles. "By downsizing the company," he claimed, "we have eliminated both unnecessary layers of management and businesses with only a remote connection to our base. As a result, CBS today has less red tape and bureaucracy.

"We have placed responsibility for performance directly on key members of management and have given them the authority to run their divisions. They don't have to wait for review by committees or the creation of an endless paper trail of memos." He added, "We have eliminated the distractions of many unrelated investments and allowed our senior management and board to devote more time, energy and resources to your business and ours—the network."

Makegoods affect BAR $$

Network TV billings were up only 2.8 per cent during the first quarter, according to Broadcast Advertisers Reports, but some of that increase could reflect inventory used for makegoods. BAR data showed an 8.9 per cent drop in weekday daytime time sales, but that was offset in part by a 10 per cent rise in weekend daytime business.

BAR figures showed ABC with the biggest first quarter advance among the three webs, up 6.2 per cent to $587.6 million. NBC was up the least, registering an increase of 0.3 per cent to $750.3 million, while CBS showed a 2.8 per cent rise to $755.2 million.

BAR network figures do not distinguish between makegoods and cash sales, according to a spokesman, though network unit prices supplied to BAR for its estimates take into account how much inventory is for sale. However, the spokesman said the BAR figures, which are gross, may be a little higher than the actual totals.

Network TV dollar revenue estimates—1st qtr., '87 vs '86

Dayparts	Three-network totals	
Primetime	Estimates $ 10001	% change
Prime	$1,142,389.1	+5.1%
Mon–Fri daytime	335.454.9	−8.9
Mon–Sun late night	58,209.1	+6.9
Sat/Sun daytime	285,751.7	+10.0
Mon–Fri early morning	82,281.9	+8.6
Mon–Fri early fringe	106,351.8	−8.3
Sat/Sun early fringe	102,833.4	+10.7
Subtotal early fringe	204,985.2	+0.1
Totals	$2,093.081.8	+2.8%

Source: Broadcast Advertisers Reports. Copyright BAR 1987

Web ups and downs

Procter & Gamble was one of three top 10 network TV clients which showed declines in web billings during the first quarter. However, a number of other top 10 accounts registered strong gains in network advertising. While P&G remained Number 1 (see table below), it dropped from $116.2 to $108.7 million in spending during the '87 and '86 first quarters, respectively, according to Broadcast Advertisers Reports.

Substantial gainers among the top 10 included General Motors, up from $63.0 to $80.1 million; Philip Morris, up from $56.8 to $77.3 million; Johnson & Johnson, up from $36.7 to $55.4, and Unilever, up from $41.9 to $59.4 million. Moderate declines were registered by American Home Products and Coca Cola.

Top 10 web TV clients—March

Parent Company	Estimated expenditures	Year-to-date expenditures
Procter & Gamble	$37,371,700	$108,717,800
General Motors	36,166,100	80,108,100
Philip Morris Cos.	21,886,100	77,312,000
American Home Products	18,725,900	55,893,900
Johnson & Johnson	17,927,900	55,371,200
Unilever	17,641,800	59,385,300
McDonalds	15,580,400	42,902,600
Anheuser-Busch Cos.	15,110,800	47,076,600
Coca Cola	14,793,000	23,634,500
Kellogg	14.384,500	41,763,700

Copyright 1986. BAR.

TV Business Barometer

Local March biz increased 7.9%

Local billings among TV stations didn't go up much in March vis-a-vis a year ago, but the dollars looked awfully impressive. There were at least two explanatory facets for this bulge in business. First, it was the fourth month ever that local station time sales reached half a billion bucks. Second, March was a five-week Standard Broadcast Month (SBM).

The March increase remained locked in the single-digit realm—7.9 per cent. Still, it was the best percentage increase this year, with January showing a 6.1 per cent rise and February, about the same, registering 5.7 per cent. However, practically every month last year beat March in percentage increases, the exceptions being April and July.

Local volume in March just tipped over the half billion mark—$500.9 million. Three months topped this figure—October, 1985, $504.9 million; May, 1986, $532.8 million, and October, 1986, $590.2 million.

It's worth noting that March local billings topped those of spot—and not for the first time. The same phenomenon occurred (in March) in '85 and '86. Spot this past March brought in only $452.0 million and, for the quarter, it is running only slightly ahead of local. However, April and May are traditionally big months for spot and the gap will likely widen for the time being.

Local billings for the quarter came to $1,129.7 million, compared with $1,058.0 million during the corresponding quarter of '86. That's an overall increase of 6.8 per cent.

Spot billings for the quarter were only $23 million ahead of local, weighing in a $1,152.4 million. Spot was 3.5 per cent ahead of last year, which tallied $1,113.5 million for the '86 three-month period.

Network compensation had what might be called an "up month," but for all practical purposes March was flat vs. a year ago. The March, '87, figure was $38.6 million, up 0.9 per cent. At least, it was slightly better than January and February, which were down 0.3 and 1.7 per cent, respectively.

For the quarter, network compensation was off 0.4 per cent to $111.8 million. If network comp is off the year, it will be the first time ever the dollar total was down. However, it came pretty close to a minus sign last year, when network comp rose only 1.8 per cent over '85, finishing the year at $454.0 million.

Summing up: the total of spot and local time sales plus network comp in March was $991.5 million, up 5.1 per cent. For the three months of '87 to date, the overall tally came to $2,393.9 million, up only 4.8 per cent.

Here's how the three sectors—spot, local and network comp—break down in shares this past quarter: spot, 48.1; local, 47.2; network comp, 4.6.

March

Local business +7.9%

(millions)

1986: $464.2 **1987: $500.9**

Changes by annual station revenue

Under $7 million	+15.1%
$7–15 million	+14.4%
$15 million up	+4.6%

Network compensation +0.9%

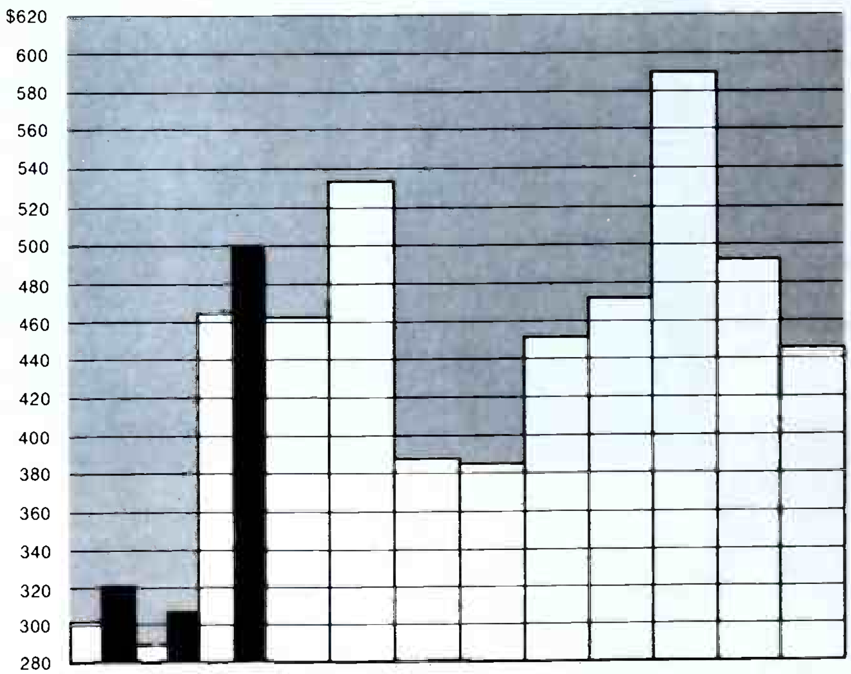
(millions)

1986: $38.3 **1987: $38.6%**

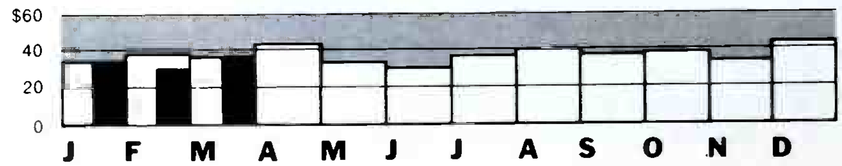
Changes by annual station revenue

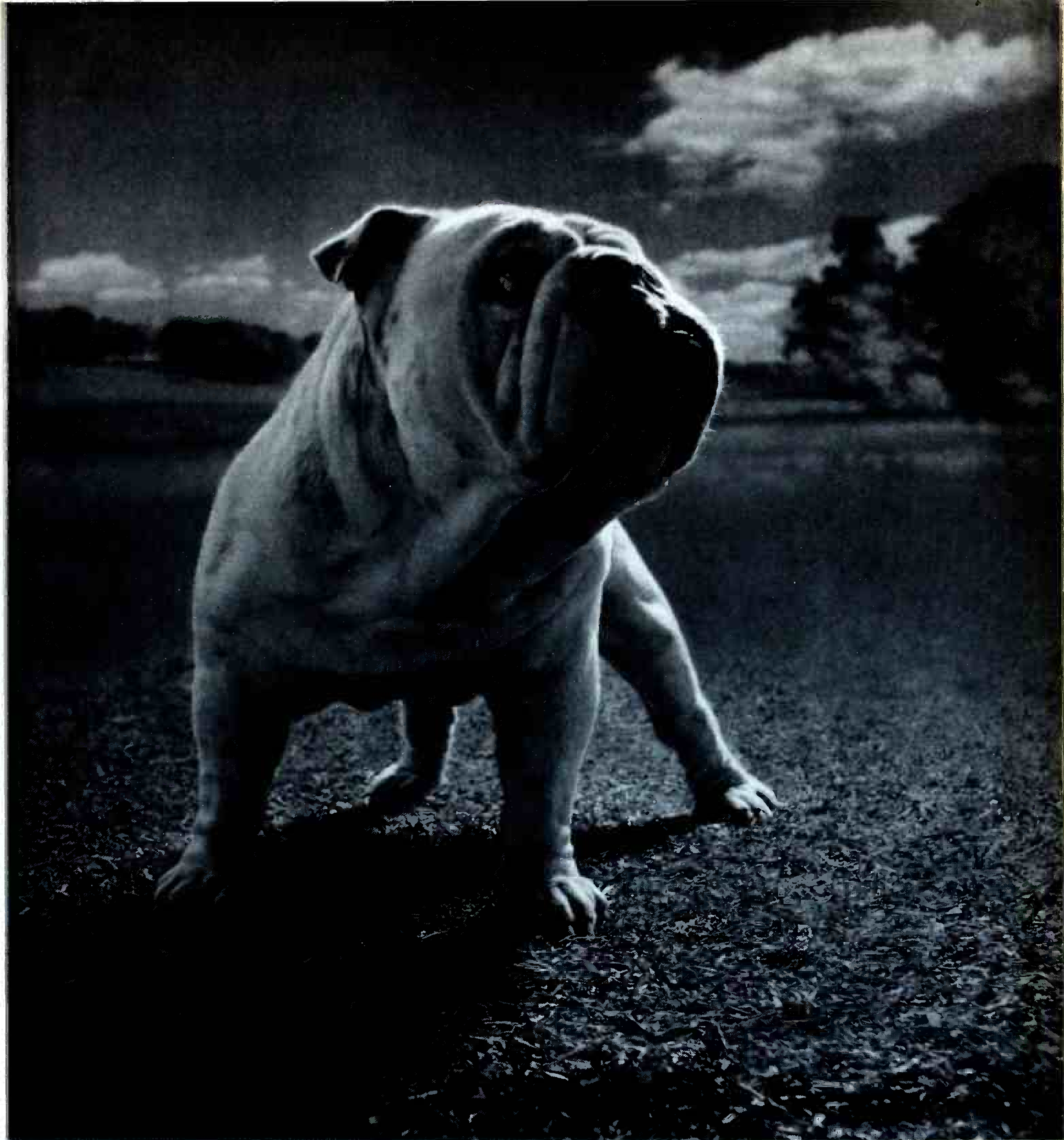
Under $7 million	−2.4%
$7–15 million	+4.9%
$15 million up	+0.3%

Local (millions)



Network compensation (millions)





International Report

London

Tyne Tees contracts to produce music program for ITV

Tyne Tees Television, which recently axed its highly successful music show, *The Tube*, has won a $2 million contract to produce a new music hits show for Britain's commercial ITV network. Within days of the announcement, Tony Sandford, head of the international sales division, said, "We've already had an amazing response from a number of overseas buyers, including very firm interest from the U.S., Australia, Italy, France, Denmark and Germany."

The Roxy is ITV's long-awaited answer to the BBC's *Top of the Pops*. Confident network schedulers will pit it against *Eastenders*, the BBC soap which regularly tops the ratings.

Meanwhile, a two-hour television debate by deaf people will air on Channel 4 next month. Tyne Tees Television, which produced the show, claims it's a world first. Viewers who don't understand sign language will be able to follow the discussion with the help of subtitles and voiceovers.

BBC to produce Goodyear-sponsored weather for Super

The BBC will produce daily weather reports for Super Channel, the pan-European satellite service launched earlier this year by Britain's independent commercial broadcasters. The programs will be sponsored by Goodyear Tires in Super Channel's biggest sponsorship deal to date. Airing three times a day from June 1, the special European-oriented reports will cover traffic news as well as weather updates.

Super Channel's June 1 launch on cable networks in Brussels will increase its audience to 8 million households—a figure rapidly approaching that of rival service, Sky Channel, currently viewed in just over nine million homes.

At a conference in Hamburg recently, Charles Levison, joint managing director of Super Channel, said there was no reason why the service shouldn't go on cable in the U.S. A company spokesperson said, however, "That's one of many possibilities, and not in our immediate plans."

'Royal Champion' launches videos for Central Independent

Central Independent Television has entered the home video market with release of its *Royal Champion* documentary only a week after it aired on INTV. One advantage of this short "window" was being able to advertise the videocassette's availability with a commercial immediately following the ITV showing.

The Queen Mother's *trainer, Fulke Walwyn, l., with the manager of the "Royal Stud," Michael Oswald, in a scene from Central Independent TV's "Royal Champion."*

Royal Champion, which Central reports contains the first interview ever with the Queen Mother, examines her passion for horse racing; it was produced by Gary Newbon and directed by Gerry Harrison.

The video release marks the first effort of the new Central Video label, both distributed by Pickwick Video, with marketing and promotion to be handled jointly by both companies. Pickwick has exclusive rights to the entire Central catalog, which now includes over 750 hours of programming. No other Central Video releases are scheduled until autumn, however.

Los Angeles

Harmony Gold gets Worldwide rights to Gaylord's 'Dancin'

Harmony Gold has acquired worldwide distribution rights to *Dancin' to the Hits*, 30 half-hours of music and dance hosted by Lorenzo Lamas. The show's U.S. distribution is handled by Gaylord Production Co., which coproduces the series with Together Again Productions.

Ottawa

CBC allocates $1.3 million for regional dramas

The CBC, hoping to double its English-language regional drama production over the next two years, has set aside $1.34 million (U.S.) in a special allocation for independent producers.

The money, not related to funds already earmarked for regional projects funded through Telefilm Canada, will be made available to the CBC's regional directors of television for script development and project creation.

CBC officials had been meeting since early this year with representatives of the Alliance of Canadian Regional Motion Pictures Industry Association (ACRMPIA) to determine how best to generate high-quality regional productions. ACRMPIA had expressed interest in having greater access to funds allocated by the CBC for Telefilm Canada projects and CBC airtime.

Linda Beath, in charge of operations at Telefilm Canada, says the $1.34 million now set aside by the CBC could trigger over $3 million of financial commitments from the Telefilm Broadcast Development Fund and eventually stimulate development of CBC regional drama programming worth some $6 million.

Luxembourg

Television South West may puts its pounds behind Astra satellite

Television South West (TSW) may become the second commercial broadcaster from the U.K. to buy equity in SES. Thames Television recently took a 5 per cent stake in the Luxembourg-based company which plans to launch the medium-powered Astra satellite next summer. Harry Turner, managing director of TSW, said, "We have been to Luxembourg, and we are interested in investing, but no decision has been made yet."

SES has now increased its capital from $52 million to approximately $66 million and will use the extra money to finance the satellite system and ground control installations. British Telecom will lease between seven and 11 of Astra's 16 channels, which will be set aside for English-language broadcasts. France and Germany are likely to get three channels each, while two will be aimed at the Scandinavian countries, and one may be reserved for a British-based pan-European service.

MAINZ

ZDF joins five other European firms in 'Eurocops' series

West Germany's ZDF is behind *Eurocops*, a new crime series to be coproduced with five other European broadcasters. The U.K.'s Channel 4, France's Antenne 2, Italy's RAI, Austria's ORF and Switzerland's SRG are the partners involved in the project. Each will produce a complete one-hour program, and buy the other five shows for transmission in their own country. "We're hoping to get Europe's dishiest men for the leading roles," says a Channel 4 spokesperson.

Cable Report

NCTA meet mostly upbeat; Movie Channel moving on?

Growing enthusiasm about original programming, effects of rate deregulation, the future role of MSOs, the fate of Viacom's Showtime/The Movie Channel, and the launch of several program services were among the hot topics at the recent National Cable Television Association conclave in Las Vegas.

Trygve Myhren, NCTA board chairman and chairman and CEO of American Television & Communications, told TV/RADIO AGE, "Cable has become a better and better investment, partially because of the effects of deregulation and in large part because the industry did *not* raise rates dramatically in its aftermath, which puts the lie to those who call us an unregulated monopoly." Myrhen concedes that the syndicated exclusivity issue hovers over the industry but believes the FCC does not have the statutory authority to black out shows when they are also aired by local broadcasters. "I'm not sure [FCC chairman] Dennis Patrick agrees with me, though," he adds.

Services marketed for the first time at NCTA included: You TV, a new health network; Festival, HBO's pay service for "resistors"; Movietime, targeted to young adults; and two shopping networks—The Fashion Channel and J. C. Penney's Telaction.

Speculation mounted about Showtime/TMC, following the resignation of Allen Sabinson, senior vice president of original programming, and naming of veteran Fred Schneier as executive vice president of programming. Although Showtime officials say Showtime itself has gained more than 500,000 subscribers in the past 10 months, TMC continues showing a net loss. Many observers feel that John Malone, head of Tele-Communications, Inc., may take a run at TMC, either alone or with other investors—especially in light of public comments he's been making about Showtime/TMC's exclusivity agreements. Meanwhile, Viacom International president Terrence Elkes says the parent company has had numerous overtures about participation in Showtime/TMC and is keeping an "open mind" about the future.

VCRs overtaking cable

In all likelihood, more American homes now have VCRs than cable TV. Recently released Nielsen Station Index figures for February put VCRs and cable at exactly the same penetration rate—48.7 per cent. But VCRs are growing at a much faster rate than cable. VCR penetration had been down at 43.5 per cent in November, so the category rose 5.2 percentage points during the ensuing three months. But cable penetration rose only 0.6 percentage points, from 48.1 per cent. Pay cable penetration, meanwhile, rose from 26.2 per cent to 26.6 per cent.

Agency exec rips ad hype

William Wiener, senior vice president and director of client services for BBDO's Video Development Group, attacked the cable ad community during a recent "Cable TV Advertising" conference co-sponsored by the Columbia University Business School and Coopers & Lybrand. Noting that broadcasting's ad increase in 1986 "far exceeded the total cable volume," Wiener said it's "erroneous" to assume that "accurate ratings data" will help cable advertising grow. "Who really cares if a cable network was mistakenly identified as a .3 and really did a .4, and only in their own universe?," he asked. "Even heavy cable viewers spend most of the time watching non-cable."

On the creative side, Wiener bemoaned that advertisers never took to cable's "promise" of different-length commercials in compatible programming and an uncluttered environment. When prices of network spots went up, he recalled, "advertisers were so enamored of broadcast, they decided to switch from 30s to 15s rather than go to cable" with these new commercial forms. Wiener pointed a finger at the Cabletelevision Advertising Bureau, which he feels neglected this facet of cable in order to "devote its energy to proving it had higher ratings than reported." He also attacked the CAB for abandoning its cable advertising competition after only one year—and a successful one at that. To spur innovative cable creatives, Wiener suggested the CAB reinstate its award and have creatives on-staff who would work with agencies.

Jack Hill, the CAB's vice president of research, responded that there aren't more 90-second commercials because "an advertiser with a million dollar budget won't spend so much on production."

Wiener also noted that "some [cable] services may be seeing the wrong people at agencies . . . buyers who compare CPMs. Salesmen should be calling on planners . . . who make decisions between specialized magazines and mass magazines. Short of an ESPN and WTBS buy, the decision has to be made at a planner's desk."

Local changes. Also at the conference, William Battino, a Coopers & Lybrand analyst, suggested that once cable penetration reaches 65 per cent, some systems could vie with broadcasters for network affiliation.

Battino noted that "all media, except cable, are dominated by local advertising," and "advertising represents the largest untapped revenue source" for cable operators. Because of this, he said, local system managers will need to be more "well-rounded" like TV station general managers, with knowledge of advertising, programming, local news and research.

Bob Maxwell, vice president of research for HBO, pointed to cable's "ability to be more local than local television" and to regional interconnects, which he said are also impossible for broadcasters to duplicate. To increase penetration, he stressed, systems must spend heavily on promotion and advertising. The average system, he said, now budgets about 10 per cent for this, while other transactional services like magazines spend 25 per cent.

Wiener also pointed to cable's local potential, noting that "local media options currently available to retailers cannot compare to cable." He added that cable is really not a "national" medium since it reaches only about half the population.

Viewer research. Dr. Dean Krugman, associate professor of advertising at the University of Georgia, noted that "people more active in the [program] selection process watch more closely." In a pay-per-view test at Group W Cable, Minneapolis, Krugman found viewers treated PPV more like pay cable than like home video rentals. "Individuals who subscribe to PPV will begin to erode the pay cable audience, but never the VCR audience," he concluded.

As viewing becomes more active, Krugman said media research will have to refocus from "who" views to "how" they view. Focus groups and in-house observations should be followed by in-depth personal interviews to develop a weighting system, he said. "This will help media buyers assign qualitative numbers to the viewing process."

Jonathan Sims, manager for advertising planning and research at General Foods, agreed with Krugman: "The new people meters may tell us who's viewing, but not the quality, nor how and why people view." Despite low ratings, he said, GF buys cable programming that emphasizes health and nutrition because of the viewer quality. Sims, however, doesn't care much about "viewer mindset," so long as they purchase the advertised products: "Our approach is strictly behavioral."

A key part of the TV advertising picture, Sims continued, is the "rampant clutter" supplied by networks and advertisers themselves. "We've created a commercial avoidance equation," he charged, by providing three ingredients: motivation [the clutter]; means [remote tuners]; and alternate options [cable and VCRs]. Sims remarked that commercial avoidance had always been around—in the form of people leaving rooms—but "we're now losing viewers in a new way. I don't think advertisers would mind if they didn't have to pay for it." Krugman noted that he has one study underway to determine if viewers receive any cognizant information about commercials while zipping.

David Harkness, senior vice president/director of marketing for Nielsen's Media Research Group, said the "latest [ratings] challenge is coming from digital TVs with multiple tuners and from Rabbits [which allow viewers to receive channels from anywhere in a house]."

Travel tips from Icahn

Pan Am is one of the latest sponsors on TWA's four-month-old Travel Channel, but Peter McHugh, president of the network, told a joint luncheon meeting of the New York Cable Club/New York Women in Cable that neither Pan Am nor United Airlines is yet very enthusiastic about the service. He expects "much greater participation" by both competitors once it becomes apparent The Travel Channel is not just a TWA self-promotion vehicle.

But TWA chairman Carl Icahn stressed the promotional punch of The Travel Channel in his address to the same gathering. "We [TWA] spend $100 million a year on advertising [via Young & Rubicam] and I think three quarters of it is wasted," he said. "It doesn't have the effect we can get through the cable. The investment [in cable], whether $8 million or $12 million, is a small fraction of what we pay for TV."

Icahn continued that he expects The Travel Channel to eventually reach 30–40 million homes. In the future, he said, the service should be able to become a distributor by buying such items as distressed merchandise (i.e., unsold tickets), cruises, cruise ships and hotels.

P&G back as top spender

Procter & Gamble in March was the top cable advertiser for the first time this year, according to monthly monitoring of six cable networks by Broadcast Advertisers Reports. P&G's spending was up 70 per cent over February, when it ranked fourth on BAR's list, but off 27 per cent from the same month a year earlier. Time, Inc., February's top cable advertiser, fell to seventh place in March with a 37 per cent drop from February; it was up 21 per cent from a year earlier, however. In other changes from February's top 10, Mars and Philip Morris switched positions; Gillette moved up one notch and American Home down two; and the National Rifle Association departed. Coca-Cola, helped by a new Minute Maid campaign on WTBS and a Hi C campaign on WTBS and USA, shot into ninth position with a 144 per cent spending increase from February and 57 per cent over a year earlier. RJR Nabisco's spending was up 80 per cent from the previous month and 60 per cent from March '86, a figure equalled by Anheuser-Busch.

In first quarter '87 totals, Mars was the top cable spender, followed by Philip Morris, Time, P&G, Anheuser-Busch, RJR Nabisco, General Mills, Gillette, General Motors ($1,970,705) and American Home.

Estimated cable spending

March, 1987

Parent co.	Est. spending	year-to-date
1. Procter & Gamble	2,661,327	5,174,055
2. Philip Morris	2,037,958	5,427,642
3. Mars	1,921,065	5,744,355
4. RJR Nabisco	1,793,248	3,746,217
5. Anheuser-Busch	1,671,616	4,283,601
6. General Mills	1,402,826	3,654,724
7. Time Inc.	1,252,341	5,321,821
8. Gillette	1,115,556	3,104,652
9. Coca-Cola	983,782	1,641,142
10. American Home Products	864,782	1,837,816

Source: Broadcast Advertisers Reports (Note: BAR monitors only six cable networks: CBN, CNN, ESPN, MTV, USA and WTBS)

Katz's Blair buy fits business development plan

Katz Radio Group's new business development thrust, long in the planning stage has gotten a big enough boost to go operational, now that it's added its fifth operating radio rep company, Blair Radio, complete with Charlie Colombo as president and, with a few exceptions, all Blair Radio employees under the new Banner Radio Sales banner.

Katz Radio Group president Ken Swetz says that, with addition of Banner, "We will now be able to fulfill our long range sales and marketing plan, which includes building a stronger new business development operation."

The few exceptions to "all Blair Radio employees" are the rep's network, farm and sports units, which remain at Telemundo Group with Torbet and Select Radio.

Asked about possible conflicts among represented stations in the same markets, Swetz says, "No problem. It's been years since stations worried about different reps under the same group umbrella representing other stations in their market."

Lawsuit. In a related development, Robert F. X. Sillerman, chairman of JVC Holdings, says that after settling its lawsuit with Reliance Holdings, Inc., parent of Telemundo Group Inc., (formerly John Blair & Co.), he is withdrawing the objection he filed with the FCC opposing the transfer of Blair owned radio stations to Sconnix Broadcasting. Sillerman now says, "The settlement was a fair and equitable one and reflected the position we felt we maintained all along."

Sillerman is also chief executive officer of Sillerman-Magee Communications Management Corp. and co-chairman of Legacy Broadcasting, Inc. Blair, now Banner Radio Sales, represents most of Legacy's stations—KJOI(FM) Los Angeles, KDWB AM-FM Minneapolis-St. Paul, WLLZ(FM) Detroit, and KILT AM-FM Houston, plus some other stations that come under some of Sillerman's other portfolio companies.

Meanwhile, now that Telemundo has sold Blair Radio to Katz, the talk on the street is that Torbet and Select are for sale and that Interep is bidding. But no one's making any announcements yet. Until they do, Torbet and Select Radio are still operating as radio rep divisions of Telemundo, beefed up by the network, sports and farm units from Blair Radio not included in the transfer of Blair Radio to Katz.

As for rumors that Eastman Radio is up for sale, one source says that at one time or another Eastman has had discussions with almost everyone: Not only Katz, Interep and Blair, but even with some of its own station groups, which have suggested the possibility of buying Eastman "to protect their interests in Eastman's continued independent operation." But so far, nothing has come of any of the talk.

Mixed spot radio review

Following spot radio's strong upturn in February (*Radio Business Barometer*, April 13) March was generally disappointing, and early second quarter is getting mixed reviews from rep sales chiefs, ranging from bearish to exuberantly bullish. In terms of market size, Radio Expenditure Reports' new pacing report shows all markets running ahead for May, but both the top 10 markets and markets 11 through 25 running behind last year.

Mike Bellantoni, executive vice president, Torbet Radio, reports his own firm's pacing a little ahead for May, "but only a little. And looking at RER's pacing reports for May and June, it looks like second quarter could finish flat if not down for the industry. May is pacing somewhat ahead, but not 25 per cent ahead, as it should be, considering that this year May is a five week month against four weeks last year."

At Major Market Radio, executive vice president Dave Kaufman describes March as "not good," and says April appears slow. "Relative to last May, this May is up slightly, but only because we have an extra week this year. But it's not up 25 per cent, and even a 25 per cent increase this May would in fact be flat."

Dave Recher, executive vice president at Eastman Radio, notes that March and April were off a bit, but says "May is going great. May pacing is 10 per cent ahead of last May, though it's true that last May was only a four week month against this year's five."

Recher reports that airlines, the beers and the car companies, "Chevy, Nissan and Peugeot, have all helped make May one of our best months this year. Agribusiness investments are also up, or at least the farm chemicals sector. Farm machinery is still largely absent."

Stronger. Jeff Hodge, vice president, general sales manager at Republic Radio sees second quarter as "generally stronger," but adds that for the industry, March was down 4 per cent, April was flat and May is pacing up only 2 per cent, as of mid-May.

Hodge says Republic has 10 new station clients that affect second quarter performance, "and we also added to our sales staff since last spring, so our second quarter is 25 per cent ahead of last year so far. And at this early stage, third quarter looks like it's also going to be much better than last year. So we're now seeing the fruit of the moves we've put into place since last spring."

At Christal Radio Mark Braunstein, vice president, general sales manager, observes that Christal "is selling for more stations this year, so we're ahead and we're looking forward to continued progress. April was pretty fair and May is turning up even better than February, which was terrific."

Republic's Hodge adds, "If history is any judge, spending should improve, the closer we get to another election and Olympic year. But even before that, Detroit's having a tough year, and they know they're going to have to advertise and sell their way out of it before fall rolls around and all the new 1988 models start flooding in. Meanwhile, the banks have been good radio advertisers with all the competition to make home equity loans under the new tax law."

Web radio down in April

The steam seems to have run out of the network radio sales runup which had been taking place for the past two years. In April, for the first month since September, 1984, time sales were down from the year before.

The April figures for the Radio Network Association show a decline of 8 per cent from the year-before month. Time sales came to $29,980,511 for this past April vs. $32,480,130 for the year before. Three of the four sales territories that RNA breaks down showed declines, New York recording the only increase. For the four months to date, network radio was up 5 per cent, with billings of $111,124,521.

New York, by far the biggest territory, was up 6 per cent to $20.2 million in April; Chicago, down 18 per cent to $6.6 million; Detroit, down 52 per cent to $1.4 million (due heavily to General Motors billings being shifted to New York), and Los Angeles, down 25 per cent to $1.8 million.

Radio Network Association figures are prepared for the association by the accounting firm of Ernst & Whinney and are based on data from Capital Cities ABC, CBS, NBC, Satellite Music Networks, Sheridan Broadcasting Network, Transtar Radio Networks, United Stations Radio Networks and Westwood One/Mutural.

So he won't retire to Florida

While Roger D. Rice will retire as president of the Television Bureau of Advertising in early 1988, he's still heavily engaged in fighting for the TvB's cause. At this point, Rice is fighting the enactment in Florida of a sales tax on advertising in the state by cancelling all future meetings that were scheduled in Florida. Rice says that "we [the board of directors] feel that our members would simply not support a state that is anti-advertising. We have notified the state that we were cancelling the November, 1989 full membership meeting in Orlando, the February 1989 sales adivsory meeting in West Palm Beach and regional sales training conferences for the next three years.

He points out that magazine publishers have done the same, and NBC, which was to have its affiliates meeting in Orlando next year, has cancelled. In addition, an association consisting of over-the-counter drug advertisers has cancelled its meeting in Florida, set for next year.

Rice continues that if the advertising sales tax enactment spreads, TvB and possibly others will take similar measures in each state. The tax is seen by Rice as resulting in a cutback of monies going into all advertising media as well as TV. Clorox, for example, said recently it would not spend any national spot money on TV in Florida, he points out. As for the future, Rice sees the primary challenge facing TvB as getting television advertising "back up into double-digit increases and to bring in new categories of business to accomplish that."

ABC to replace sold outlets

Capital Cities/ABC will likely be going after other radio stations no matter what the sell-off requirements will be regarding the FCC's decision on its proposed revision of the cross-ownership rules. This apparently explains one reason for the company's action in reorganizing its radio station division into two groups even before the FCC announces its decision.

The reorganization puts Don P. Bouloukos in charge of Group I, with nine stations in New York, Detroit, Los Angeles, Providence and San Francisco, and Norman S. Schrutt in charge of Group II, with 10 stations in Atlanta, Dallas-Ft. Worth, Minneapolis-St. Paul, Washington and Chicago. Both men will carry the title of president, owned radio stations, and will report to James P. Arcara, president, Capital Cities/ABC Radio.

ABC webs marketing push

David C. Logan, who has directed marketing at ABC Radio Networks since 1982, is looking at his promotion to vice president/director of marketing as an opportunity to allow him to see higher-level prospective buyers and to expand his sales staff. He feels the new title will make him more visible and serve as an entree in opening doors to new accounts while maintaining a firm hold on the incumbents. He says, "I have every sales category that there is, so the expansion is going to mean more resources for us to develop business. We will try to use more sophisticated approaches to develop business." He expects his division to spend more time with the planners and management at ad agencies, whom he calls the people that determine how and where the dollars are spent.

Sears out front in spending

Sears continues to head the parade of web radio clients, according to the latest (March) report of Broadcast Advertisers Reports. The retailer's $4.8 million investment in the network medium brought its quarterly total to $12.1 million.

Top 10 web radio clients—March

Parent Company	Estimated expenditures	Year-to-date expenditures
Sears Roebuck	$4,826,657	$12,133,127
Warner-Lambert	3,490,936	8,204,596
Bayer	2,312,820	6,649,580
Ford	2,239,397	3,510,696
IC Industries	2,109,161	2,109,161
Tele Disc	1,628,358	4,249,763
General Motors	1,369,897	3,842,229
Prudential	1,343,699	1,343,699
Anheuser-Busch	1,280,888	4,008,690
Chrysler	1,115,886	1,401,486

Radio Business Barometer

March continues spot roller-coaster

Spot radio went on a roller-coaster ride during the first quarter. After a 1986 that scrunched out a 1.0 per cent increase, according to Radio Expenditure Reports, January continued the doldrums and marked up a 1.1 per cent rise. But February came along and all of a sudden RER showed a 13.2 per cent hike. Now, March settled back to the opening gambit of '87 with a drop of 4.4 per cent from the previous year.

Furthermore, these patterns were replicated in the various market groups broken out by RER. Even the smaller markets, which went against the trend in January, fell in line during February and March.

March billings, according to RER, came to $77,147,800, compared with $80,705,200 in March of '86. The latest March figure was the highest monthly time sales level for the year to date. It compares with $56.6 million in February and $38.6 million in January. There are two reasons for this state of affairs. One, the March peak is a seasonal matter; that's the way it usually happens every year. Second, March was a five-week Standard Broadcast Month (SBM), while the two previous months were four weeks each. That was also true of 1986. And the reps who report to RER report on an SBM basis.

Wild swings

The wild swings that have been taking place in spot radio are vividly illustrated in the major markets. The top 10 markets were down 8.9 per cent in March to $28,259,400. But they were up 10.3 per cent to $21,473,100 in February.

An even greater swing was shown by the 26th-to-50th markets. In March, this market category dropped 10.7 per cent to $11,125,000. In contrast, the February figures showed a 13.3 per cent rise to $8,823,500.

The best performance, as usual, came from the smallest markets, 51st and below. The market category was up a modest 1.9 per cent to $20,850,100 in March, while the month before the market group was up 15.8 per cent to $14,565,800. That leaves the 11th-to-25th markets, which just about broke even in March, rising 0.9 per cent to $16,913,300. But the month before these markets had scored a 15.5 per cent rise, climbing to $11,737,200.

The first quarter

The combination of ups and downs earned spot radio a slight increase in the first quarter. It amounted to 2.1 per cent. Total time sales for the three months came to $172,322,500, as compared with $168,858,400 during the January–March period of '86.

Year-to-date figures for the four market groups were as follows: top 10, down 1.0 per cent to $63,480,800; 11–25, up 3.7 per cent to $36,640,800; 26–50, down 1.1 per cent to $26,068,600, and 51-plus, up 7.2 per cent to $46,132,300.

National spot **−4.4%**

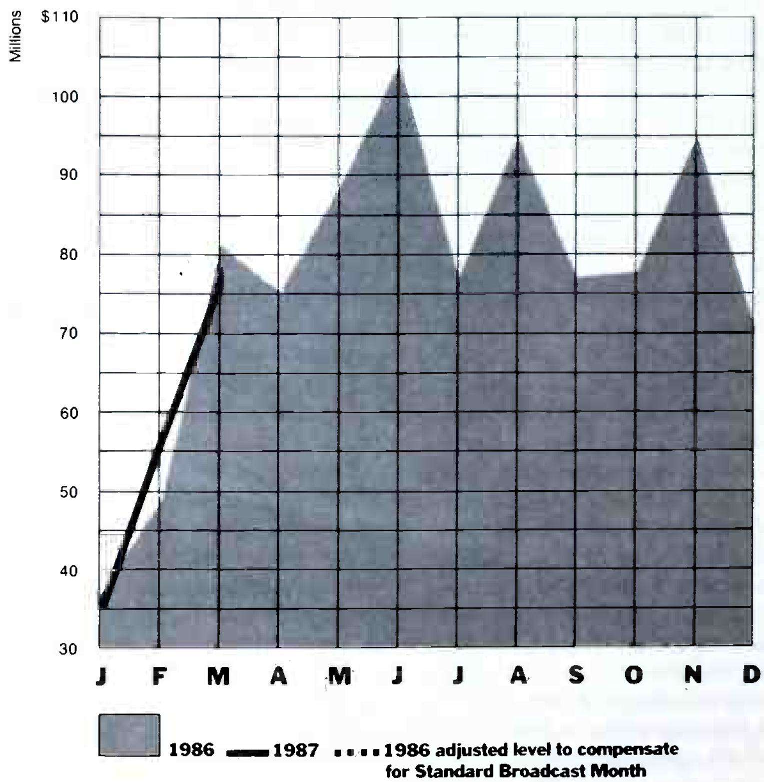
(millions) **1986: $80.7** **1987: $77.1**
1986 adjusted: $80.7

Changes by market group

Market group	*Billings (mils.)*	*% chg.* 86–85*
1–10	$28.3	−8.9%
11–25	16.9	+0.9
26–50	11.1	−10.7
51+	20.9	+1.9

Source: Radio Expenditure Reports

March



WAOK/WVEE
Atlanta

"No matter how many times I visit Atlanta and WAOK/WVEE, I always find myself learning something new and valuable to pass on to the buying community."

Ed Leeds
VP/Sales Manager
New York Office

(above) WAOK/WVEE General Sales Manager George Reed, VP/General Manager Rik Rogers and Ed Leeds review the stations' latest promotional campaign

McGavren Guild Radio salespeople will spend up to two weeks this year working at our client stations. They are there to collect qualitative station and market facts that will enable us to better understand the needs and unique attributes of our clients. Getting firsthand knowledge of the stations we represent is just one of the ways we provide you with the type of distinctive service that you expect.

McGAVREN GUILD RADIO
AN INTEREP COMPANY

Some Things Get Better With Age

Information Isn't One Of Them.

Would you buy day old bread? Read yesterday's newspapers? Or depend on last year's calendar?

Then why turn to broadcast publications that contain information that's often more than a year old by the time they reach you?

That's what you're doing if you're relying on anything other than the TV/RA SOURCEBOOK.

The TV/RA SOURCEBOOK is the most up-to-date directory of American Television Stations ever published. It geographically lists all 861 commercial television stations, their executives, and an alphabetical listing of all ADI's and their rankings. And, a special feature! Alphabetical listings of all station personnel.

The information contained in the Fall 1986 Edition is less than three months old. And to stay up-to-date, the TV/RA SOURCEBOOK will be published twice a year, Fall and Spring. Get the TV/RA SOURCEBOOK. And stay on top of the changing television world.

Television/RadioAge

TV/RA
SOURCEBOOK™

1270 Avenue of the Americas, New York, New York 10020

The TV/RA SOURCEBOOK is available at $40 for a single copy.
Five additional copies or more, $35 each.

☐ Please send me 1 Fall 1986 edition at $40.

☐ Please send me _____ copies (minimum 5 copies or more) at $35 each.

Name ______________________
Company ______________________
Address ______________________
City ______________ State ________ Zip ________

Company purchase order or payment must be enclosed.

"With the help of these 3 Tribune TV Log lines...

★10 Stars Salute 2 Top American Birthdays — Bob Hope & Air Force!

My all-star birthday will be a star-studded hit!"

Bob

Hope Enterprises
Burbank, CA

Once again we're using Tribune TV Log to invite viewers to my All-Star Birthday Party, **May 25th from 8 to 10 p.m.** on NBC.

With a Tribune TV Log ad on the newspaper listing page, we can let America know exactly when the celebration will begin.

Join me, my wife Dolores and our guests: "Alabama," Lucille Ball, Kirk Cameron, Glen Campbell, Phyllis Diller, Emmanuel Lewis, Barbara Mandrell, Phylicia Rashad and Brooke Shields at Pope Air Force Base for my birthday party. We'll also celebrate the 40th anniversary of the Air Force!

Tribune TV Log

The newspaper "bold face" ad network in the top TV markets.

The right time
The right place
The right audience

A division of Tribune Media Services, Inc.

Please call (212)687-0660

Television/RadioAge

May 25, 1987

Concern with schedule cannibalization, damage to Saturday kidvid, soap taping

VCRs having more impact on network viewing, negotiation

By EDMOND M. ROSENTHAL

Behavior of the VCR owner is becoming a growing concern of the networks and of the agencies that buy network time, but those attempting to draw any conclusions from what is known so far are aiming at a moving target. As of last February, Nielsen estimated VCR penetration of U.S. TV households at 48.7 per cent, and some believe it's easily 50 per cent. And with the VCR offering a new TV environment to so many additional homes, research on VCR-owner behavior may well be obsolete as soon as it's published.

So far, there are indications that more recent VCR buyers are demonstrating different behavioral patterns than earlier buyers, being less affluent and heavier users of television. Another consideration is change in how the VCR is used once it becomes a more regular fixture in the household—translated lower use for prerecorded cassette rentals and greater use for time shifting.

Network executives, now armed with data showing what proportion of their programs' ratings are represented by recording, as shown by Nielsen's weekly Special VCR Analysis, are beginning to take the VCR into account in the examination of programming strategy. Just recently, Brandon Tartikoff, president of NBC Entertainment, in a speech before the Academy of Television Arts & Sciences in Los Angeles, gave partial credit to the VCR for the success of such shows as *Miami Vice*, *Cheers*, and *Hill Street Blues*.

Meanwhile, Barry Cook, NBC's managing director of special media research, can see the day when the heavy recording of soap operas may result in faster pacing, with less need for recapitulation. David Poltrack, vice president of research for CBS/Broadcast Group, is taking a hard look at the VCR's role in getting higher ratings for the top 20 shows while the networks'

With soap operas among the most heavily recorded programs, plot recapitulation may be needed less.

CBS' "As the World Turns"

Programs with largest VCR contribution

January 26—February 1, 1987, A. C. Nielsen

Program	Household with VCR	Average without VCR	Audience % VCR contrib.
Prime			
Hallmark Hall of Fame	14.1	13.2	0.9
Cheers	30.4	29.6	0.8
Dynasty	18.9	18.1	0.8
Family Ties	36.2	35.4	0.8
L.A. Law	16.7	15.9	0.8
Night Court	26.2	25.5	0.7
Mon.–Fri. day			
All My Children	7.5	7.0	0.5
Days of Our Lives	7.4	6.9	0.5
American Treasury	5.8	5.4	0.4
As the World Turns	7.6	7.2	0.4
General Hospital	8.5	8.1	0.4
Guiding Light	6.8	6.4	0.4

overall audience share diminishes. Both he and Cook see this leading to less fear in going up against a top-rated show on another network. Additionally, Poltrack sees a growing need for compatible blocks of programming to prevent cannibalization of a network's schedule by, for example, watching and recording at 9 p.m. and shifting to the playback mode at 10. Poltrack also alludes to the VCRs potential impact in leading to a shakeout among the networks in Saturday morning kidvid—with the likes of playbacks of *The Wizard of Oz* adding to the drain into syndicated shows.

Agency concerns

Until recently, the interest in the VCR's impact has largely been concerned with the practice of zipping (fast forwarding) through commercials. But, where the most bandied-about figures—from Nielsen diary data asking whether most commercials were deleted on playback—implied a zipping rate of 60 per cent, more recent research shows that as few as one in nine commercials are actually deleted during playback.

And when TV/RADIO AGE asked agency executives how zipping is factored into negotiations with the networks, the upshot was that audience loss through zipping is a diminishing concern. Says Bart McHugh, senior vice president, director of national radio and television programming at DDB/Needham Worldwide, "If we find out [when people meters provide playback information] that we're losing audience, we're not going to want to pay for that audience, but it's just a negotiating tool now."

By and large, the agencies have taken the position of not wanting to pay for VCR audience because it is not known whether and when the programming will be played back and whether commercials will be zipped. But one agency negotiator admits anonymously that the networks haven't given an inch on the issue.

However, it won't be long before actual playback information puts all doubt to rest. Next September, AGB Television Research will have playback measurement as part of its national service, followed by Nielsen a year later. Not only will their coding processes detect fast-forwarding in playback, lowering the reported average minute audience, but advertisers will be able to order special runs indicating which commercials are deleted.

At that point, if overall lost audience through zipping and non-playback is not significant, the concern at agencies may well shift to the creative departments. As put by Bob Igiel, senior vice president, head of programming and network negotiations at N W Ayer, "It's nice that a show is recorded because it means you have people watching something they really want to see. So our job is to come up with interesting commercials."

Where recording's done

Data from Nielsen's weekly VCR Special Analysis Report is already providing some perspective on the dayparts and programs where most recording is done. Primetime, unsurprisingly, is the most recorded time period, varying according to seasons and sweep periods. In one Nielsen analysis, it's shown as 51 per cent of all recording in February, 1986—a sweep period—but down to 30 per cent the following July—one month where Monday–Friday daytime overtakes it with 39 per cent as primetime reruns become the rule and the soaps continue their slow but steady pace.

The effect of sweep periods on recording can be seen by comparing last October with the ensuing November sweep month. In October, 41 per cent of recording, representing an average of 179 minutes a week, was in primtime. In November, it was up to 45 per cent and 198 hours, representing 10.6 per cent increase in primetime hours recorded.

Aside from primetime, Monday–Friday daytime is the only significantly recorded daypart, while all other dayparts, according to the Nielsen data, account for some 25 per cent of all recording but more than 40 per cent of playback time. Especially significant is Monday–Friday early fringe, which accounts for only 3–4 per cent of all recording but 14–16 per cent of all playback. Poltrack adds that CBS focus groups indicate a considerable factor is working women who record soaps while they are working and play them back between 6 and 8 p.m. before primetime programming comes on.

Nielsen has also detected which nights represent heaviest recording and playback and drawn some logical conclusions. Thursday, Friday and Sunday nights are the biggest nights for recording—with Thursday featuring the highest rated programs on network TV, Friday the head-to-head battle of *Miami Vice* and *Dallas*—not to forget the appearance of *Falcon Crest* as CBS' second primetime soap that night, and Sunday with a large number of movies (with pay TV movies often making their debuts on that night as well). Thursday and Friday nights each represent 16 per cent of the week's primetime recording and Sunday nights 21 per cent.

Saturday night is by far the biggest playback night, representing 22 per cent of all primetime playback and with rented movies a considered factor. Poltrack notes that, where it has been a network strategy in the past to discourage taping, this might indicate the time has come to promote it—for example, encouraging stay-at-homes to watch rented tapes early and then watch network programs, or to tape shows from previous nights and watch them then, or night-outers to record Saturday night programming to watch later that night.

Interestingly, Thursday and Sunday nights, while being high taping nights, are also relatively high playback nights, representing 15 and 18 per cent of primetime playbackback respectively. This partly can be attributed to what Poltrack terms schedule "cannibalization."

Effect on ratings

Nielsen data show that few specific programs have a significant portion of their ratings represented by recording. In an analysis of the last week of last January, it found that 78 per cent of the week's primetime schedule had a VCR contribution of 4/10 of a rating point or less, with the remaining 22 per cent having a contribution of half a rating point or better.

During that week a *Hallmark Hall of Fame* special had a VCR contribution of 9/10 of a rating point, which Nielsen points out is not uncommon for specials. Also showing up with significant portions in VCR tuning were every show on NBC's Thursday night schedule and ABC's nighttime soap, *Dynasty*—while daytime soaps dominated the daytime schedule (see table).

But this is what the results have been recently, with VCR tuning representing a rating point or more only on rare occasion. Jerry Arbittier, vice president, television product development for advertiser/agency sales at Arbitron, sees expanded VCR ownership having its effect as the predominant VCR household becomes more represented by the avid TV viewer. His personal projection is a VCR penetration of about 70 per cent by 1990 and a continued growth beyond then, if at a considerably slower pace. At the same time, he notes, VCR ownership will have a diminished implication of upper income demographics. As for the early purchasers, he notes, the jury's still out on whether their machines will be replaced once they break down.

Arbitron has delved into the VCR phenomenon through telephone interviews and diary samples, with the last study done in November, 1985. Even then, some significant changes in the VCR universe were taking place. For one thing, while 46 per cent of earlier owners of VCRs said they bought them at least partly in order to skip through commercials, only 40 per cent of the more recent owners said so.

Arbittier adds that survey data indicating that 59 per cent of all commercials screened during playback are zipped does not really constitute a significant lost audience. This is because only 3 per cent of all viewing is of recordings made without someone in the room that is subsequently zipped.

Changing habits

Many, though, feel that the VCR is still too new as a standard household appliance to say that zipping will remain at a low level or that time shifting won't have a major impact on network scheduling. "I'm certain we're in for more changes," says Craig Guggel, senior vice president, director of media resources at Bozell, Jacobs, Kenyon & Eckhardt. "It's too soon to really know what will happen." If time shifting is to have any real impact on program scheduling, he notes, "There would have to be a great percentage viewing while recording other stations." According to Nielsen figures, this currently represents only 20 per cent of all recording.

According to Cook at NBC, so far recording has generally not represented more than 2 per cent of a program's viewing, and it has been as much as 5 per cent in primetime—"so scheduling will continue to be dominated by what the live audience is going to do. We can't count on the VCR to rescue us from live competition." He does note that the VCR has helped *L.A. Law*

(*continued on page 68*)

Thursday, Friday and Sunday nights are the biggest nights for recording. Primetime soaps get heavy VCR play.

ABC's "Dynasty"

Financial considerations can take precedence over programming

Shopping, PPV pamper MSOs for equity investments

Second of two parts

Cable multiple system operators, with most capital construction costs behind them and surplus cash to spare, are now seeking to improve their product through investments in program services. And the program services most anxious to get their money can be found in the two hottest program categories—home shopping and pay-per-view.

The second largest MSO, American Television & Communications, has interests in both these categories, for instance, but has largely stood clear of other program service investments. One exception was its role in the consortium that tried to get NFL rights, but it was conspicuously absent from the group of MSOs that announced they would spend $550 million for 35 per cent of Turner Broadcasting System. Says an ATC spokesperson, "We didn't get involved because we didn't think it added anything to program choice." But Time Inc., which owns 80 per cent of ATC, later considered participation in the TBS group in return for an option to purchase part or all of Cable News Network. Time, of course, already owns the HBO and Cinemax pay services, as well as one-third of USA Network and 10 per cent of Black Entertainment Television.

This type of relationship—between cable systems and program services through their parent companies—has been around since the earliest days of national cable programming. Warner Cable, for example, started The Movie Channel; its parent company, Warner Communications, was involved with the early years of both MTV and Nickelodeon. Warner later owned half of Showtime, but then abandoned such national network involvement, resuming it only recently through Cable Value Network and the ill-fated NFL consortium.

Current examples of such relationships include Viacom Cable, whose parent owns Showtime, The Movie Channel, Viewer's Choice, MTV, VH-1, Nickelodeon and a portion of Lifetime; and Cablevision Systems Corp., which now owns more than 90 per cent of Rainbow Program Enterprises, the distributor of Bravo, American Movie Classics and several regional services.

And then there's C-SPAN, run as a

HSN, QVC, CVN and The Fashion Channel bring shopping home by offering MSOs pieces of action in exchange for system carriage.

QVC Network's studio

Request Television's "Top Gun"

Telstar Channels, Request Television and Jerrold's Cable Video Store: Pay-per-view push finds programmers making a play for operator support.

non-profit cable industry cooperative. "Nearly every cable MSO contributes to C-SPAN's operations," notes Susan Swain, vice president of corporate communications. "Their monthly subscriber fees make up 80 per cent of our annual budget. Over the next five years, we are moving to increase their level of contribution to 85 per cent." Swain says the contribution is about 4 cents per month per subscriber.

Investment choices?

Several MSO executives stress to TV/RADIO AGE that potential investments in program networks are financial rather than programming decisions. Century Communications Corp., for instance, has not made such investments because "our interest in programs is clearly an editorial interest," notes Leonard Tow, chief executive officer of Century. Tow notes that Century still supports program services financially even though it doesn't own part of them: "We buy services with per-subscriber fees."

Robert Classen, president of Comcast Cable Communications, says it almost doesn't matter "who owns a particular channel. We're still going to affiliate and pay fees." Comcast has so far only become involved financially with QVC Network, although Classen notes he's "talked to everybody from Discovery to Turner to preview channels to classic movie channels." And Comcast was part of the NFL consortium.

"We're being very cautious," Classen says. "We're just making an investment decision. We look at it, first of all, as to what the financial advantages would be. Programming's a specialized business, and it's not particularly been Comcast's business."

Home shopping shoppers

In the case of home shopping, at least, Comcast played a major role in helping QVC get off the ground last year. The MSO agreed to carry QVC—as the only shopping service for which it would receive compensation—on a two-year exclusive basis to at least 900,000 subscribers. In return, Comcast received permission to purchase 18,000 shares of common stock and 900,000 shares of Class B common stock.

Currently, QVC has deals with at least 34 MSOs. According to its stock prospectus, 72,000 shares of common stock and 3.6 million shares of Class B common stock have been made available. MSOs can purchase 20 shares of the former and 1,000 shares of the latter for each 1,000 subscribers committed on a two-year exclusive basis (meaning that the MSO receives no compensation from any other home shopping service); 10 shares and 500 shares respectively for each 1,000 subscribers on a two-year non-exclusive basis; and 5 shares and 250 shares respectively for each 1,000 subscribers on a one-year non-exclusive basis. In all cases, the MSOs must transmit QVC around the clock.

Shopping networks have been among the major wheelers-and-dealers with MSOs, who have been responding positively. American Cablesystems Corp. and Continental Cablevision, for instance, both have financial fingers in three different shopping services—Cable Value Network, Home Shopping Network and QVC. But Curt Wolff, American's director of investor relations, says that rather than a concerted effort to own part of each network, the involvement is mostly an outgrowth of agreeing to carry the networks in the first place. "Generally, our systems are configured with 54 channels," he explains, "so we're in relatively good position to offer one, two or, in some cases, three [shopping services]."

HSN chairman Roy Speer says that 69 MSOs, "representing 46 per cent of the top 120 MSOs," committed subscribers to a 1986 stock option plan. Now HSN has launched a revised stock option plan for cable operators carrying its programming, or committing to do so, who did not participate in last year's offering. Under the old plan, systems could participate by agreeing to carry HSN1 to a set number of subscribers for three years. Now, the minimum time has been increased to five years (with an option to renew for another five years), and systems can carry either HSN1 or HSN2. In return, they'll still receive options to purchase $10 of common stock for each subscriber committed. But systems who commit to carry both HSN services will receive options to purchase $20 of stock per subscriber. The option will vest at

(continued on page 66)

‘Fair’ audience count, ‘credible’ numbers sought; study compares in-home, phone

Spanish radio works for rating service to replace Arbitron

By ALFRED J. JAFFE

Spanish radio broadcasters have been working on developing a rating service tailored to Hispanic listening, replacing Arbitron. As is so often the case in the audience measurement game, it’s not an easy task.

Broadcasters want to make sure they get a fair audience count, i.e., they want the biggest numbers they can get. But they also realize the data must be credible, i.e., they want the most advertising they can get.

Out of these pressures has come the Spanish Radio Advisory Council which sponsored a pilot study in Chicago last winter. The council, a broad-based organization consisting of advertisers, agencies, reps and stations, is aiming at setting up a syndicated radio audience service, conducted semi-annually in the top 15 Hispanic markets.

Results of study

Preliminary results from the pilot study were released at a meeting of the council April 22. It was obvious right away that there were some problems (see *Radio Report*, May 11).

The basic purpose of the pilot study was to compare two methodologies: in-home and telephone recall. It was expected that there would be differences between the two, but the differences were greater than expected.

First, the share of Hispanic listening to Hispanic stations showed up as 87.2 via the in-home method and 55.7 according to the telephone interviewing.

Second, the overall PUR (persons using radio) rating was 21.1 for in-home and 16.2 for telephone, a difference of 30.2 or 23.2 per cent, depending on which survey method was the base for the calculation (see graph).

Somewhat embarrassing to proponents of phone interviewing for Hispanics were survey data showing that half the in-home households said they had no phones.

Other issues came up at the April 22 meeting, but the adversarial relationship between buyers and sellers remained muffled as council members struggled to find the answers to the unsettling findings. While both sides are looking hard for explanations, the general expectation is that there will be some fine-tuning rather than further basic research. Council members are not inclined to go back to square one.

One of the ironies of the findings about Hispanic telephone penetration in Chicago is that the research service which conducted the pilot study—Information & Analysis of Hicksville, N.Y.—had been leaning toward the telephone method. Peter Roslow, who was general manager of I&A when the study was made but has since resigned to join the Telemundo Group, explained to the meeting that “in-home is not a good procedure for checking phone penetration.” He also noted that the “non-phone” households were checked against the reverse telephone directory and 15 per cent of them turned out to have phones after all. This raised the Hispanic phone penetration level to 57–58 per cent.

Roslow, who says that I&A still favors the telephone method for the Hispanic syndicated study, feels that the phone penetration level would be even higher if the question on telephone ownership were more carefully phrased and the information collected accurately.

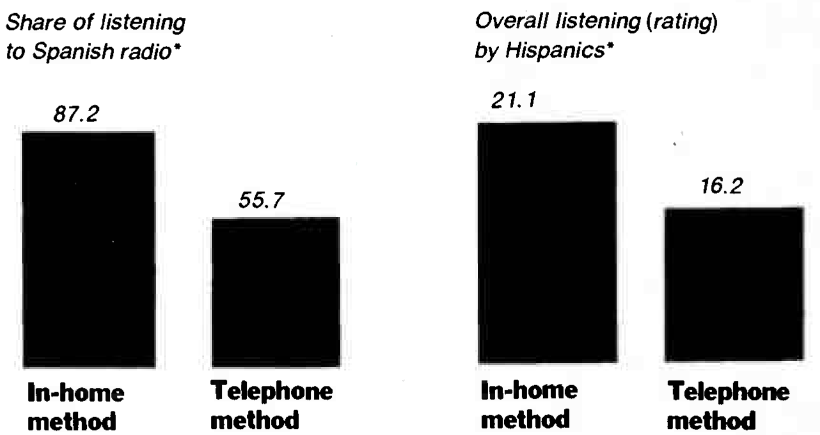
Harvey Morrow, who took over as general manager of I&A after Roslow left, estimates that Hispanic phone penetration in general is probably in the 60 to 80 per cent range. While assuming the lower end of this range is correct might raise questions about the accuracy of telephone research for Hispanic audience measurement, Morrow notes that listening data on phone vs. non-phone households shown by the in-home sample did not show much difference.

What made the phone data in the pilot study particularly puzzling was the phone penetration figure from Market Statistics, Inc. MSI, which updates the census figures, showed a Hispanic phone penetration level of 81.5 per cent for the Chicago metro area.

Telephone ownership among His-

Different results from different methods

Preliminary results of pilot study of Spanish radio listening



Source: Information & Analysis. Chicago pilot study sponsored by Spanish Radio Advisory Council.
**Persons 12-plus, 6 a.m.-midnight, Monday-through-Sunday*

Pilot study compared in-home with telephone interviewing, both employing recall techniques. Higher shares of Hispanic listening to Hispanic stations (as per cent of all Hispanic listening) are characteristic of in-home method.

panics is a long-burning issue. One school of thought argues that telephone penetration among Hispanics must be low because "telephones are not part of the Hispanic culture," and because many Hispanics fall in the low-income brackets. Hence, door-to-door surveying is the best way to sample Hispanics.

A strong opponent of this view is Market Development, Inc., of San Diego. The company has distributed information from a special run of 1980 census data that shows telephone penetration percentages in the top five Hispanic markets falling in the 80s and 90s, except for New York, where, according to MDI, a particular "artifact" raises questions about the accuracy of the phone penetration level, which the census set at 74 per cent.

A prominent proponent of door-to-door surveys is Strategy Research Corp., Miami, which has been conducting mostly TV audience studies but put in a losing bid for the pilot study.

Richard Tobin, president of SRC, raises questions about the census data on Hispanic phone penetration—and he is not alone.

One point Tobin makes is that the census phone data is based on a questionnaire sent to a large sample of households, that the questionnaire is more likely to be returned by more literate and educated Hispanics and, thus, the resulting data may not be representative of all Hispanics. Hence, such respondents would be more likely to have telephones in their homes than nonrespondents.

The pilot study

Hispanic radio broadcasters have long been dissatisfied with their dependence on Arbitron, which they see as a service oriented to the general population and thus unable to measure Hispanics properly, despite the special ethnic measures used by Arbitron.

The current effort to set up a Hispanic rating service was kicked off about two years as the result of a proposal by Eduardo Caballero, president of the Caballero Spanish Media rep firm, who suggested formation of an advisory council representing all sectors of the industry (see list of members).

I&A won the bidding process, but Birch Research Corp., another bidder, took over the tabulation chores. Chicago was chosen as the pilot market because of its presumed cultural balance, including Mexican, Cubans, Puerto Ricans and Hispanics from other countries in Central and South America.

The extent to which the sampling net picked up a representative roster of the various Hispanic groups was, of course,

Abbott Wool, Saatchi & Saatchi Compton

"The conventional wisdom has been that in-home is the best way to do [survey] research, especially in the case of ethnic populations."

a test of the in-home vs. phone sampling methodologies. Both, presumably, would bump up against the problem of illegal immigrants avoiding being interviewed or not being truthful about country of origin.

As it turned out, the differences between the country-of-origin data in the two samples were dramatic. The in-home sample showed 40 per cent of the respondents reporting that they came from Mexico; the telephone sample showed 70 per cent, while the census was 64 per cent. The Puerto Rican ratios were even wider apart: The in-home percentage was 55, the telephone 11, the census, 22. The comparable numbers for Cuba were 2, 3 and 3, while those for "other" were 2, 15 and 11. Interestingly, the country-of-origin data for phone and non-phone homes *within the in-home sample* were roughly equivalent.

The response rate is another parameter to be considered. Here the completion rate was about the same for both in-home and phone samples, with the former being 54.9 per cent and the latter 49.5 per cent. Also, in both methods the language of the interview (interviewers were bi-lingual) was Spanish in approximately four out of five cases.

PUR levels by the Monday–Friday dayparts differed considerably according to methodology, except for morning drivetime. In the midday, the in-home level was 52.9 per cent higher than the phone, in late afternoon drivetime, in-home was 49.4 per cent higher and in the evening, in-home was 57.4 per cent higher.

Share of audience to Spanish radio stations was 56.6 per cent higher overall with in-home interviewing than phone interviewing. Most Monday–Friday dayparts showed a smaller gap, but the late evening daypart showed that the in-home sample share was 118.0 per cent higher than the phone sample share. Similarly, the weekend daypart showed an in-home sample share 79.6 per cent higher than the telephone share.

Council chairman

In explaining the issues involved in the pilot study, Abbott Wool, senior vice president, media services, at Saatchi & Saatchi Compton points out that "The conventional wisdom has been that in-home is the best way to do [survey] research, especially in the case of ethnic populations. The Pulse was preferred for ethnic research and Strategy Research kept [in-home] measurement alive."

When the proposal for a syndicated service was made by Caballero, Wool recounts, in-home was accepted as the method. But than along came I&A with a proposal that maintained phone research was preferable, the Compton executive recalls. The reasons cited for phone superiority, he says, were more supervisory control over interviewers, who operate from a central calling location; lower cost and better dispersion of the sample. The latter advantage is due to the fact that the cost of in-home interviewing generally leads to clustering of groups of sample households in order to save money. When a household is designated as a sampling point during in-home surveys, contiguous and adjacent households—perhaps 10 to 15—are also interviewed to save the cost of interviewer travel. When the Advisory Council was set up, I&A was chosen to compare the two survey methods following a request for proposals.

The key questions, says Wool, are: "Can we determine if one of the methods is right? If the truth is somewhere in between, how do we adjust the data?" The Compton executive believes that there are factors distorting each of the two competing survey methods.

Wool points to a number of possible adjustment devices. One is sample balancing of demographics. He also cites, as an example of determining flaws in the pilot survey results, studying the location of the sampling points. "We should look at the population density of the sampling points, to see if the high-density Hispanic areas show different numbers than the low-density areas."

With another meeting of the Council coming up June 4, Wool does not believe there will be any basic research recommended. "We are trying to get off the ground without going back into the field."

He allows the possibility of a small-scale phone coincidental study to see what kind of numbers come up. Both the in-home and phone methods in the pilot study employed recall techniques, which often generate biased results because people forget. The phone coincidental method gets around that flaw, but it is expensive and not practical for gathering early morning and late evening behavior.

Wool also points out that better data may be gathered in future phone studies with more detailed probing of non-media behavior of respondents, which would presumably trigger recall of listening behavior. This suggestion, he says, came from Birch people.

The fact is, says Wool, there are weaknesses in both the in-home and telephone methods. But he believes the latter method will get more support, primarily because of its lower cost.

Spanish Radio Advisory Council members & observers

Jim Alexander Bravo/Y&R	Marianna Reges Bristol-Myers
Michele Buslik Wells, Rich, Greene	Nathan Safir KCOR San Antonio
Eduardo Caballero Caballero Spanish Media	Gary Schneider Young & Rubicam
Irene Dunne J. Walter Thompson	Sam Sotiriou DFS Dorland
Frank Flores WJIT New York	John Taylor The Procter & Gamble Co.
Bibiana Grau Grau & Garcia	Nancy Tellet Conill Advertising
Howard Kalmenson Lotus Communications	Karen Dixon-Ware McDonald Corp.
Betty-Ann Morse DMB&B	Bob Warrens J. Walter Thompson
Debbie Nason Mendoza, Dillon & Asociados	Tina Williamson GSD&M
Toni Pratt Sosa & Associates	Abbott Wool Saatchi Saatchi Compton

Question of credibility

Hispanic stations and reps might be expected to support the in-home method because of its higher numbers—and many do—but the question of credibility, remains foremost to a number of broadcasters. This includes Caballero, who started it all.

The rep chief is reluctant to express a preference in terms of what method the proposed syndicated service should adopt. "I lean toward the in-home method," he says, "but I know it won't come out that way."

His stand is not to express an opinion and "to let members of the council alone." To "abstain from voting" on his part will help establish the credibility of whatever method is finally adopted, he feels. The people who should decide, he says are "the P&Gs, the Benton & Bowles' and the Bristol-Myers'."

He did defend the in-home method against charges of interviewer bias and maintains a good interviewer can extract the necessary information from respondents. "The telephone method can be biased," says Caballero, "because you can't get all the answers by phone." He sees the possibility of another small pilot study to "double-check" the phone and in-home.

A more vocal proponent of the in-

(*continued on page 74*)

Harvey Morrow, Information & Analysis

Information & Analysis estimates Hispanic phone penetration is 60–80 per cent and says listening data between phone and non-phone homes is similar.

Arbitron Radio inclusion of 35-plus drives home demo's growing weight

Mature listeners easier to track, bigger business

By GEORGE SWISSHELM

Arbitron Radio is making no big deal out of its inclusion of 35-plus in its winter, 1987 report. But radio executives whose stations skew older, as well as research specialists, see the move as a definite plus for advertisers and prospective advertisers as well as for their own stations.

Current Arbitron reports do include a 35–64 break, and there's nothing to prevent agency planners and buyers equipped with computer systems from punching up 35-plus, or any other demo they're looking for on their systems. But radio executives say most agency media departments rarely go out of their way to track mature listeners in spite of a growing body of research pointing to their increasing discretionary buying power.

Charles Sislen, manager, marketing and research at Eastman Radio, points out, "Agencies generally ask for the standard demos they see in the book. And most agency people don't access their computers, even though they could easily pull 35-plus or any other age bracket they choose out of the Arbitron tapes. Of course as reps, we're used to pulling analyses out of our systems to order and carting them around to the agencies on request. But when time is short, as it usually is, both station account executives and agency people usually rely on whatever is in the book, and work with what they find there: 25–49, 25–54, or, at the top end of the scale now, 35–64."

Using what's there

At WJIB(FM) Boston, general sales manager Mike Cohen says that the great majority of agency buyers around the country who use Arbitron "use the book. Most do not have immediate access to PC-based data retrieval systems."

Cohen agrees, "It's true that a lot of stations have invested in PC based systems. But that's still not most agencies. And even for agencies and stations equipped with these systems, it's only the top 50 to 75 markets—the ones that are measured four times a year—whose numbers are loaded onto floppy disks. Anything beyond these markets is a special extra process."

Bob Galen, senior vice president, research at the Radio Advertising Bureau, observes that if agency people "really want a demo that doesn't show up in the book, any rep will be only too happy to do a run on his computers and deliver it to the agency. But that takes a little time. An awful lot of buys are made with very little time to spare."

Galen also points out that those agencies whose computer operations are time sharing arrangements "don't want to make too much of a habit of plugging into the machine too often. Doing that can run the charges up into big bucks for an agency if too many people using the system too often gets out of control."

For reasons like these, says Galen, "Having 35-plus right there in the book for the sales people to show off and for everyone to see makes it much easier for a station to get credit for all its listeners over 65. Anything that's easier to see and easier to use tends to be used more. It's certainly *seen* more and adds to agency awareness of mature listeners."

Maurie Webster, executive director of the 35–64 Committee, recalls that his group "started talking to Arbitron two or three years ago about the desirability of adding 35-plus. For many stations, 35–64 doesn't go far enough if they have still more listeners who fall into the 65–74 group. And I predict that 65–74 will become another report-

Exclusive Audience
MONDAY-FRIDAY 6AM-10AM
METRO CUME (00)

	PERSONS 12+ Total	PERSONS 12+ Exclusive	PERSONS 12-24 Total	PERSONS 12-24 Exclusive	PERSONS 18-34 Total	PERSONS 18-34 Exclusive	PERSONS 25-54 Total	PERSONS 25-54 Exclusive	PERSONS 35-64 Total	PERSONS 35-64 Exclusive	PERSONS 35+ Total	PERSONS 35+ Exclusive
+WAAA WRRR	798	280	236	64	382	156	460	196	298	86	338	92
PCT (%)	100	35		27		41		43		29		27
WBBB	78	34	30	10	28	8	34	18	40	16	40	16
PCT (%)	100	44		33		29		53		40		40
WCCC	530	230	22		78		258	58	320	126	444	230
PCT (%)	100	43						22		39		52
WDDD	120	20	44	14	64	14	62	6	50		50	
PCT (%)	100	17		32		22		10				
WDDD-FM	1192	332	668	166	776	222	496	162	184	40	190	40
PCT (%)	100	28		25		29		33		22		21
TOTAL	1262	352	698	180	818	236	524	168	208	40	214	40
PCT (%)	100	28		26		29		32		19		19
WEEE	918	280	616	226	542	138	280	40	138	40	138	40
PCT (%)	100	31		37		25		14		29		29
		228	92		208	30	424	106	416	138	540	19
						14		25		33		3
						52	80	6	72	14	90	
								8		19		
								526	860	426	936	
										50		
											984	

Bob Galen, *RAB senior vice president, research, says "anything that's easier to see and easier to use tends to be used more." Having 35+ demos right in the Arbitron book, he explains, saves time as well as computer time-sharing charges.*

ed demo not too far into the future."

Webster notes that there are many stations who may have in the neighborhood of 100,000 listeners 36–64, "but with 35-plus, that figure might jump to 150,000—50,000 of whom up to now have been effectively blocked out of consideration."

He agrees that agencies can easily access 35-plus from the Arbitron tapes stored in their computers, but adds that, "No matter how easy and technically feasible it is punch it up on the CRT, too many planners, buyers and account executives are under 35. They aren't yet convinced of the values of listeners who are over 50. Too many of the 35 *minus* crowd don't realize how active and affluent so many people over 65 continue to be. So they just don't bother to pull it out of their computers."

On the other hand, continues Webster, "Having it in the book for station sales people to show does it for them. Putting 35-plus in the book is one more important step in spreading recognition of what darned good customers consumers over 65 are for a lot of upscale products, from leisure travel and cruises to the Bahamas, to financial services and luxury cars."

In the March 16 TV/RADIO AGE, Paula Kay Pierce, research director of The Lempert Co. wrote that, while there are now some 27.9 million Americans aged 65 and up, or 11.8 per cent of U.S. population, after the first wave of baby boomers attains seniority in the year 2011, it's estimated that the ranks of mature citizens will "swell to an astounding 66.6 million by the first half of the 21st century." And she pointed out that as "We mount our cresting gray boom, manufacturers can no longer afford to neglect this rapidly growing segment of our population."

Pierce also stresses, "As significant as their vast numbers is the quality of senior citizens as consumers. Today's older Americans are a far cry from the feeble, distracted, lonely stereotype that has dogged them. What we see instead is an attractive, vigorous, independent and self-supporting older generation."

Valuable demographics

But Lempert's Pierce is not alone in recognizing the growing value of mature listeners to many categories of advertisers. Fabian Linden, executive director of the Conference Board wrote last year in *American Demographics*, "Never before in our history has the older population achieved the level of economic well-being enjoyed by the present 50-and-older generation." Linden reported that half the discretionary income of all Americans is earned by people over 50. And after taxes, 20 per cent of the incomes of those 65 and over is discretionary."

Just last month *The New York Times* quoted Thomas Exter, a senior editor of *American Demographics*, who explains that the median income of the elderly rose much more than that of any other age group between 1980 and 1985, "largely because Social Security benefits have kept up with inflation, while the wages of many younger Americans have not." He added that the income of our mature citizens is also being supplemented by private pension plans, increased earnings from assets and wages from parttime jobs taken after retirement.

Maurie Webster, *35–64 Committee executive director, predicts that 65–74 will become the next reported demo. He blames under-35 agency people for bias against older demographics: "They just don't bother to pull it out of their computers."*

Frank Oxarart, *WMCA general manager, says age cut-offs are arbitrary limitations. "It's your attitude toward life and how you feel that determines your lifestyle," he notes, "not what year the calendar says."*

The *Times* went on to report that between 1970 and 1983, Social Security benefits increased by 273 per cent, a much greater increase than inflation, which was up 156 per cent during that period and even greater than the average wages of working Americans, which increased 138 per cent during that time.

Gary Jensen, vice president, marketing at Bolton Research, observes that stations that attract listeners over 65 appreciate Arbitron's addition of 35-plus because it will show off their bigger numbers but adds, "That's only part of a bigger picture. That's that it's part of the growing realization of the real buying power of people over 50, with their additional discretionary income, once their kids are out of college and out of the house. Over and above all other expenses, and after everything else is paid for, mature listeners still have $3,500 to $4,100 discretionary income that most other people don't have. That's money that's available for things like travel and trading up for a better car. Most of the rest of us are

(continued on page 75)

Voice of America deal expands reach overseas; NBC Radio eyed at home

Westwood One looks to cover all bases in radio

Westwood One chairman and chief executive Norm Pattiz, no longer content with taking an initial $10,000 investment and parlaying it into the second most successful radio network in the country, is thinking internationally these days.

Pattiz has just announced that Westwood One Radio Networks and the Mutual Broadcasting System, which he bought in December, 1985, have entered into an experimental pilot program with Voice of America Europe to broadcast 10 hours of rock programming a week in Western Europe in order to help the agency defray its costs. The fact that he has been allowed to sell commercial time marks the first such effort under the agreement, which the radio entrepreneur reached with United States Information Agency chief Charles Wick.

"Wick came out to see me several months ago," Pattiz recalls, sitting on a couch in his high-tech office in an industrial section of Culver City. "All this came out of Reykvajik, where there was some discussion of how to entice the Russians to cease jamming radio programs from the VOA and Radio Free Europe. In turn, they wanted access to American broadcasters for Radio Moscow. Wick asked us if we would be interested in providing a satellite link to Radio Moscow by putting it up on the Mutual/Westwood bird. I said it was certainly worth discussing but added that what I'd really like to do is put some of our commercial programs on VOA/Europe because I knew they were under financial pressures."

This, as seems to be frequently the case for the hard-driving Pattiz, is exactly what happened. The VOA pilot supplements other Westwood One international activities as *The Seven Up Music Machine*, a concert series produced by Westwood One International for distribution throughout Europe to a European network including the UK Independent Radio System and station groups in Belgium, Finland, Scandinavia, The Netherlands, Portugal and Radio Luxembourg.

International turnabout

"Globally, the evolution of radio is becoming much more like radio in the United States," Pattiz observes. "In the current world economy, governments don't want to support radio stations any more. I was on a panel three years ago at MIDEM, and the French guy was saying that all their stations were government-owned and that was the way it should be, and I said that, within a very short time, they would be forced to look for commercial advertising. It happened less than 90 days later."

In keeping with his international perspective, Westwood One programming airs in Australia, Austria, Argentina, Belgium, Canada, Chile, Columbia, Cuba (through Armed Forces Radio), Denmark, France, Finland, Germany, The Netherlands, Hong Kong, Italy, Ireland, Japan, Mexico, Monaco, New Zealand, Norway, The Philippines, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, Trinidad and the United Kingdom.

Closer to home, the executive, who hopes to capitalize on his company's record earnings and the $100 million to convertible debentures it raised for acquisitions last September to increase its market share, is concerned about recent Federal Communications Commission activity on the censorship and duopoly fronts.

"Even though we don't own radio stations, we do business with about 5,000 of them, so we're vitally concerned with the FCC's postures," Pattiz says. "I don't personally find anything appealing in so-called shock-radio, but it seems to me that's a small price to pay to continue to have the First Amendment protections that have always been inherent in the medium. And it concerns me when we have an FCC that has clearly been deregulatory where, on the one hand, its outgoing chairman [Mark Fowler] in his last public speech, tells us to demand our First Amendment rights—and at the same time, we have the head of the Mass Media Bureau saying we have to crack down on obscenity in broadcasting."

Pattiz acknowledges, however, that he has "a number of problems with Howard Stern on a national basis." "In the first place, it's difficult to get national sponsorship for a show like that, and secondly, I personally don't think that kind of show does much for our industry," he adds. "The fact that it draws big listening audiences in and of itself doesn't mean that it's class radio, except maybe third class radio. But I'm really uncomfortable with seeing a regulatory body get ready to regulate it out of existence."

Industry concentration

The other area in which Pattiz disagrees with recent FCC thinking is the potential relaxation of the one-to-a-market rule. "What they're moving to, it seems to me, is relaxation or doing away with all the ownership limitations

(*continued on page 72*)

Pattiz is no fan of "shock radio" but is not comfortable with the ability of the FCC to regulate it out of existence.

Norm Pattiz

Affiliate chairman Lynagh pleased with compensation, regional news

Clutter, local time the major NBC affiliate concerns

It wouldn't seem that NBC affiliates have much to complain about as they head for their May 31–June 2 annual meeting in Los Angeles. They recently were endowed with an average 3 per cent gain in annual compensation, the network's primetime programming continues its dominance, the regional news operation is labeled a "tremendous success" and affiliates are happy with the web's program promotion capability. But, according to James T. Lynagh, chairman of the network's affiliate board of governors and president of Multimedia Broadcasting Co., there are two major areas that need improvement: clutter and the imbalance of programming time between network and affiliates.

In an interview with TV/RADIO AGE on the eve of the affiliates meeting, Lynagh volunteers, "We're very concerned about clutter. We're worried overall about losing audience to other programming services. We believe that everything from credits to the quantity of promotional announcements to the number of commercials have to be cut back to some degree and more program content added, particularly into the primetime area where we are most concerned about losing audience—so that we don't kill the goose that laid the golden eggs for advertisers, the audience itself or the stations.

"If we start losing audience, then we lose the economic resources to go out and produce the programs—it's a domino effect. If one network gets some inventory, the other one feels it's got to run out and get it, too. At this particular moment, I suspect that the networks have more commercial time to sell than there is demand for. If we could, under the circumstances, balance that a little bit in a way to have the viewers helped and the advertising more effective for the advertisers, we would all benefit from that.

"I don't think any one of [the networks] have understood that as much as they should. We have a committee working on it with the network, but there are very strict limits on what we can and can't do in that regard."

Splitting the pie

Lynagh also expresses concern with maintaining an equilibrium between station and network programming time. He notes this is true of all three networks where "the expansion of sports programming and late night programming by the networks is causing the balance to get out of whack a little bit."

"NBC is successfully programming more hours per week than it used to," he points out, "and we think it's reached a maximum and maybe ought to cut back a little bit. I'm only talking a few hours a week." He points out that, in weekday daytime, NBC programs six hours a day, compared with five-and-a-half for CBS and five for ABC.

Considering the possibility of NBC returning perhaps a half hour in daytime to the stations, he suggests the 10:30 a.m. or noon periods as good prospects. And he contends the network should look at this from the standpoint of its O&Os: "If they were not to program at noon, NBC owned stations could run a local newscast in New York, Chicago and Los Angeles that might be a very good service in those markets. Noon news is a very successful program around the country both from a business standpoint and an audience standpoint. And I could see where NBC's six owned and operated stations would be delighted if the network didn't program noon to 12:30."

Observing that all three networks have changed the close of their daytime period from 4:30 to 4 p.m.—because the affiliates weren't clearing sufficiently beyond 4—Lynagh notes that a still-earlier start for the affiliates wouldn't be all that desirable: "From 3 to 4 p.m., the thing we want is just very strong programming."

NBC affiliates, saddled with *Santa Barbara* in this time period, are getting the least effective lead-in to local programming, while CBS' *Guiding Light* does better and ABC's *General Hospital* "is a tremendous driver for the 4 o'clock local programming time for ABC affiliates." He reports affiliates have constantly pressured the network to improve *Santa Barbara* "and they have been slowly improving it—not as fast as we would like, but it's certainly been happening." Observing that soap operas take a long time to build, he says the improvement route is more feasible than cancellation.

Despite his concern with network encroachment on station time, Lynagh has no axe to grind over the forthcoming Sunday *Today* show, which will run 8–10 a.m. starting Sept. 20. He says there's a very real need for the program but adds, "If I could program the network, personally, I would say, 'Good, do the *Today* show—there's a very real need for informational programming of the type that the networks can uniquely produce—but give us back 5 to 6 o'clock on Saturday afternoons where

(continued on page 71)

"If we had 5 to 6 o'clock every Saturday to program, the affiliates would really cheer. That would be a terrific hour for us to get back from the network."

James T. Lynagh
President
Multimedia Broadcasting Co.

VITT BUILDS FOR FUTURE
Stephen R. Fajen joins firm from Saatchi & Saatchi/51

BUYER'S OPINION
Teaching clients the real cost of cheaper buys/53

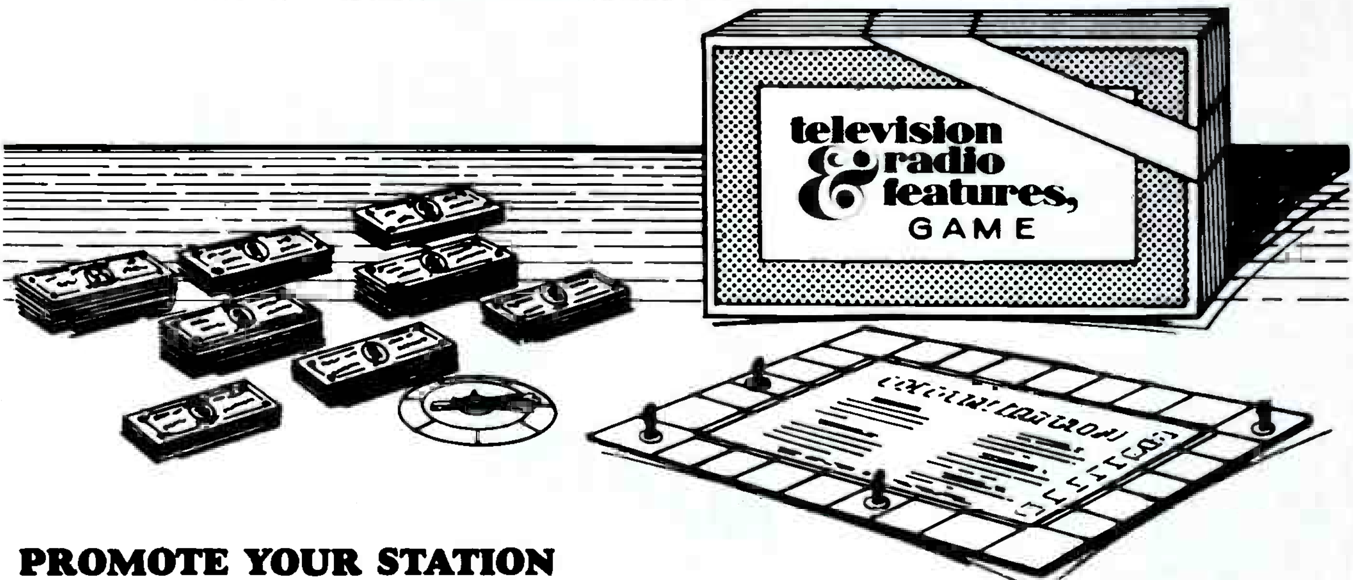
MEDIA PROS
Multiplying impact of local spot by working with stations/55

TELEVISION/RADIO AGE

May 25, 1987

Spot Report

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.

---

television & radio features, inc.
Willow Hill Executive Center
550 Frontage Rd. – Suite 3032
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

May 25, 1987

Fajen move to Vitt building for future

Stephen R. Fajen, formerly U.S. media director, director of corporate communications, and a member of the board of directors and executive committee of Saatchi & Saatchi, Compton, says his new job as senior vice president, director of client services at Vitt Media International "is to spend as little time as possible in my office and get out and see our clients."

Fajen's responsibilities at Vitt will cut across nearly all of the media service's clients, he says, "to show them depth of management and let them know there's more than just one Vitt representative for them to call in."

He says his move is also part of Vitt's building for the future: "With all the major agency mergers, there's a lot of opportunity for new business development. So many conflict situations arise that it's difficult for a client to find another large agency where they won't just bump into a similar conflict. This propels more and more brands to move to middle-sized and smaller agencies for their creative work. But they still prefer the services of a strong media operation, and here we are. So the future holds plenty of potential for growth here."

O&M calls Birch 'primary'

Being dubbed the "primary rating service" by Ogilvy & Mather has given Birch Radio a strong leg up in its battle with Arbitron. In announcing a multi-year agreement with Birch, Jon Swallen, vice president/associate director of media research at O&M, says, "Birch Radio currently offers the better local market research service," with "recent improvements in methodology." The pact provides full national service to O&M offices in New York, Atlanta, Chicago, Houston, Los Angeles and selected markets in Dallas.

People meters top list

People meters will have the most impact on future broadcast/cable advertising, followed by 15-second commercials and spending shifts (broad to segmented, advertising to sales promotion, and national to local), reports Infomarketing, Inc. in a new research report. The study is based on responses from 402 advertiser and agency executives.

The growth of cable viewing will be the fourth most impactful trend, according to the ad executives, followed by single source research, TV commercial monitoring, Fox Broadcasting and the like, 800-number telemarketing, new network management, syndication growth, home shopping, media buying services and co-ops, and, finally, global media buying.

Pepsico tops P&G in spot

Pepsico beat out Procter & Gamble as the Number 1 spot TV advertiser during the first quarter, according to the latest figures from Broadcast Advertisers Reports. P&G dropped from $58.3 million during last year's first quarter to $39.3 million in '87. Pepsico spending climbed from $41.6 million to $51.5 million (see table below).

The only other top 10 spot client down in spot TV billings for the first quarter was Toyota, which dropped from $17.9 million to $16.4 million.

Top 10 spot TV clients—1st quarter

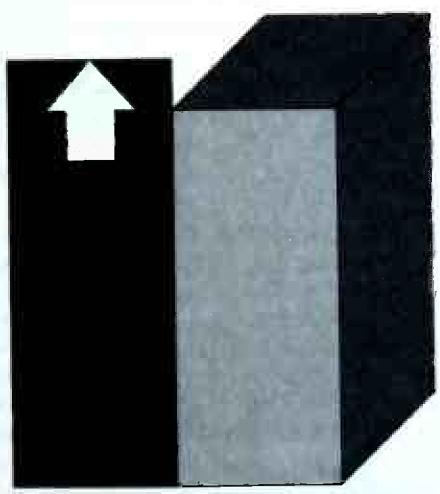
Parent company	Estimated expenditures
Pepsico	$51,489,326
Procter & Gamble	39,344,509
McDonald's	30,442,642
General Mills	30,432,060
Pillsbury	28,136,398
Philip Morris	22,563,546
General Motors	20,240,440
Ford Division Auto Dealers	17,439,067
Nissan Auto Dealers Assn.	16,954,770
Toyota	16,412,227

Copyright 1987, BAR

March

Local business *(millions)*

+7.9%



1987: $500.9 **1986: $464.2**

Complete TV Business Barometer details p. 24

Spot Report

Campaigns

Greyhound Lines, RADIO
Bozell Jacobs Kenyon & Eckhardt/ Los Angeles
BUS TRAVEL is being promoted for three to six weeks that started on various April and late May air dates in a select but coast-to-coast lineup of sunbelt radio markets. Media placed schedules to reach young adults.

Grossmans Lumber and Building Materials, RADIO
Emerson Lane Fortuna, Inc./Boston
HOME IMPROVEMENT PRODUCTS are being featured for 12 to 18 weeks that began in mid-April in a good many New England and upstate New York radio markets. Buyers worked to reach men 25-plus.

The Quaker Oats Co., RADIO
Berry-Brown Advertising/Dallas
VAN CAMP'S PORK AND BEANS are being advertised for six weeks that started in mid-May in a long and coast-to-coast lineup of radio markets. Buyers worked to reach women 25 and up.

Procter & Gamble, TV
Leo Burnett; Tatham-Laird & Kudner/Chicago
COAST and OTHER BRANDS are enjoying five to 13 weeks of second quarter spot exposure that started on various April and May air dates in a select but nationwide spread of television markets. Media placed daytime, fringe and primetime inventory to reach women in various age brackets, depending on brand.

Willis stars again

Both spot television and radio are backing the new multi-million dollar campaign featuring Bruce Willis for Seagram's Wine Coolers. The advertising, which kicked off May 2, is a product of Ogilvy & Mather. Both the radio and television spots carry the tag line, "This is where the fun starts," for the five wine cooler fruit flavors being promoted. Target audience is adults 21 to 34 and the radio advertising is scheduled for a select but coast-to-coast list of larger markets. The new spots are a followup to last year's campaign for Seagram's Golden Wine Cooler which also starred Willis and which has been nominated for an *Effie* Award from the American Marketing Association for advertising effectiveness.

Appointments

Agencies

Kay Satow has been elected a senior vice president of DDB Needham/New York. She joined the agency in Chicago in 1976 and is currently a group research director, heading one of the four groups of the Research and Marketing Services Department.

Randy S. Wagner has been promoted to senior vice president at FCB/Leber Katz Partners in New York. She came to Leber Katz in 1980 and is now responsible for strategic planning, positioning and new product development for agency clients.

Jane Singer has joined Calet, Hirsch & Spector, Inc., as senior vice president/ director of marketing and account planning. The former management supervisor for Wells, Rich, Greene has most recently been an independent marketing consultant.

Mary Murphy has been promoted to associate media director at Ketchum Advertising/San Francisco. She has been with Ketchum for three years and now steps up from media supervisor.

Julie Benedict has stepped up to associate media director at W. B. Doner and Co. in Detroit. She joined the agency as a buyer in 1979 and now advances from group supervisor, broadcast negotiations.

Parker Allen Hurlburt and **Charles Carter Rich, Jr.,** have joined Weightman Research in Philadelphia as project directors. Rich had been a senior research analyst for Penn Mutual Life Insurance and Hurlburt was a project director for Los Angeles-based MSI International.

Linda McKay has been promoted to senior media planner at BBDO/Chicago. She steps up from planner and now reports to **Nancy Swiet,** vice president, associate media director.

Patty Davis has joined Laurence, Charles, Free & Lawson as a senior media planner. She was formerly with Grey Advertising. In her new post she holds planning responsibilities on the American Tobacco and American Safety Razor accounts.

Andrea Vaughan, media liaison with Buick's Electronic Product Information Department for McCann Erickson/Detroit, has added responsibilities as buyer on the Buick account, reporting to **Helen Seligman,** vice president and planner on Buick media.

Media Services

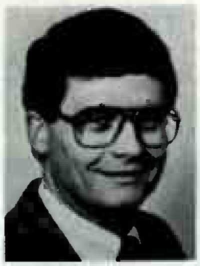
Frank Muratore has been promoted to the new post of chief executive officer of Time Buying Services. He joined the company in 1976 from Ted Bates and now steps up from senior vice president, general manager of operations.

Joanne Evans has been named vice president/media director of CPM, Inc., Chicago. She came to CPM last August from a post as media director at Lindsey & Stone Advertising.

Milwaukee Radio elects

Andrew P. Friedrich has been named executive director of the Milwaukee Area Radio Stations, an association that promotes radio throughout the Milwaukee market. Friedrich, who formerly headed broadcast sales for the Milwaukee Brewers Radio Network, will now be in charge of day-to-day activities of the association. He'll also represent M.A.R.S. in new business and in the association's other activities. M.A.R.S. was founded in 1974 and today has 19 station members that work together through the association to promote radio as a dynamic advertising medium.

Representatives



Pat Healy has been promoted to executive vice president/chief financial officer of the Interep Companies. He had been vice president/controller.

Armando Corral has been selected as vice president to head the new Spanish station division opened by Radio West, Inc. Corral was formerly president of El Dorado Station Reps in Los Angeles.

Marybeth O'Connor has been appointed manager of the new Boston office opened by Masla Radio. She was formerly with the media department of McDougall Associates of Boston. Masla's new Boston telephone number is (617) 338-5084.

John Brickley has been appointed regional manager of the Boston office of Hillier, Newmark, Wechsler & Howard. He transfers from a post as account executive with the Boston office of McGavren Guild Radio.

Denise Kolkmeyer has been named vice president and Detroit regional manager of Group W Radio Sales. She was formerly general sales manager at WCXI AM-FM Detroit.

Karen Reef has stepped up to director, sales promotion, at CBS Radio Representatives. She joined CBS in 1982 as a personnel placement assistant and now moves up from manager, sales promotion.

Diane DaCosta has been promoted to administrative assistant, corporate promotion and special events for Katz Communications. She came to Katz last summer as a secretary in Corporate Relations.

Mary O'Brien-Faith has advanced to office coordinator in the Minneapolis sales office of Hillier, Newmark, Wechsler & Howard. She joined the firm as a sales assistant in 1985.

One Buyer's Opinion

Kroyer

Teaching clients the price they pay for those cheaper buys

Media buying services say they offer advertisers something that is truly hard to resist: cost savings. Who can refuse? No one. And indeed, they shouldn't. But what advertisers *should* know is that you don't get something for nothing. Efficiency (cost savings) comes at a price.

This is where agency media departments can, and should make one of our key contributions. It is our obligation to educate clients about the buying process, and how different buying strategies affect the price tag. We have too long taken for granted that clients want to buy schedules that effectively blend "quality" programming at efficient costs. But what if our definition of "quality" and "efficient" and "effective" differs from our client's definition?

Perhaps our mistake is in not getting agreement on our buying strategies upfront. What is the right balance between image/quality and efficiency? To meet client marketing objectives, is it necessary to pay a premium for high-rated, quality programs? Or can their goals be met with a highly efficient, purely tonnage buy?

To answer such questions, we've developed an upfront way to truly bring the client into the buying process by reviewing a "buying spectrum" that both educates and formalizes a buying strategy with and for each client. Our spectrum starts with the most efficient buy possible and from there progresses through many major variations, ending with the most expensive buy that places quality and environment above all else.

As we go through this evaluation with clients, we explain the many ways to execute a buy. We involve them in the decision making process. We point out the pros and cons of each variation on quality vs. pure efficiency, and illustrate with examples of categories for which each variation is most appropriate.

For example, pure tonnage is very efficient, meeting the GRP goals as cheaply as possible. The typical tonnage buy includes cheap spots, scheduled for broad rotations (9 a.m.–3 p.m. Monday–Friday) with no attention paid to how many spots run in the lowest rated positions. The most efficient show, Monday through Friday, is most likely stripped, meaning that the reach potential of a spot scheduled each day of the week in that program would be severely limited.

This is the kind of buy most likely to be made by someone claiming to buy cheaper. This may not be bad, say for a record club, using direct marketing methods. But for a targeted, upscale advertiser like a credit card company it would be disastrous. Anyone can make this kind of buy, and our clients need to know this. But they also need to know what they give up: the ability to really target, maximum reach, and the ability to control program environment. With this knowledge, they and we together can evaluate how much of a premium we're willing to pay to upgrade the buy. And most important, when someone comes in saying they can buy it cheaper, they now know the true price of efficiency.—**Cheryl Kroyer,** *senior vice president, media director, Ketchum Advertising/San Francisco*

Stations

Steven J. Smith has been named president of WTMJ, Inc., owner of television and radio stations in Milwaukee, Las Vegas, Lansing and Wausau, Wisc. He moves up from executive vice president to succeed **Mike McCormick** who has retired. McCormick joined the company in 1971, has been president since 1975, and has also been senior vice president of WTMJ parent company, Journal Communications.

Daniel Charleston has been promoted to vice president/general manager of KHAT AM-FM Lincoln, Neb. He had been general sales manager of the TM Communications stations.

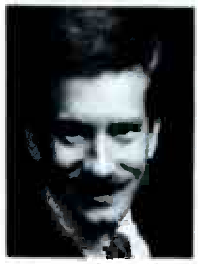
Robert R. Ganzer has been named general manager of WHSV-TV Harrisonburg, Va. He comes to the Benedek Broadcasting property from WLUC-TV Marquette, Mich., where he had been general sales manager.

New sales combine

Mutual Broadcasting System's co-president, Art Kriemelman, has also been named president of the new sales division resulting from the merger of the sales departments of Westwood One Radio Networks and the Mutual Broadcasting System. Under the reorganization, all Westwood One entertainment programming and Mutual's news, sports and talk shows including *The Larry King Show*, *The Dr. Toni Grant Show* and *Rona Barrett's Entertainment Reports*, will be sold in combination, using the resources of both Mutual and Westwood One.

Ron Hartenbaum, previously vice president/director of advertiser sales for Westwood One, now serves in the same capacity for the combined sales force, and Gary Schonfeld and Peter Bloom become eastern regional vice presidents and group directors for the new sales division. Also, Bill Rosalie joins Westwood One from ABC Radio Networks as director of operations for Kriemelman's new division.

Harvey Mars has been promoted to president of Gannett's WXIA-TV Atlanta. He is general manager of the station and now moves up from vice president.



John C. Deushane has been appointed vice president and general manager of Price Communications' KRCG-TV Columbia-Jefferson City, Mo. He transfers from Price's WEEK-TV Peoria, where he had been general sales manager.

Marcellus Alexander, Jr., has joined KYW-TV Philadelphia as station manager. He comes to the Group W station from WRIF Detroit, where he had been vice president, chief operating officer and part owner.

Debra Seyler has been named corporate vice president of Westwood One, Inc. She moves in from Warner Lambert where she had been director of advertising.

Jim Thiessen has been appointed vice president, affiliate relations for Transtar Radio Network. He had been general manager of KVOD in Denver.

Candy Schmidt has been promoted to national sales manager of the Texas State Network where she reports to **Ann Ranson,** director of sales. Schmidt has been selling for the four state networks—news, Spanish language, agribusiness news and Dallas Cowboys radio network—since 1979.

Cynthia A. Lindsay has been named general sales manager of KSBW-TV Salinas-Monterey-Santa Cruz. She had been with KMST-TV Monterey.

Buyer's Checklist

New Representatives

Brydson Media Sales International now represents Television Quatre Saisons Network of Canada in the Eastern U.S. Affiliates are CFJP-TV Montreal, CFAP-TV Quebec City, CFKS-TV Sherbrooke, CFKM-TV Trois Riviere, CFGS-TV Hull-Ottawa, CFRS-TV Jonguiere-Chicoutimi, CFVS-TV Val D'or-Rouyn-Noranda, and CJPC-TV Rimouski.

Christal Radio has been appointed national sales representative for WIMZ AM-FM Knoxville, Tenn. and WBSM New Bedford, Mass. WBSM programs news, talk and information and both Knoxville stations, owned by Stoner Broadcasting System, offer album oriented rock.

Hillier, Newmark, Wechsler & Howard has assumed national sales representation of KFXZ(FM) Lafayette and KBCE(FM) Alexandria, both Louisiana. Both stations broadcast an urban contemporary format in stereo, 24 hours a day.

Katz Radio now represents KXRX(FM) Seattle and WAYY/WAXX(FM) Eau

Ziff promoted

Dr. Ruth Ziff has been elected executive vice president, research and marketing services, a corporate post at DDB Needham/New York. It's part of a reorganization that splits accounts among six "business groups." Each group is staffed with its own specialists in such disciplines as research, marketing and promotion.

Before the merger of Doyle Dane Bernbach and Needham Harper Worldwide, to form DDB Needham Worldwide under the Omnicom Group holding company umbrella that includes BBDO, Ziff had been executive vice president/director of research and marketing services at Doyle Dane Bernbach.

Media Professionals

Multiplying impact of local spot by working with stations

Yolan Toro

Senior vice president, local broadcast
Wells,Rich,Greene
New York

"Don't just react: Initiate!" urges Yolan Toro, who heads local broadcast buying at Wells,Rich, Greene.

She observes that the standard, run-of-the-mill agency offer to spot clients is, "We have regional buying offices. We have market specialists. And we buy cheaper." She says her agency "offers these things, too, but we go beyond them, and carry service a step farther by investigating what we might do to multiply broadcasting's impact locally."

Toro notes that this is particularly important "for clients like Sunoco, our new client, Cadbury Schweppes with its local bottlers, and Midas Mufflers. Midas alone is in over 500 radio markets, on top of all its television activity."

She says that one thing her people have done is survey stations for availability of local sports sponsorships, "including such details as whether these would be exclusive to our clients or their category, and how we can work with the stations carrying the events, including local college and high school games, to build client promotions around the events. The promotions often vary by market, because consumers behave and react to different things in different markets, and different dealers have different needs in different markets."

Another thing the agency is doing locally, says Toro, is "to update every six months the original survey on local 15 second availabilities, by market and by station, that we first initiated over a year ago. But each time we go back, we find many more local stations accepting 15s than the previous time we asked. The first time, 15s were being accepted by the networks, but many of the local stations were surprised we even asked. They said we were the first to suggest the idea for local spot."

Toro adds though that a good many stations "jumped on the bandwagon when Mobil had a 15 made for the networks for its Hefty disposal bags, and we had the money in our hands for spot if the stations would run the 15 locally. So my guess is that it's only a matter of time before all stations accept local 15s."

Claire, Wisc. WAXX transmits a country format and WAYY programs Gold. KXRX offers album oriented rock.

Katz Hispanic Radio Sales has been named to sell nationally for WOJO(FM) Chicago and WQBN Tampa, Fla. Both broadcast in the Spanish language. WOJO is owned by Tichenor Media Systems and and WQBN is owned by WTYM, Inc.

Katz American Television is now national sales representative for Pulitzer Broadcasting's WLKY-TV Louisville. The station is an ABC affiliate.

Katz Independent Television is the new national sales representative for WYAH-TV Norfolk-Portsmouth-Newport News. Station owner is Continental Broadcasting Network.

MMT Marketing Division has been named national sales representative for KCIT(TV) Amarillo, Texas and WEVV-TV Evansville, Ind. Both independent stations are owned by Wilson Communications, Inc.

Radio West has assumed national sales representation of KSHO/KKGO(FM) Los Angeles and KKYQ(FM) Portland, Ore. KKYQ is a CHR station and the Los Angeles duo broadcasts jazz.

New Formats

WYNY(FM) New York will take over WHN's country music format starting July 1, now that WHN has switched to an all-sports service. NBC-owned WYNY had programmed an adult contemporary format for the past nine years.

WLUP-AM Chicago has bowed with a personality oriented music, sports and information format. Station results from merger of Heftel Broadcasting, which owns WLUP(FM) and Statewide Broadcasting, owner of WCFL.

KKSN Portland, Ore. has switched to a blend of original hits from the '50s and '60s, including such artists as Frank Sinatra, Nat King Cole, Connie Francis and Perry Como. The station formerly offered classical music.

Transactions

Price Communications Corp. has agreed to sell radio stations in four markets to **Fairfield Broadcasting, Inc.** for $120 million. Price will retain a 25 per cent interest in and become a subordinated lender to Fairfield. The stations are KIOI(FM) San Francisco, WMTG/WNIC(FM) Detroit, WLAC AM-FM Nashville, and KKOB AM-FM Albuquerque. Fairfield is headed by Jack Purcell and Jim Hilliard.

Shamrock Broadcasting, Inc. has agreed to purchase KBRQ AM-FM Denver from **Denver Great Empire Broadcasting, Inc.** for $9 million plus other considerations. Bill Clark is president of Shamrock's radio division. Blackburn and Co. served as broker in the negotiations.

KBND, Inc. has sold KBND Bend and KLRR(FM) Redmond, both Oregon, to **Denco Broadcasting Corp.** for $965,000. President of Seattle-based Denco is Gerald Dennon. Sellers are Douglas Kahle and Edwin Tornberg. Broker representing the buyer is The Montcalm Corp.

Carolyn Wean

Vice president & general manager, KPIX(TV) San Francisco, in recent speech before the Broadcast Financial Management Association annual meeting in Boston.

Women and minorities in broadcast management—room for improvement

Earlier this year, the FCC reported that in broadcasting, women held 29.2 per cent of the jobs in the top four categories—even though they make up over 37 per cent of the available industry work force. A year ago, that number was 28.6 per cent, so we see some small improvement.

But when you look at minorities, they make up 16 per cent of the available broadcast work force and hold only 13.7 per cent of the jobs in the top four categories, up only 0.2 per cent over 1985. Again, progress, but, at a much slower pace. Even more disturbing, the FCC went on to say that broadcasting lags behind other industries.

I like to think of this business as being in the forefront. I like to think that we lead, not lag behind.

As I said, the new numbers do show improvement. But when the numbers are compared to available work force, there's room for a lot more improvement—particularly, with regard to minorities.

But when you look at these figures closely, they may not be that great. Or more precisely, what they mean for the future may not be clear.

The figures may even be misleading. Let's stop looking at categories. None of us work at categories. We work at jobs. Let's talk about the top jobs in those categories. The jobs that make policy—general managers. The jobs that generate sales—general sales managers. The jobs that control profits—controllers. The jobs that manage the news—news directors.

We all know general sales managers are the main source for general managers. So, it's an important job. In television, only about 9 per cent of general sales managers are women, and just 2 per cent are minorities.

News directors manage the most important revenue-generating product at most local TV stations. A recent Radio-Television News Directors Association survey of 453 TV stations and 405 radio stations showed that one in 10 TV news directors was a woman. One in five radio news directors was a woman. NAB estimate is that 500 out of 10,000 radio managers are women. According to the NAB—and remember there are 214 markets with multiple TV stations—there are 14 women, nine black and five Hispanic general managers of commercial television stations. That is hard to believe.

In my own case, FCC and EEO goals absolutely helped me get here by creating opportunities. But it took people who cared enough and who were committed and stepped forward to support me. And most importantly, who, when they saw my shortcomings, were brutally honest and told me about those shortcomings, insisted that I had to correct them if I wanted the next job. But they didn't stop with just words. They helped me find ways to correct those shortcomings.

On-the-job training

There are two personal examples I can share with you to show what I mean.

I was producer of a talk show and did a good job. Over the course of a couple of years, the direction of the program changed. And, frankly, I wasn't the best person to produce the program at that point. I knew that. And so did a key manager at the station.

So, one day, one of those conversations took place—one of those conservations about my future. There really was no longer a job open at the station that was suited to me. But the manager didn't stop there. He could have.

To this day, I'm not sure what his motivations were—concern about EEO goals or genuine interest in what would happen to an employee. Whatever it was, he took the time to listen to me, to talk with me about my skills, my interest in news. And he offered to pay for trips to other Group W stations so that I could meet and interview with other managers.

I made the trips, and three to four months later I was offered a job as news writer and producer in Baltimore. And that was the first step that led to a series of promotions that resulted in my becoming a general manager.

Another critical development. For a period of three to four years, about 1980–1984, Group W created the position of station manager. Some key executives were not satisfied with the progress of women and minorities. They created the station manager job to provide assistance to the general manager and to provide employees a position that allowed them to add breadth to their experience and prepare themselves to be a general manager—on-the-job training, if you will. Of the half dozen or so people who were station managers, I know of three who are general managers today.

One is a minority—he manages the PBS station in New York. Another, a white male, manages WBZ-TV Boston. And, I'm the third. It worked—two out of three are some of the best numbers I've seen.

Claire, Wisc. WAXX transmits a country format and WAYY programs Gold. KXRX offers album oriented rock.

Radio West has assumed national sales representation of KSHO/KKGO(FM) Los Angeles and KKYO(FM) Portland, Ore. KKYO is a

Admen 'sneak preview' on NBC fare

The new primetime fall lineup at NBC, the first network to announce its September schedule, is getting mixed to favorable reviews from key network ad buyers at three of the top ad shops. A "sneak preview" of their observations indicates that the admen are calling the NBC lineup changes basically conservative, as is the want of a Number 1 network, but they say there is one interesting gamble that will bear close attention. The risk, moving *Family Ties* from its solidly entrenched Thursday spot following *The Cosby Show*, to Sundays at 8, is considered by the admen as being a high roller with potential.

Richard Kostyra, J. Walter Thompson USA executive vice president and director of media services, sees the move in mixed terms. He believes *Ties* will strengthen the Sunday lineup at NBC but "put some risk on Thursday. They're taking a very proven and highly successful lineup—*Cosby* and *Ties*—and gambling. The high risk in that if *A Different World*, *Family Ties*' replacement, doesn't maintain the *Cosby* momentum, it will affect *Cheers*, *Night Court* and *L.A. Law* significantly."

Bill Croasdale, senior vice president, director of network programming at Backer & Spielvogel, calls the *Ties* move "smart. They are, obviously, trying to overcome the overwhelming lead that CBS has built in the 7–9 time period, with NBC offering very strong young-appeal counterprogramming to *Murder, She Wrote*. It's really the only thing they can do—moving something around on Thursday that's in the half-hour vein. It would be difficult to move *Cheers*. Without Shelly Long, the show may be risky, and every time NBC has moved *Night Court*, the numbers on the show have fallen off. It's obvious that if *Night Court* wasn't in the Thursday lineup it may not be running."

Advertisers. Mel Conner, DFS-Dorland Worldwide senior vice president, director of network operations, notes that while he doesn't believe that *Family Ties* will be as strong as it has been with *Cosby* as its lead-in, "it will do better than anything else that NBC might have tried." However, he points out that he's not very excited about the move from an advertiser point of view. "It invites a lot of people to use their VCRs, and when they do that, our commercials tend to get spun by rapidly. Also, when two popular shows go against each other, viewers have to make a choice."

As to the new series, the admen make the following observations: Croasdale sees *J. J. Starbuck*, the Tuesday, 9–10 p.m. show as "good compatible programming to *Matlock*." But, he points out, the biggest problem is to make Dale Robertson "clench his teeth. Most people couldn't understand many of the lines he delivered in the pilot." Kostyra notes that while *Starbuck* is compatible with *Matlock*, it will probably skew older, leaving the way open for competitors to do well with younger-appealing viewers. Conner says he liked the *J. J. Starbuck* pilot.

The new Wednesday night series, *A Year in the Life*, won approval by all three admen. Kostyra says, "From what I saw of the show, it has a real good shot. Certainly *Dynasty* is killing itself, and in the 9–10 time slot, a good tearjerker could work well, so *Life* has upside potential." Conner says he's "very excited about the show being on. It has quality, and is not just run-of-the mill entertainment." He cautions, however, that while the miniseries did well, the jury is still out on the long haul. Croasdale sees *Life* as compatible programming but notes that while it did well as a two-parter, "a miniseries does not a season make."

Bonet. Regarding *A Different World*, the ad executives are not very high on the Lisa Bonet show or on Bonet, for that matter. The three buyers say that the pilot they saw lacked a strong story line and doesn't seem to have *Ties*' strength. Conner says that Bonet doesn't appear to have the charisma necessary to carry the show. Her supporting actors are good, which "emphasises her bad points." Croasdale says he was disappointed in the writing and the show will have to find its spot. Kostyra notes that *World* as a show per-se, "was not that strong." All in all, however, in its protected time period, the show will do well, note the ad buyers. The question is, says Croasdale, how many points it will lose from *Cosby*'s lead-in.

Leads. Conner says he liked the lead actors in *Who's Dad?* the Sunday, 8:30 p.m. show, as well as Staci Keanan and "the actress who plays the judge." However, he found the premise objectionable. "The network can do without the premise that both guys slept with the same girl. They can say that their old girlfriend just left her daughter to them. A lot of people can be offended by the way it is now."

Croasdale says he likes the premise of *Dad*, which he says has the making of a hit, especially because it is sandwiched between *Ties* and a strong movie package. Kostyra notes that *Dad* "will get a real good shot from the *Ties* move."

Private Eye, Friday at 10 p.m., is considered by Croasdale as being in the *Crime Story* genre, but he says he doesn't know whether period pieces will click. "I have to see more of it, but it will be a young-people show, which will flow nicely coming out of *Miami Vice*. Kostyra says the show appears to be lacking in strong characters, and notes that the music is wearing thin as an intregal part of a program: "It didn't help *Crime Story*." Conner says he liked the mood and the style of *Eye* as well as the two actors, Michael Woods and Josh Brolin.

Dinosaurs on move

Dinosaurs may be the next kid animation trend in syndication. World Events is about to unveil a one-hour special featuring the prehistoric animal, and Coca-Cola Telecommunications will debut a space-age dinosaur series, *Dinosaucers*, in the fall, as announced previously. Also seen fueling the dinosaur syndication moves is the upcoming Universal studios release, *The Land Before Time Began*, feature produced by Steven Spielberg and Don Bluth, to be available in theatres next spring. Also, dinosaur toy and merchandise sales are predicted to reach nearly $500 million next year, and museums and schools report high interest in dinosaurs from kids.

The World Events special is called *Denver, The Last Dinosaur*, says Brian Lacey, vice president and general manager at WE, who describes *Denver* as an entertaining story about four boys who befriend a dinosaur, protected in an "egg" since pre-historic times. The program will contain flashbacks and follow the adventures of the dinosaur and its friends in contemporary days.

Lacey says that World Events will offer the special in a six/six barter split, with stations getting two runs. The show is expected to start airing in September, and WE has just begun selling *Denver*. Lacey adds that he's looking for an access time period for Denver, possibly as Friday or weekend fare. Cost of the special, according to Lacey, will be in the $650,000 range. Calico Productions, West-Coast based animation company, which teamed with WE on Vytor, will do likewise with Denver. Development and layout, plus opticals and special effects will be done in the U.S. Peter O'Keefe is executive producer of *Denver*.

Fox is poised for meter posturing

With wide expectation that Fox Broadcasting Co. will have its programming officially metered by Nielsen under the name FBC rather than IND for independent stations industry insiders point out this will highlight to advertisers the growing prominence of the Fox group and underscore that it is closer to becoming a network competing with the Big Three. The metering is also expected to have a positive impact on the introduction of Fox's new Saturday night schedule.

A Fox spokesman, while declining comment on the Nielsen reports, adds that advertisers have continued to strongly support the FBC programming despite the fact that they have not yet, except in certain individual markets, delivered the 6 rating initially hoped for. The spokesman points out that Fox programming has helped stations improve dramatically over past ratings in particular time periods. And individual markets like Washington, which has an 8.8/13 share and New York (7.5/11) have outperformed original projections.

Fox programming executive Garth Ancier gives TELEVISION/RADIO AGE some clues to his nascent network's future direction. "If *St. Elsewhere* were available, we would pick it up in a second," Ancier allows, about the award-winning NBC show which was recently renewed for a 12th season. But asked if FBC would have a similar response to *Mr. Belvedere*, fellow Fox programming executive Kevin Wendle is more cautious, pointing out that "we don't want to send the wrong signal" to the creative community by putting out programs that appear too conventional.

And Ancier defends FBC against criticism from some quarters that, despite its innovations, it is relying too much on tried and true producers for its product.

"We don't think we should be a laboratory for people unfamiliar with television," Ancier says. "We want people who know how to deliver a show for us. But on the other hand, although we're dealing with people like Gary David Goldberg (Ubu Productions), the people who are directly involved with *Duet* are Ruth Bennett and Susan Seeger, not Goldberg himself."

One TV veteran staying around Fox these days is former CBS News honcho Van Gordon Sauter, who has reached an informal agreement to be a commentator three nights a week for KTTV(TV), Fox's flagship station in Los Angeles.

KTTV news director Erik Sorenson says the move is unrelated to any broader plans for Sauter, with whom he has worked closely in the past, "It's a little bit of a lark and an experiment," Sorensen says. "Van will be on for us Tuesday, Thursday and Sunday nights. He's an old friend of mine, as a boss and a colleague, from CBS days, and now he's moved back out here."

Sorenson adds that this is Sauter's first on-air regular role since he was an anchorman at WBBM-TV Chicago 12 years ago—an experience the former CBS executive usually refers to as a disaster.

The KTTV role, which is not expected to be in conflict with Sauter's lucrative severance package from CBS, follows earlier speculation that the executive, famed for backing Dan Rather after Walter Cronkite retired, until he was himself purged in the post-Tisch era at CBS, may take on a role with a possible FBC news operation.

Such speculation followed reports of a lunch between Murdoch and Sauter shortly after the latter left CBS.

"They're friends. I think their kids went to the same school in New York," Sorenson says. "But I don't think this thing goes further than that, at least not that I'm aware of."

And FBC chief Jamie Kellner has said earlier that a Fox news operation is still some time off.

He points out the expense of mounting news as opposed to primetime shows, but does not exclude news as part of the overall Fox programming picture in the future.

Tinker slow but sure

In the low-key manner that has characterized his career to date, former NBC and MTM chief Grant Tinker has been quietly starting to put together his creative and production team at GTG Entertainment, a joint venture with Gannett Co., which bought the Laird Studios in Culver City for $24 million last December to give Tinker a new West Coast operating base.

Since that time, GTG has announced production deals with *Hill Street Blues* co-creator Michael Kozoll and Deborah Aal, former president of the Leonard Goldberg Co., whose credits include *Something About Amelia* (ABC) and *An Early Frost* (NBC). More recently, GTG has announced a deal with *ALF* staff writer Donald Todd, to develop half-hour and hour series.

than NBC, whose entertainment division is run by his former protegee, Brandon Tartikoff. Tinker has explained the decision by pointing out that NBC is currently glutted with hit shows, adding that the CBS offer was extremely generous.

Grant Tinker

Despite CBS' current programming woes, and the fact that he is being alluded to in some quarters as CBS Entertainment president Bud Grant's secret weapon, the silver-haired executive says he will not be rushing shows onto the air to help bail CBS out.

"The philosophy here is that creating good shows takes time, very much as we did at MTM, over the period of a decade," says Tinker, adding that it is likely that GTG's first show won't be on the air until the middle of next season. "People are expecting good things from us, and we don't want to disappoint them," he says, adding that he wants to space the new shows out.

Current GTG staff—he has been flooded with applicants since admitting to one interviewer that he is looking for new executives—include executive vice president Stuart Erwin, Jr., formerly of MTM; and *Cosby Show* director Jay Sandrich, who has agreed to limit his chores on the hot series starting with next season. "We want to operate on the mentor system, so we can have people who've been around the business for a while and done good things guide talented people with less experience," says Tinker adding that reports that GTG might branch out into feature film production were premature.

He adds that although Kozoll's initial focus will probably be one-hour dramas, "he's one of those rare people who can do both [comedy and drama]." But Tinker does admit that the kind of programming he has been identified with in the past, both at MTM and NBC, might help CBS, whose hits have been appealing to an older demographic audience and are expected to be hurt after the formal introduction of the

Claire, Wisc. WAXX transmits a country format and WAYY programs Gold. KXRX offers album oriented rock.

people meter.

"I would hope that one of the things our shows would do is appeal to younger viewers, at least that's what they've done in the past," he says.

Casablanca first-run

Casablanca V, new production and distribution company, will focus initially on first-run syndication, despite what is seen by some in the industry as a potentially dwindling television marketplace and an abundance of first-run product that has entered the marketplace recently. In other expansions, the company is considering the purchase of TV stations and planning to acquire film libraries.

Partners in the new entity are Richard Gold, Casablanca president and chief operating officer who most recently was executive vice president of Golden West Television; Chuck Gerber, executive vice president of programming development and production, who recently left as senior vice president, MCA TV Enterprises; James McCallum, executive vice president in charge of acquisition, distribution and marketing, who was formerly president and chief operating office of IDC Service's entertainment division; and Richard Cohen, chairman and chief executive officer, businessman and real-estate developer.

Casablanca partners, from l.–r., are, James McCallum, executive vice president; Richard Cohen, chairman and CEO; Chuck Gerber, executive vice president; and Richard Gold, president and chief operating officer.

The company's immediate priorities are the development of first-run programming and the acquisition of film libraries, according to Gold, who adds that plans on acquisitions and co-ventures will be announced soon.

Gold continues that buying of television stations or other entertainment properties is under consideration as well by Casablanca IV, which is believed to have $50 million in operating capital from Cohen's resources.

All three partners had worked for different networks—Gold in sales at ABC, McCallum as general sales manager for CBS-owned stations and Gerber in spot sales with NBC. "We've been friends and competitors for many years," says Gold.

Gold says they are not discouraged by the current soft syndication market, independent station bankruptcies or the perceived glut of first-run product. "We think there'll be a very opportunistic market [for station buys] in the next 12 to 18 months, which will provide some great opportunities," he adds, explaining that Casablanca IV will be looking for stations in the top 25 to 30 markets.

Syndication shorts

Lorimar Television has added 27 stations to its *Suddenly Sheriff* lineup as a result of signing Suzanne Somers, according to LT. To date, the series has been bought by 114 stations representing 84.7 per cent of the country. *Sheriff*, which debuts in the fall and is part of the NBC stations' division checkerboard in access, is sold on a cash-plus barter basis, with five-and-a-half minutes for the stations and one-and-a-half for Lorimar.

Orion Television Syndication has cleared *Hollywood Squares* in more than 90 markets for its second season beginning in the fall. New stations joining the lineup are WAVE-TV Louisville, WSAZ-TV Charleston-Huntington, WTLV-TV Jacksonville, and WCCO-TV Minneapolis. Renewals include KMGH-TV Denver, WSPA-TV Greenville-Spartanburg, WWMT-TV Grand Rapids and KODE-TV Joplin.

Two station groups, **MCA Broadcasting** and **Viacom Broadcasting**, have joined the Harmony Premiere Network, bringing the total coverage to 40 per cent of the TV homes. Previously committed station groups include Gaylord Broadcasting, Group W Television Stations and United/Chris-Craft. The first two projects from HPN are two four-hour miniseries, *The Man Who Lived at the Ritz* and *King of the Olympics*.

Abra Kadabra, live-action kids' series, has been given a fall go, after wrapping up WNBC-TV New York, which will probably use the series as lead-in to the NBC network's weekend kids block. The weekly magic series is offered on a barter basis. With New York, clearances are now in more than 40 per cent of the country. Production is set for 26 episodes, according to **M & M Productions**, syndicator of the fall series. Clinton Ford Billups Jr. Productions is producer.

The Laugh Machine, distributed by **King World** and produced by George Schlatter Productions, is a fall "go" with 101 markets cleared, representing 76 per cent of the U.S. Clearances include nine of the top 10 and several owned stations.

The weekly show comprises 26 half-hours, with three minutes for national sale and three-and-a-half for local. **Camelot Entertainment Sales** is handling the ad spot sales.

Hagen-Menk Entertainment, a division of **All American Television,** will distribute for cash *Elvis: The Echo Will Never Die*, one-hour tribute to Presley, hosted by Casey Kasem. The special features Sammy Davis, Jr., Tom Jones, B. B. King and Ursula Andress.

William Shatner will host the two-hour *The Search for Houdini*, which will air October 31, the anniversary of Houdini's death.

The special is a co-production of **Multimedia Entertainment** and **Tribune Entertainment.**

Zooming in on people

John J. Campagnolo has been named vice president, sales, western division, and **Ted Baker** has been appointed vice president, sales, northeastern division, at Twentieth Century Fox's domestic distribution division. Campagnolo comes to Fox from Turner Broadcasting Co., where he began as an account executive in 1979 and later was promoted to vice president, western regional sales manager. Baker previously was vice president of sales at ABR Entertainment. In addition, **Barbara Van Buskirk** has been promoted to director of domestic sales and clearances in the eastern division.

Eve Silverman has joined **Sunbow Productions** as senior vice president, development. Before joining Sunbow, Silverman was director of series development at Highgate Pictures. She started at Highgate in 1983 as director of development and family programming. Before that, Silverman was an account supervisor at M.B. Reynolds & Associates. Susan Woolen has joined Harmony Gold as program developer-producer. She previously was director of development for feature films at Michael Sloan Productions.

Nancy Lourdan has been promoted to director of operations, **Access Syndication.** Before joining Access in Febraury, 1986, Lourdan was traffic coordinator at KYW-TV Philadelphia, for nine years.

Peter G. Lenz has been named executive producer at **Raycom Entertainment,** a newly-formed division of Raycom Inc. Before joining Raycom, producer and syndicator of sports programs, Lenz was vice president, marketing at the Television Program Source. Before that, he worked in program development, advertising, marketing and executive producer capacities at various stations. In 1983, Lenz set up a production company.

Tom Byrnes has been promoted to senior vice president and general sales manager, off-network sales, **Lorimar Domestic Television Distribution Group.** Byrnes had been vice president, eastern sales manager, off-network.

Michael Grindon has been named vice president, international television sales, Columbia Pictures International Corp. Before joining CT, Grindon spent six years at Home Box Office, most recently as director of national accounts.

Charles Schreger has been appointed vice president, programming and acquistions at **Hal Roach Studios.** He joins Roach from LBS Communications where he was senior vice president, film acquisitions.

Charles Schreger

Paramount tape deal

Paramount Domestic Television, a pioneer syndicator in distributing off-network product via satellite, will be delivering syndicated episodes of *Cheers* and *Family Ties* this fall via satellite and has negotiated an innovative arrangement for stations to get high-quality, low-cost videotape stock as an incentive to build their own libraries of episodes.

R. Gregory Meidel, senior vice president and general sales manager for the division, says Paramount has negotiated with Videotape Products, Inc., Los Angeles, for a bulk purchase of videotape stock which it will make available to participating stations at a substantial discount.

"Stations participating in the satellite feed and tape stock offer can conceivably save over 60 per cent, compared to bicycle shipping costs," according to Phil Murphy, executive director of operations.

Also at Paramount Domestic Television, *Star Trek: The Next Generation* has been sold to over 130 stations representing more than 85 per cent of the country, including 28 of the top 30 markets; *Friday the 13th: The Television Series* has cleared 150 markets with 93 per cent coverage, and *Marblehead Manor*, part of the NBC-owned stations checkerboard lineup for fall, '87 is now in over 110 markets with more than 85 per cent coverage.

The announcement by Meidel follows on the heels of the formation of International Advertising Sales, a joint venture founded by the Gulf & Western Entertainment Group (which includes Paramount), Coca-Cola Telecommunications and Orbis Communications to sell national barter advertising.

"In our experience, no other distributor has achieved these high clearance levels for its entire slate of freshman series so quickly," according to Lucy Salhany, president of Paramount Domestic Television, calling the results a "vote of confidence on the part of stations" for the Paramount programming.

Clearance for *Star Trek* have included top network affiliates as well as key independent stations. WCVB-TV, the ABC affiliate in Boston, will air the hour-long series in primetime on Saturday nights. Other stations programming *Star Trek* include KCOP-TV Los Angeles, and CBS affiliates KMOX-TV St. Louis, WCPX-TV Orlando and KENS-TV San Antonio. Group-owned stations carrying the program include Chris-Craft, Tribune, Cox, Gaylord, Scripps-Howard and TVX outlets.

Friday the 13th: The Television Series has cleared the Fox-owned stations and ABC outlets WCVB-TV Boston, WTAE-TV Pittsburgh, WPLG-TV Miami and WJZ-TV Baltimore and is primarily being used for late-fringe and late-night timeslots.

In addition to its prime access checkerboard position on the NBC-owned station group, *Marblehead Manor* is being bought by ABC and CBS affiliates and is attracting weekend primetime and access time periods on both affiliates and independent stations.

Syndicast summer

Syndicast Services is looking to make a hot summer showing. The company is selling a barter package of eight specials, of which seven are first-run, to be used in primetime by stations. All told, the package will consist of 12 hours of programming, says Robert Silberberg, SS president. Four are two hours: *Mrs. America; Gospelfest*, a Dick Clark Production; *Thanks for Caring*, which marks the 40th anniversary of CARE; and *The Most Beautiful Showgirl in*

nuity. He says the specials, which also include the *Victor Awards*, *Sex Symbols II* and *The World's Funniest Foul-Ups*, in addition to a repeat of *The Shirley McLaine Show*, are being offered as a replacement for stations' regular programming.

Silberberg says the stations may air the package in different ways, as three-hour blocks once per month, as a two-one pattern over eight weeks, or in other ways. He says the package can be used by stations as a vehicle to promote their fall schedule, instead of running "dull reruns." The barter split will be six/six for hour shows and 12 and 12 on the two-hour programs. Product is being offered for one run.

Penney-Mo. winners

Television stations in Minneapolis, Nashville and Santa Rosa, Calif. are the winners of the fifth annual J. C. Penney-University of Missouri Television awards. Two of the stations are returning to the winners' circle for the second time in the competition's history. WCCO-TV Minneapolis, which won this year for *Project Lifesaver*, in the large-market category, won in 1984. WSMV(TV) Nashville, this year's medium-market winner tackling problems facing the American family, won in 1983. KFTY-TV Santa Rosa took small-market honors for building understanding of the problems of Vietnam veterans through a project called *Welcome Home*.

CABLE

Comedy drives home lessons in conflict resolution as *Kids' Court* convenes on **Nickelodeon** this fall. Children play all roles, including judge, in this 26-episode weekend series of real case dramatizations. Nick's vice president of programming Debby Beece hopes to spin off the concept into such ancillary markets as Kids' Courts in individual schools. Speaking of conflicts, the folks who brought *Dangermouse* to America

Claire, Wisc. WAXX transmits a country format and WAYY programs Gold. KXRX offers album oriented rock.

people meter.

are now hatching *Count Duckula*, a "vegetarian vampire duck." This 65-episode animated series, set to premiere early next year, is expected to follow in *Dangermouse's* footsteps with initial airing on Nick followed by later syndication from **D. L. Taffner.** Nickelodeon is developing the show with Thames subsidiary **Cosgrove/ Hall.**

S. I. Video, a direct marketing show for home videos (*Cable Report*, February 2), has joined **Nick at Nite** Sundays at 12:30 a.m. The initial series of 13 half-hours is also running on the following **Pappas Telecommunications** broadcast stations: KMPH–TV Fresno, KTPM–TV Omaha and WHNS–TV Asheville-Greenville-Spartanburg. Videos represented include **Twin Tower's** *The Coleman Guide to Camping*, **New World's** *Where Did I Come From?*, **Embassy's** *Baseball—The Pete Rose Way*, **HBO/Cannon's** *A Week With Raquel* and **Pacific Arts'** *Marty Hogan—Power Racketball*.

VH-1, which has abandoned most MOR and country clips to become the music video equivalent of adult contemporary radio, is sponsoring this summer's "Classic Superfest" tour. The acts on the bill, however, are anything but contemporary—The Turtles, The Grass Roots, Herman's Hermits, The Byrds and Mark Lindsay from Paul Revere and the Raiders. They're said to conjure up '60s childhood memories for VH-1's audience. During the tour, which starts June 5, VH-1 will provide on-air tour dates, concert updates and videos by participating artists.

The late Paul Butterfield makes his last filmed appearance in **Cinemax's** *Sessions: A Blues Session*, scheduled to premiere this fall. The program, taped in April at the Ebony Showcase Theatre in Los Angeles, also features Eric Clapton, Phil Collins, Etta James, Chaka Khan, Albert King, B.B. King. Gladys Knight, Billy Ocean and Stevie Ray Vaughan. Another fall special, *Cinemax Sessions: Chet Atkins & Friends*, has been taped at Vanderbilt University. Guitarist Atkins is joined by the Everly Brothers, Emmylou Harris, Waylon Jennings, Dire Straits' Mark Knopfler, the Doobie Brothers' Michael McDonald and Willie Nelson. *Blues Session* is from **Ken Ehrlich Productions,** *Chet Atkins* from **Hackney/ Kewley Productions** in association with **Susan Hackney Television.**

On June 13 at 10:30 p.m., **SuperStation WTBS** repeats **The Better World Society's** *Women-For America, For the World*, which won an Oscar as best documentary short subject. The half-hour program, featuring interviews with 22 influential women, is hosted by Jane Alexander.

On June 5, **USA Network** airs a one-hour **ATI Video** production with the self-explanatory title, *Night Flight's Sixth Anniversay Special: The Greatest Moments in Night Flight History Hosted by Comedian Judy Tunuta*. The irreverent Tenuta then pops up on **HBO** this fall as one of the comediennes spotlighted in *On Location: Women of the Night*. The special, hosted by Martin Short, was taped at the Hollywood Palace, and also features Ellen DeGeneres, Paula Poundstone and Rita Rudner.

The Life and Loves of a She Devil, a four-part **Arts & Entertainment Network/BBC** co-production based on the best-seller by Fay Weldon, begins on A&E June 27 at 10 p.m. The miniseries is part of the Saturday night *Love and Money* umbrella series.

After four years, *Country Sportsman* has left **The Nashville Network,** to be replaced starting in July with *Celebrity Outdoors*. The two TNN-produced shows are similar but the new edition features more sightseeing in exotic locations. The half-hour series will air four times during each *Sports Sunday* on TNN. *Peabody Alley Alive*, a one-hour concert special with Sweethearts of the Rodeo and New Grass Revival, will be shown by TNN during "Country Music Month" in October. The show, taped at The Peabody Hotel's Peabody Alley in Memphis, was produced by TNN in conjunction with Gary Belz and **Peabody Productions.**

Home Video

It's been made official. **Karl Lorimar Home Video** has changed its name to Lorimar Home Video (TV/RADIO AGE, April 27). The name shortening reflects the company's new management team and its strategic plan to become a more integrated part of the parent company, Lorimar Telepictures Corp., according to LHV.

Shaka Zulu, the $24 million miniseries, has gone videocassette via Prism Entertainment, which will make the special two-cassette package available in July. The package will contain footage never before seen on domestic television. *Zulu's* performance on KCOP-TV Los Angeles topped most of the programming on all three commercial networks for three consecutive nights. Suggested retail price on the *Zulu* package is $79.95. National release date is August 4.

Worldvision Home Video has added *The Smurfs* to the home video market. The video contains six episodes of the *Smurfs*. In addition, WHV will make available the new animated movie *Chuck Norris—Karate Kommandos* for release beginning this month. Also, WHV is offering *Real Friends, A New Rose-Petal Place Adventure*, a new episode in the animated adventures of Rose-Petal, in a half-hour cassette.

Gary Jones has been named western regional sales manager, home video, and **Lorraine Grace** has been promoted to midwestern sales manager, home entertainment, at **Republic Pictures Corp.** Prior to joining Republic, Jones was national sales manager at Prism Entertainment. Grace, who was western sales manager, served as western regional sales manager at VideoAssociates.

J. R. Ewing, in the person of Larry Hagman, will show how to break the smoking habit via a **Lorimar Home Video** title, *Stop Smoking for Life*, new self-help program set for release this month. Hagman knows whereof he speaks, having been a smoker himself who broke the habit. The 60-minute video covers seven sessions. The opening segment, *Day One: The Commitment*, covers the hard facts of smoking's inherent health dangers.

Larry Hagman (*J. R. Ewing*) *tells how to quit smoking via a Lorimar Home Video title, "Stop Smoking For Life," 60-minute video.*

Turner Home Entertainment has released *World of Audubon Specials*, *National Geographic Explorer*, a variety of Cousteau specials, plus episodes of the *Body by Jake* series and the latest wrestling video, *The Jim Crockett Sr. Memorial Cup*.

Celebrity Home Entertainment has been formed to produce, manufacture and distribute a full line of home videos. The first titles are set for the summer.

Commercials

'Easy' truckin'

"Easy Guy," a character created by McCann-Erickson Detroit, will introduce the new GMC Sierra full-size pickup truck in television advertising to break next month. "Easy Guy," portrayed by actor Madison Mason, will be the very discriminating but slightly maverick spokesman for a campaign segmented for two distinct audiences—personal use and commercial use.

Of full-size pickup owners, according to GMC Truck, 60 per cent buy mostly for personal use, 26 per cent for business and 14 per cent for dual use. According to Candace Robbins, GMC advertising and publications manager, the campaign, stating, "It's not just a truck any more," tested well in research focus groups conducted among pickup truck owners and was given a warm reception by dealers.

In the June through August campaign, one 30-second TV spot, "What It Is," will introduce Sierra as the truck to meet the driver's highest expectations—and exceed them. In this spot, "Easy Guy" looks at other available vehicles including classics, sports cars and sedans, and passes them up in favor of Sierra. The second spot, labeled "Easy Guy," focuses more directly on the new character to illustrate how Sierra fits into a very special kind of lifestyle—for those who only want the best. It is accompanied by an upbeat music track by Robert and Richard Airis of ASA Productions.

On network TV, the spots will appear on CBS' Pan American Games, where Sierra will be billed as the official truck of the games, on network news, CART racing and on ABC and NBC baseball. They will also run on cable networks.

Banking on TV

In its first use of TV as a major advertising tool, First Jersey National Bank is using outrageous exaggeration to call attention to its George Money Management System, which allows customers to do most of their banking by telephone. Two 30s, created by Elkman Advertising, Bala Cynwyd, Pa., are scheduled to run throughout most of the year, with a Christmas hiatus.

The first spot shows a man in a hospital bed, wrapped from head to foot in a cast. He says, "I know what you're thinking. You're thinking this man is never going to get to the bank today." While inching toward the telephone, he names all the things he can do with the George Money Management System. With each attempt, however, he grows

Advertising Directory of

Selling Commercials

Blue Cross/Blue Shield • Harris & Love

BANDELIER, INC., Albuquerque, NM

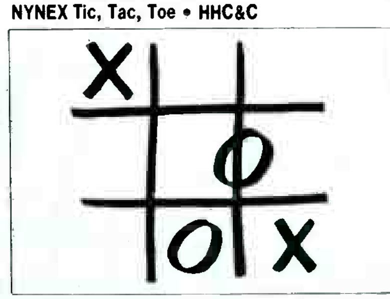
M & M Candies • Ted Bates

KCMP PRODUCTIONS, LTD., New York

Coleco • Richard & Edwards Adv.

MARK ZANDER PRODUCTIONS, New York

NYNEX Tic, Tac, Toe • HHC&C



GIFFORD ANIMATION, Harwichport, MA.

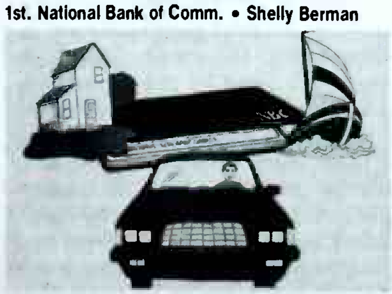
"Exclusives Explosion" • Showtime

SHADOW LIGHT PRODUCTIONS, New York

Piedmont Airlines • McKinney, Silver, & Rockett

KCMP PRODUCTIONS, LTD., New York

1st. National Bank of Comm. • Shelly Berman



BANDELIER, INC., Albuquerque, NM

Tide • Saatchi & Saatchi

BANDELIER, INC., Albuquerque, NM

Commercials *(continued)*

progressively more frustrated until he gives up with a sigh and utters the campaign theme line, "If you can get to the phone, you can get to the bank."

The second commercial features a woman relaxing on a raft in a swimming pool and delivering a similar message. The denouement comes when her husband dives into the pool and upends both wife and phone.

With a total advertising budget of some $3 million, the campaign is set for network affiliates in New York and Philadelphia and all three New York independents. Spots will air on early and late news programs, *Today*, *Good Morning America* and sports programs. First Jersey's only previous TV advertising was in 1984, when it ran a brief flight of institutional spots on a local station and cable.

That's showbiz

With a mini-program approach under which film distributors advertise films currently running in a given market, At A Theatre Near You (both the name of the company and the program) is working at finalizing a 30-market network to launch the programming June 26. The nightly program, changed on a weekly basis, consists of two minutes in which four films will be showcased.

The new company, based in Kansas City, customizes the programs for each market. Stations, contracted with on an exclusive basis, agree to deliver 25 gross rating points per week in the crucial moviegoing demographic of 12–34-year-olds, according to John Shipp, president of At A Theatre Near You.

The "televised movie page" is being syndicated by Orbis Communications. Stations signing contracts so far include WLVI(TV) Boston, WATL-TV Atlanta, WTIC-TV Hartford-New Haven, KAUT(TV) Oklahoma City, KDVR-TV Denver, WPTT-TV Pittsburgh, WIII(TV) Cincinnati and WCCB-TV Charlotte.

Chiat's great day

Chiat/Day is still glowing from its award sweep at the 23rd annual Andy Awards, sponsored by the Advertising Club of New York. Its Los Angeles and New York offices separately tied for first place, each with three awards of excellence and 16 awards of distinction. Clients included Pizza Hut, Mitsubishi Electric Sales of America and Apple Computer from Los Angeles and Ricoh and an in-house ad from New York. The San Francisco branch added one excellence award and four awards of distinction.

Running second was Ogilvy & Mather, New York, with three awards of excellence and 13 awards of distinction. The excellence awards were for Connecticut National Bank, Owens-Corning and Pepperidge Farm. With three big awards and 12 lesser ones, Hill, Holliday, Connors, Cosmopulos, Boston was in third position. Its top awards were for Falkner Hospital, John Hancock and Jordan Marsh.

Taking aspirin to heart

Given the go-ahead by the U.S. Food and Drug Administration last October to claim that an aspirin a day keeps heart attacks away, The Bayer Co. is doing just that in a new TV campaign. Two 30-second spots out of SSC&B: Lintas USA inform viewers that aspirin can reduce the likelihood of heart attacks by as much as 50 per cent for some high-risk individuals.

One execution has no actors but uses a heartbeat on a heart monitor together with a crawl. Research reportedly showed this execution is particularly effective in communicating to men.

The other commercial relays the same message in story form, focusing on a man who nearly missed his daughter's college graduation due to a recently suffered heart attack. This emotional approach is intended to enlist female involvement in encouraging those at high risk to seek their doctor's advice on healthy heart care.

Bathing beauties

Emphasizing quality over the emotionalism that is more characteristic of film advertising, Fuji Photo Film, U.S.A. is challenging TV viewers to detect which of three sunbathing women is actually a life-size photograph taken with Super HR color film. The campaign, created by Geers Gross Advertising, is designed to attract an audience of upscale 35mm camera users by highlighting the film's true-to-life color.

The tag line for the 30- and 15-second spots is "Pictures so alive they almost breathe." The network schedule includes *Good Morning America*, *Today*, *Tonight*, *Jack & Mike*, *David Letterman* and *Saturday Night Live*.

Kodak's show & tell

Authentic family snapshots and real people are the focus of a new campaign just launched by J. Walter Thompson New York for Eastman Kodak's Kodacolor VRG film line. Theme of the campaign is "Kodak film—There's no better way to picture your life."

With other spots to be added as the campaign builds this summer, the first of the series, titled "Mom," had its debut this month in conjunction with Mother's Day. Snapshots are used while sons and daughters deliver anecdotes about their mothers.

Behind the primetime network TV campaign at JWT are co-creative directors Linda Kaplan and Nick Gisonde and creative supervisor Gerry Killeen. Production house is Giraldi-Suarez, New York.

Crazy dialing

Known on the east coast for his fever-pitched Crazy Eddie's commercials, actor Jerry Carroll is lending more of the same to two "Dial-it" commercials for Phone Programs, Inc. He plays "Dr. Jerry," a specialist who promises to cure lottery players of their confusion, frustration and irritation over trying to find out the latest winning lottery numbers.

Phone programs has been producing Sports Phone and other "dial-it" programs since 1972. The commercial is scheduled to air in Los Angeles, San Francisco, Sacramento, Fresno, Detroit and Chicago.

Retail award winners

TV commercials for two specialty retailers, a pair of food stores, a department store, a home center, a home electronics chain and a shoe chain have been named top winners in the 19th annual Retail Television Commercial Award Competition of the Television Bureau of Advertising/National Retail Merchants Association. Top winners were:

Market size one-20: single commercial, Payless ShoeSource, Topeka; campaign, Jordan Marsh, Boston. Markets 21–50: single commercial, Luskin's, Baltimore; campaign, Waldbaum's Foodmart, Holyoke, Mass. Markets 51–100: single commercial, Super Value, Eden Prairie, Minn.; campaign, Moore's, Roanoke, Va. Markets 101-plus: single commercial, Silverman's, Grand Forks, N.D.; campaign, Mississippi Britches, Hattiesburg, Miss.

New T-L creative head

George Hermelink, formerly of BBDO/Minneapolis, will join Tracy-Locke as executive vice president/executive creative director and will have responsibility for the Tracy-Locke/Dallas creative department starting next month.

Shopping *(from page 41)*

the rate of 1/5 a year over the five-year period.

CVN was organized as a joint venture between 23 MSOs and closeout merchandiser C.O.M.B., but recently announced a restructuring under which CVN and C.O.M.B. would essentially be merged into one company, with the MSOs receiving additional warrants in return for their half-interest. The ATC spokesperson explains that CVN is the only program service the MSO has a piece of—because it was "an additional source of revenue, and we were able to get an equity position with very little risk when it first began."

The Fashion Channel, owned 20 per cent by United Cable, is set to launch in July. Sherri Herman, vice president of sales and marketing, says she expects affiliation agreements—which include equity participation totalling 25 per cent of the company—to cover at least 25 major MSOs, including both TCI and ATC. But such statements may also cover up the true picture. "That doesn't mean any of our systems will take it," warns ATC's spokesperson about its Fashion Channel "commitment." Unlike TCI, he points out, which has centralized program control, ATC lets its regional operations make their own program service selections. Even though ATC has an equity agreement with CVN, he adds, a lot of ATC systems carry HSN instead.

Other shopping services include America's Shopping Channel, owned 15 per cent by Cox Enterprises; Sky Merchant, owned fully by Jones International, Ltd., parent of MSO Jones Intercable; and Shop Television Network, a joint venture with LBS Communications and J.C. Penney, which has started to seek MSO equity deals.

Playing in PPV

PPV players are also pushing MSO investment as part of their intensifying push to sign up affiliates. Sid Amira, executive director of Telstar Channels, notes that its equity proposal was modeled after those of the home shopping networks. Cable systems representing Telstar's first 2 million addressable subscribers are being offered 10 million two-cent shares of Class B Common Stock on the following basis per each 1,000 subscribers: 2,500 shares for one channel non-exclusively for a year, 3,500 shares for one channel non-exclusively for two years, 6,500 shares for two channels exclusively for two years; and 7,500 shares for two channels exclusively for three years.

Cable Value Network

The Jerrold Division of General Instrument Corp., after extensive testing of its Cable Video Store "store-and-forward" impulse technology, now plans to spin off the operation into a separate company. MSOs and movie studios are being offered majority status through equity positions and warrants in exchange for meeting certain carriage terms and conditions, notes Ken Nimmer, vice president of programming for Cable Video Store. General Instrument will retain only a small, minority share of the operation, and any remaining shares will be offered via private placement, Nimmer explains.

Cable Video Store has been tested via 12 cable systems owned by 12 different MSOs, but with one thing in common: use of Jerrold equipment. Now, Nimmer notes, the service is already starting to test with cable systems that will use other impulse technologies. "Cable Video Store will work with all manufacturers that have impulse equipment," he stresses.

Nimmer says the private placement should be completed by mid-summer, at which time Cable Video Store will launch officially. He calls the MSO offering an "incentive for operators to invest in the technology and in their own future." Other PPV services rely on telephones to access programming, he says, but "the MSOs are really not that comfortable with telcos bringing technology into consumer homes. It's like letting the fox into the chicken coop. The VCR [which PPV is designed to counteract] is a threat to cable. But the telephone is a larger threat."

Other PPV services are also looking for MSO investment.

Request Television is said to be offering operators equity in exchange for household commitments or cash investments. A proposal is being talked around by Daniels & Associates.

And Scott Kurnit, president of Showtime's Viewer's Choice, says it's "very feasible for the future" that MSOs could fund and coproduce special event programming, such as sports.

Vertical integration?

Where is all this MSO program investment leading to? Possibly toward new regulation. The Motion Picture Association of America, for instance, wants the Federal Communications Commission to separate ownership of cable systems and cable programming. The idea is to end vertical integration in the cable industry in much the same way that the Supreme Court ended studio ownership of movie theaters in 1948—a decision, ironically, which the Justice Department stopped enforcing only last year. In Canada, the separation of cable operators and programming has been recommended by a government-appointed task force.

A more immediate result of the new trend could be MSOs going for the best deals rather than the best programming. Amira says the key issue is profitability, but that running the best programming will be the means to that end. Operators will go for the highest quality, he says, even if the equity they receive is less than with other services. □

Omnicom Group has 17% drop in first quarter net, 5% increase in revenues

The Omnicom Group, which will hold its first annual stockholders meeting Friday (May 29), reported a 17 per cent decrease in net income on a 5 per cent increase in revenues for the first quarter ended March 31, 1987.

For the year ended December 31, 1986, Omnicom had a loss of slightly more than $4 million, but Allen Rosenshine, president and chief executive officer of the new advertising agency entity, pointed out, in the annual report, that the company had to absorb almost $8.9 million in merger expenses and more than $31.4 million in corporate restructuring costs over the third and fourth quarters. As a result, the 1986 deficit, he said, was "no surprise."

In addition, he continued, "we suffered an exceptionally high tax rate resulting in large measure from limited tax benefits associated with much of our merger and corporate restructuring expenses."

Omnicom is the result of a merger which took place last summer of three major agencies—BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide, Inc. Under the new corporate umbrella, there are three separate divisions: BBDO Worldwide, DDB Needham Harper Worldwide and Diversified Agency Services (DAS), which consists of several general and specialty agencies and marketing communications companies.

First quarter net income of $6,263,000 compared to $7,564,000 for the comparable period of 1986, while revenues of $177,197,000 were up from the previous year's $169,008,000. Net income per share was down 16 per cent to 26 cents from 31 cents.

Revenue growth in the quarter, according to Rosenshine, was inhibited by a decline in domestic business resulting from business lost due to the merger. Overall, he said, the figures "came in as anticipated in our 1987 profit plan."

The 1986 loss of $4,077,000 compares to worldwide net income of $30,142,000 in fiscal 1985. The loss per share was 17 cents, compared to per-share earnings of $1.27 a year earlier. Revenues for 1986 were up 12 per cent to $735,527,000 from $673,403,000. Billings were also up 12 per cent last year to $5,354,753,000 from $4,783,371,000.

Rosenshine predicts that, "as we bring our cost containment policies on line and as we effect the consolidations that should result in further savings, we expect our operating margin to improve steadily."

Omnicom Group, Inc. financial data

Three months ended March 31, 1987

	(Thousands of dollars except share data) 1987	1986
Commission and fee income	$177,197	$169,008
Operating expenses	163,998	153,301
Income before income taxes	13,199	15,707
Income taxes	6,304	7,791
Income after income taxes	6,895	7,916
Equity in affiliates	432	430
Minority interests	(1,064)	(782)
Net income	6,263	7,564
Average shares outstanding	24,383,500	24,197,700
Net income per share	$ .26	$ .31
Dividend declared per share	.245	.216

Year ended December 31, 1986

	(Dollars in thousands except per share amounts) **1986**	1985	% change
Worldwide billings	**$5,354,753**	$4,783,371	12%
Worldwide revenues	**753,527**	673,403	12%
Worldwide expenses	**731,414**	610,324	20%
Worldwide net income (loss)	**(4,077)**	30,142	−114%
Common stock data:			
Shareholders' equity per share	**$7.11**	$7.77	−8%
Net income (loss) per share	**(0.17)**	1.27	−113%
Dividends declared per share	**0.887**	0.82	8%
Average number of common shares and common equivalent shares outstanding during the year	**24,437,400**	23,711,300	3%
Shares outstanding at year end	**24,523,400**	24,171,000	1%

BBDO's global expansion

BBDO Worldwide expanded its international network in 1986 both through new affiliation and via acquisition. Among the moves:

- Associations with Antena in Portugal, Phillippine Advertising Counselors in the Phillippines and Alberto H. Garnier in Costa Rica.
- Acquisitions of equity positions in David Ratto Publicidad S.A. in Argentina (renamed David Ratto/BBDO) and Stentor Advertising in Taiwan (now Stentor/BBDO).
- Move to a majority interest in TEAM/BBDO in Austria, BBDO Belgium and Ikon/BBDO in Greece (now BBDO Greece).

Among the various companies making up DAS, 1986 highlights included Dallas-based Tracy-Locke topping $300 million in billings for the first time and the merger of Quinn & Johnson/BBDO and Ingalls Associates (both in Boston) to become Ingalls, Quinn & Johnson, the third largest agency in New England.

VCRs *(from page 39)*

against tough competition, representing 4 per cent of the audience, while only 2 per cent of the audience from the top-rated *The Cosby Show* comes through the VCR "because it *is* the tough competition."

He says one of the biggest examples of heavy recording is when two strong miniseries are up against one another. Going back a couple years, when NBC's *Peter the Great* ran second to *Sins*, it got a 17.7 rating including 9/10 of a point coming from recording, representing 5 per cent of its audience. The higher rated competition got a 20.7, including a recorded 7/10 of a point representing 3 per cent of its audience.

One area where the VCR could make a difference in programming, Cook says, is in daytime. He notes that in the first quarter, *All My Children* averaged a 7.2 rating with a VCR contribution of 0.6, or 8 per cent of the audience. Soaps, he notes, are written on the assumption that people don't watch them five days a week, so if analysis of home-by-home behavior—which Nielsen will be capable of doing—shows that viewers are regularly taping during days they can't watch, it would be possible to cut back on plot recapitulation.

"In terms of head-to-head competititon," Cook adds, "I don't see the VCR becoming a dominant force. It could allow a network to take more of a risk in scheduling a new show against strong competition."

At CBS, Poltrack says the networks in the future may be more willing to program hit shows against one another instead of attempting to counterprogram. He explains, "If you look at this season, network ratings are down a bit, but the performance of the top rated shows is up. I think this is partly explained by the fact that the top shows are the most taped." He points to the strong performance of competing shows like *Magnum P.I.* and *Dynasty* and *Miami Vice* and *Dallas*."

He concludes that the "middle shows" are suffering most from the fallout—"the ones that are acceptable to people but are not their favorites," adding that "the lowest rated shows don't get any lower but just stay low." He sees recording capability possibly extending the longevity of hit shows by making them less vulnerable to an attack like *Miami Vice* programmed against *Dallas*.

Poltrack is awaiting better playback data in order to see how much viewers are "creating their own right of television." He's particularly interested in whether viewers, for example, record a second show at 9 p.m. and watch it at 10 and whether they might also view a 10 p.m. show and extend primetime later into the evening.

Future time shifting

Poltrack isn't all that certain that simultaneous recording and viewing won't become a bigger factor in the future: "Most people haven't had their VCRs that long, and we know the pattern of usage changes with length of ownership. Rentals settle down after a year of two and there's more emphasis on time shifting just because there's no longer a backlog of films they want to see. It's just like pay cable; at first, everything on it is new. The same is true of the new VCR owner who goes out and rents every Woody Allen film he's never seen but eventually just concerns himself with the top releases."

If simultaneous viewing and recording becomes more commonplace, Poltrack asserts, the networks may have to pay even more attention to clustering

NBC's "L.A. Law"

The VCR has helped "L.A. Law" against tough competition, representing 4 per cent of the audience, while only 2 per cent of the audience from top-rated "Cosby" comes through the VCR.

of hit shows. He points out that ABC, for example, will be even more concerned with losing *Moonlighting*'s strong audience when *Jack & Mike*, or more recently, *Max Headroom*, come on—facing not only competition in the ensuring hour but also from the shows *Moonlighting* was up against. He believes strong two-hour blocks of compatible programming, like *Dallas* and *Falcon Crest*, can prevent VCR cannibalization of a network's schedule for the evening.

Significant playback on Saturday mornings is another phenomenon the networks will have to content with, Poltrack believes. He feels it is lowering the children's audience across the board at a time when networks have already been losing audience from their more "pro-social" children's shows to the action-packed syndicated competition.

What's happening now, he says, is that families are building up children's libraries that are knocking the entire incoming signal off the screen: "I know that when we put on *The Wizard of Oz*, it's very heavily taped." With the economics of network kidvid already a problem, Poltrack can see the networks reexamining their Saturday morning thrusts.

He says this doesn't necessarily mean dropping kidvid altogether but perhaps counterprogramming with an hour of news, or maybe a shakedown from three to two networks offering children's fare.

Another significant area of negative impact, he observes, may be late night programming, with both night owls and second shift workers using it to view primetime programming.

Special research at Capital Cities/ABC has shown that VCR ownership heightens overall awareness of the TV schedule because owners are making decisions on whether to view or tape programs, according to Richard Montesano, vice president, program research. This comes from a telephone survey in which 500 VCR owners, 300 intended owners and 200 other non-owners were interviewed.

The survey also showed VCR owners going to movies less and a slight increase in overall TV viewing. Montesano holds that most of that increase in viewing should go to the networks, which are already the dominant source of recordings. He projects that, by the end of 1988, more than half of TV homes will have VCRs and that "technical resistance" to taping will wear down, making for significantly more use for time shifting in the future. "There's a learning curve going on," he states.

Noting the great amount of recording of soaps, Montesano wonders, "Will that replace viewing [while the program is being aired]? This would argue for very strong shows in the evening, when they would be likely to view recorded shows"—and also for the stations in early fringe.

As for heavy primetime competition, he asserts, "When you put something on that is directly competitive for the same audience, you're going to force people to record it. What people watch instantly is the show they prefer most."

Speaking of Saturday-morning, an area where ABC has been losing significant ground, Montesano believes use of the time period for playback can be primarily attributed to adults.

Effect on negotiations

Poltrack, meanwhile, doesn't see the VCR having an appreciable effect on negotiations with agencies: "If you average a 25 rating and one point is from the VCR, that's only 4 per cent of total audience." He adds that Statistical Research Inc. has already indicated that zipping is much lower than 60 per cent because viewers typically zip only about one third of the time.

VCR contribution to program audience estimates

November 1986

Summary by type

Type		No of pgms	Total NTI HH AA%	Contribution** By VCR HH's
Evening 7–11 p.m.	Gen. drama	15	15.7	0.4
	Sit. com.	31	18.7	0.3
	Feature films	7	15.9	0.5
	Suspense/mystery	16	15.6	0.3
	Adventure	5	12.7	0.3
	All 25–30 min.	34	18.2	0.3
	All 55–60 min.	37	15.5	0.4
	All 7–9 p.m.	38	16.7	0.2
	All 9–11 p.m.	41	15.9	0.4
	All 7–11 p.m. reg.	79	16.2	0.4
	All 7–11 p.m. spec.	27	15.1	0.4
	All 7–11 p.m.	106	16.1	0.4
Weekday daytime	Daytime drama	13	6.1	0.3
	All 1–4:30 p.m.	10	6.6	0.4
	All 10 a.m.–4:30 p.m.	24	5.5	0.2
Weekend daytime	Sports, reg.	9	10.5	0.1
6 a.m.–6 p.m.	Sports, total	13	9.7	0.1
	Children's	28	4.7	0.1

*Source: A.C. Nielsen VCR Tracking Report. *Excludes programs under five minutes in duration. ** VCR recording while set is off or tuned to a different channel.*

In fact, Cook discloses some results of a 24-hour telephone recall study that SRI did for NBC, pointing out that recent specific behavior is the only valid way to measure the phenomenon. The study showed that only about a third of those who had played back a tape in the most recent 24 hours had done any zipping at all—and, among those, they zipped only about once per half hour, or roughly one-third of the time. So this comes down to only one pod in nine skipped during playback.

Not only are nearly 90 per cent of commercials seen on playback, he points out, but the same study showed the average tape is played back 1.6 times—"so we're talking excess viewing. We're providing a hard copy of a commercial, so there's the potential to watch a commercial more, if it's worth viewing.

"We've never guaranteed the viewing of a commercial without the VCR. It's the agency's responsibility to make it appealing. Data that will be available in the future through the people meter will educate agencies on which commercials are being viewed and which aren't."

For now, agencies generally are unwilling to accept recorded audience as something they're willing to pay for. This is the case with Richard Kostyra, executive vice president, director of media services at J. Walter Thompson, who adds, "The portion of the schedule that is recorded is significant but not major.

"We still look primarily, if not virtually exclusively, at live tuning," he reports. "We have evidence that a good portion of what is recorded is not played back. We also have evidence that there is a good portion of fast forwarding through commercials so that the amount of commercial viewing on playback is insignificant. We believe recording will grow and have campaigned against inclusion of taping in ratings.

"We can also speculate that playback is not as much a family situation as live viewing, so viewers-per-set will be lower. The feeling is that the reason something is taped is often that the family wanted to watch one thing and the individual something else."

Kostyra figures that, on the average, about $\frac{4}{10}$ of a rating point for a prime-time show goes into taping. Assuming 14 million households are watching the show, this represents 56,000 households. If only 65 per cent of taped material is played back, going with his understanding of Nielsen data, there is then only a taped audience of 36,400—and if 60 per cent skip commercials, it's down to a potential audience of 14,560 for a commercial.

"At this rate," Kostyra concludes, "if you're paying $8 per 1,000 viewers, you're getting something like $100 of value for $500. In the future, I see taping being removed from the numbers. I think it will always be considered a bonus."

Gary Carr, senior vice president, director of network operations at SSC&B: Lintas USA, says, "As VCR penetration grows, we may have to start building that loss of audience into our ratings estimates." He doesn't concern himself with network pitches that VCR viewing represents higher demographics and a more interested viewer: "You don't have to be rich to own a VCR now, and eventually the demographics won't be that different." As for a more interested viewer, he asserts, "They used to say the same about high rated shows."

Carr has one recent observation of what can happen during top rated specials: "When the NCAA championship was on just before the Academy Awards, I know a lot of people who taped the game until 9 and then played it back during the Academy Awards commercials." Meanwhile, he says, "We're looking for better data on playback so that TV audience guarantees will be based on actual viewing audience."

Observing that it won't be until the season after next that playback information will be incorporated into ratings, Kevin Burns, manager of broadcast and new technology research at Ogilvy & Mather, New York, says, "Eventually it will become part of the negotiating process. But if you take a large national advertiser who's not confined to a particular time period, he's not going to have a loss of more than 1 per cent for all advertising across network, spot and cable, etc. For an advertiser confined to a particular area—like just during sweep periods or in programs that are recorded heavily—the loss could be higher, but not over 2 or 3 per cent." On the other hand, he notes, an advertiser can virtually avoid taping by advertising in news, game shows and most sports.

McHugh of DDB/Needham points out, "If people are fast-forwarding, they've got to pay closer attention to the commercial, so you're not necessarily losing 100 per cent of the impact of the commercial. Visual impact is certainly one of the things being considered now in advertising. One of the things we've got to think about now is how effective a 15 is during zipping." □

NBC(*from page 48*)

you program sports about 40 weeks out of the year.' I would be happy to exchange those 40 hours a year for the 104 hours of *Today* on Sunday morning.

"If we had 5 to 6 o'clock every Saturday to program, the affiliates would really cheer. That would be a terrific hour for us to get back from the network. It doesn't seem likely at the moment. I haven't gotten very far with them, and there's a very clear reason. The sports programming could run earlier, but it's scheduled at a time to facilitate the networks. Golf tournaments could end just as easily at 5 o'clock as 6 o'clock; it's just what time do you start them?

"They want them to end later because there are higher audiences from 5 to 6 than there are from 4 to 5. They're higher from 4 to 5 than they are from 3 to 4 on Saturday afternoons. The later they can run them, the more likely they are to sell them at a higher price and get their money back. But they clearly end at 6 o'clock because we say our news is going to run at 6 o'clock and we just won't carry the program beyond 6."

Network compensation

What NBC touted at the beginning of this year as a "3 per cent across the board reduction" in compensation seems to be setting well with affiliates, from Lynagh's perspective. It was a complex arrangement—so complex, according to the affiliate chairman "that a lot of the affiliates didn't try to dig it out. They just took our word for it that it was, in fact, a good negotiation."

The arrangement involved primarily doing away with co-op fees that affiliates had paid to the network for having local time in programming while giving up time that was almost entirely during late night, and the 3 per cent figure represented the average gain by all affiliates. Lynagh comments, "Suffice it to say that the affiliate board of governors voted for it first and they, in many cases, represented larger markets. They got less than the smaller markets because larger markets in late night could sell the commercials they gave up easier than smaller markets. On the other hand, we got additional inventory that we could use for commercials in primetime that would more than offset the thing. So it's a fairly complicated situation, but a good deal."

"As much as anything else, it was symbolic. It was NBC saying, 'We are not only not asking to cut back on what we are paying you, but coming to you with a package that's actually slightly better than what you've got.' And ABC and CBS affiliates said, 'Why are you trying to cut compensation when NBC is actually giving its affiliates a little more?" (Both of the other two networks have since backed off from their original compensation reduction plans).

Lynagh says he feels secure that no monkey wrenches will be thrown into the machinery in the near future: "That's not to say that, on individual programs or items, there's not apt to be some modifications of the arrangement. But the basic concept where the network pays the affiliates a large chunk of money for the commercials that the networks go out and sell—I don't think that is going to change in the next few years."

He doesn't see any changes in clearance levels that are are as dramatic as the increase in clearances that came about from adoption of the Primetime Access Rule. He notes that, before affiliates had the 7:30 p.m. half hour to program, many carried their own movie one night a week in primetime.

"Additionally," he observes, "fewer of the network affiliates have baseball, so the networks get preempted less from that standpoint. As always, the higher rated the network is, the less clearance problems it's going to have because the affiliates are going to preempt the weaker programming or feel the programming is so weak that they have to have additional inventory to make them even in the market."

Affiliate responsibility

Lynagh observes independents had "a great deal of glamour a few years ago that they have lost of late. I think most network operators would prefer to be network operators and to be affiliated with strong networks. Under those circumstances, they want to be generally supportive of the network.

"That does not mean that, for some business reasons, and certainly for local programming reasons, there might not be reasons to preempt on occasion. I'm not advocating 100 per cent clearance. I think there is a delicate balance."

Getting back to the balance between network and affiliate time, Lynagh is not pushing as hard for more time in daytime as he is on Saturday late afternoon because, during daytime, "the affiliates pretty much take the time they want, so it's not a matter of pushing the networks to do less." He notes that, through their own self-interest, as the number of O&Os grow, the networks might come out ahead financially by not bearing the program cost for certain daytime programming while letting their O&Os have the time period."

He says daytime ratings have been improving for NBC, but he's hoping for the network to improve the 11 a.m.–noon time period, which CBS dominates with *The Price Is Right* for a full hour against NBC's daytime *Wheel of Fortune* and *Scrabble*. But his motivation may not appeal that much to the network. He says that many affiliates preempt noon programming for their own local news and would like a stronger lead-in.

The affiliate chief is less worried about NBC's three-network positioning than about fragmentation beyond that: "The major thing we've got going for us now is a very strong, solid programming department under Brandon Tartikoff. All the people he's got in place are very good people, and he's obviously had a lot of success. I think the biggest problem at this moment is the fragmentation issue with VCRs and cable and not with one network vs. another.

"Frankly, I think most of us would like to see ABC a little stronger and would worry if CBS gets any weaker because network affiliates in general would be healthier if all three networks were achieving higher audiences." He'd like to see more nights like Sunday, where the networks compete energetically and take a high share of audiences among them.

"I think the biggest issue," he continues, "is not the kind of programming we have in a specific sense, but can we get more first-run programming and what can we do in the summertime? It's hard to come up with something special that generates attention network television, and that is our constant battle now—to get as much fresh programming as possible so that we don't see a three-network erosion beyond where we are."

Saturday mornings

From a financial point of view, Lynagh shows little concern with the competitive effect of syndicated kidvid on the network's Saturday-morning lineup. With the minimal contribution that daypart makes to the affiliate's bottom line, his concern is more with network image: "I think we'd like to see the networks be more innovative in that area for children and not so cartoon-oriented; all of them are looking at more live forms. Television's had a difficult time in producing programming for children that all of us would like to see go on, and I think if one of the three networks got out of the children's business—even if it were NBC—on Saturday morning and went to doing informational programming or gave it back to us, that's not a big issue."

Lynagh expresses satisfaction with the network's Skycom regional networking system, including the policy of reimbursing affiliates up to half the cost of a $300,000 satellite newsgathering truck. He says this provided affiliates "with the opportunity to have an extra capability that would be valuable to the network as well as to the station.

"NBC's view of this is that this was a way to help strengthen the affiliates because NBC News generally does well where the affiliates do well with news—and where the affiliates are in third place, NBC is generally in third place. It's been a shakedown cruise and it's been doing very well. Every month the reports I see indicate greater usage of the individual capability to beam from one station to another, one area to another, and so on. It's not been without its difficulties—starting up something this elaborate where you're involving 200 stations—but I think it's been a tremendous success. We're delighted we're doing it, and it will continue to grow."

Value of news

Lynagh values network news as an important contribution to affiliates and, short of extending the network's early evening newscast into affiliate time, says "I think affiliates would be open to ideas." As for an extended newscast, he says, "They're not thinking about that. They've assured us that they would not. We have a news committee that studies those kinds of things, and if somebody has an idea, we would look at it. They might very well look at mid-day news kinds of programs or a news wheel. There are all sorts of ways that things aren't being done now that they might be done. I don't expect that's going to come in the next 12 months, though."

He adds, "I think the affiliates always want to keep the message going to NBC of how important NBC News is. Individual affiliates may complain from time to time about news preemptions or various other things, but the network news operation is a wonderful resource that this nation has. While we are not anxious to see the network news expanded, that's not the only way you judge the network news contribution. When there's an Iran-Contra hearing, late night specials, documentaries, late night news programming, primetime and early evening, the *Today* show, the weekend programs—all combined, they are a resource that we could not duplicate. And we really want NBC to remain just as strong and just as committed in that area in the next decade as they have in the past three." □

Westwood (*from page 47*)

and cross-ownership rules," he says, pointing out that a distribution/network service like Westwood One could potentially be hurt if the FCC's deregulatory pattern ends up in a situation "where conceivably, you could have 10,000 radio stations across America owned by a handful of powerful corporations."

"The network companies that also own radio stations have sold the FCC a bill of goods that without ownership of those radio stations, their network services will suffer," he says angrily. "But we've seen over time that radio is very successful in the state it is in right now. There are problem pockets, including AM radio, but there's no way that relaxing the one-to-a-market rule is going to do anything for AM radio. And yet that's the premise on which this proposition is being put forward."

Pattiz thinks the FCC's efforts would be more properly directed toward coming up with a common standard for AM stereo. "They did it for FM radio and made it a reality, and if they would take the lead on AM, that would be the first step to straightening out a lot of problems," he says. "The radio station business is like running a million delicatessens, which in many ways is its strength, but in terms of something like coming up on their own with a common standard for AM stereo, that becomes like finding a simple solution to the Middle East."

The executive brushes off questions about possible conflicts involved in his acquisition of trade journal *Radio & Records* last December: "It's clearly not a conflict of interest, there's nothing new in media companies owning television and radio stations or publications." He adds that estimates of the cost of the buy were overstated.

"Let me just say that had it been more than $18.5 million, we would have had to disclose it in our financial filings," Pattiz says. "It was an absolutely opportunistic buy that was very compatible with our business and is within our means." He says Westwood One's board of directors has passed a resolution vowing not to tamper with *R&R*'s charts for fear that any alteration, with its possible implications of self-interest, could lower the publication's market value.

Expansion plans

But he makes no bones about his expansion plans. "Right now, we have a 16 per cent share of the network radio business in terms of revenue, and we'd like to see that go up to 25 to 30 per cent," he says. "The number one player

Westwood One claims a 16 per cent share of network radio revenue and is aiming for 25–30 per cent.

is ABC, which has been the dominant player since there's been a modern radio business, but we think we have a lot of advantages that will make us as important a player in the network radio business as ABC."

Pattiz does not refute the persistent industry speculation that he is looking to buy NBC Radio, but points out that the current FCC has not appeared to be eager to require divestiture, so a lot depends on the parent company's intentions.

"We started out as an entertainment-based company primarily thought of as a syndicator, and now we cover every segment of the network radio busines," he says. "Any radio company looking for any kind of service can find it with us, and any advertiser looking to reach any particular audience should be able to reach it with us."

If NBC's stations become available, Pattiz predicts being able to significantly increase his market share within 12–18 months; if Westwood One has to grow through "a series of small acquisitions," he concedes, the process might take more like 24 to 36 months.

But despite his vaunted aggressiveness, Pattiz's corporate ethic is surprisingly modest: "We need to make sure we realize what we are and what got us here and not get carried away with our own success," he says. "Where companies like ours always seem to have run amok is that they have one or two successes and all of a sudden try to change the nature of the business and come up with bold new concepts and ideas that radio stations aren't ready for."

"We started out with one countdown series and now we have six. We started with a concert series and now we have eight. We've expanded our music interview specials. What we've done is to take proven commodities and roll them out into emerging formats," Pattiz allows. "As radio continues to become more and more segmented, and as the population curve continues to move and musical tastes change, we'll simply adapt successful programs we've already established and roll them into existing formats." □

In the Picture

Michael Becker

New chief creative officer, worldwide at Wunderman, Ricotta & Kline sees more advertisers "looking for new ways to reach all those viewers who've drifted away from the networks," and preferably "in a more accountable way that can be tracked accurately. That's what direct response delivers."

Advocates long term, dialog with best prospects to generate repeat buying

Michael Becker, now chief creative officer-worldwide, a new post at Young & Rubicam direct response affiliate Wunderman, Ricotta & Kline, believes that "The wave of the future that's going to make advertising work harder than ever will be the turning of advertising communication into more and more of a continuing, personal, one-on-one dialog with our most likely prospects."

Becker adds, "It's nice to sell the product once. But to make a client's investment pay real dividends we need to build a persuasion system that promotes a lifetime relationship between the producer and his customers and insures multiple repeat purchase."

In doing this, says Becker, "We want to target not only demographically and geographically but also by time—the time in a product's repurchase cycle when its user is most likely to be ready to buy again."

Then Becker lays out a scenario that he says, "No one is doing yet, so far as I know, but look at the logic of it. We can spend huge dollars for a spot in the Super Bowl and reach millions of viewers. But how many of those millions of people are in the market for a new Lincoln next week? On the other hand we could buy up tape cassettes of one of the great new movies and mail them to a list of the 80,000 to 100,000 owners of three year old Lincolns—assuming that after three years, most of them are in the market for the new model. Not too far into this movie, we've inserted a very specific and personalized reminder that, 'Now that your Lincoln is three years old, we'd like to show you some new developments that make our 1987 Lincoln the best ever, and so on."

Direct response goal

He explains that, "While we have to write a broad, generalized message for the millions of fans watching the Super Bowl and who own every make and model of car there is from every country that cranks out cars, we can get very close to the direct response goal of being as specific and personal as possible, if the only people getting Lincoln's cassettes are current owners of three year old Lincolns."

Becker observes that ideas like this have hit him "after just my first few weeks here. I'm going to be learning as much here as I teach. Working with our creative directors in other countries offers a terrific opportunity for cross fertilization of ideas. Our overseas people will come up with new approaches we can adapt for our U.S. audiences, just as surely as I'll be able to show them some ideas that are new to them."

Asked why he moved from his previous post as executive vice president and senior creative director at BBDO worldwide, Becker describes "sitting around, watching all these great general market agencies suffering through no fault of their own. It's not their fault their former mass audiences at the networks have been melting away. But as those audiences split up among the growing numbers of video alternatives, more clients have been looking for new ways to communicate to all these viewers—preferably in a more accountable way that can be tracked accurately. The answer is direct response advertising to smaller, but much more selective audiences like that 100,000 who own three-year-old Lincolns."

Heavy user segment

Becker notes that for many companies, 20 to 25 per cent of those who use their product account for 70 or 80 per cent of total volume: "This is another kind of group—that 20 per cent of heaviest users—that direct marketing can pinpoint and concentrate on."

He says, "At the same time that the mass audiences have been split up in 10 different directions, some of the new places all those viewers are going are opening up more new vehicles for us in direct response. So I'll be working here with Polly Langbort, our media director, to see how we can make the most of things like talk-back television, talk-back radio and these Home Shopping Network stations."

Becker sees bright prospects for radio in direct response, and says, "They don't need to settle for PI anymore to get in on it like they used to. With all its formats, radio today can be targeted the same way we can target just those women who sew with *Needle Point* magazine. On talk-back radio, a food or vitamin packager can run his advertising in the nutritionist's health program, or the banks and insurance companies and brokerage houses can run their spots with the financial advisor. Or a business equipment producer can focus on business decision makers on the business segments of the all-news stations. The possiblities are limitless. That's what makes direct response such a tremendous opportunity in every medium."

Becker says that a key reason for the mushrooming growth of the whole direct response business in recent years is that clients "have been looking for more accountability in tracking just what their return on their advertising investment is. Where there's demand, someone's going to come along to fill the need. That's where all these new broadcast vehicles come in, to add to direct response's existing arsenal."

Spanish (*from page 44*)

home method is Howard Kalmenson, president of Lotus Communications. Lotus, Caballero and Tichenor Spanish Radio are the primary sponsors of the pilot study, which cost $48,000, of which $9,000 remains to be collected.

Kalmenson not only heads a rep firm with 95 Spanish-language stations but he and his family also own 15 radio stations, of which six are Spanish-language outlets. At the April 22 meeting, he was critical of I&A because in its written report to the council it stated that "from a research standpoint, the advantages of using a telephone methodology outweigh the advantages of using a door-to-door methodology." Kalmenson was critical of the researchers because they "took it upon themselves to cast doubt upon their own findings." But for the present, he says, he has an open mind on the methodology issue.

If the advertiser representatives on the Council have a consensus, it is not yet apparent. Two of those interviewed—Marianna Reges, director of research for Bristol-Myers, and Karen Dixon-Ware, staff director of media for McDonald's Corp.—also report keeping an open mind.

"We just got a glimpse of what's happening," comments Reges. "I'm not totally satisfied that the information available can lead to a clear-cut decision. We must dig deeper." The B-M research executive is looking to get some answers from the retabulations. She is leaning toward the phone method, in part because she feels the in-home sample numbers show unrealistically high listening levels to Spanish radio.

Dixon-Ware is also suspicious of the Hispanic listening levels generated by the in-home survey, though neither she or Reges is prepared to reject them out of hand.

The McDonald's executive notes that when SRC, which concentrates its TV surveys in high-density Hispanic areas, loosened the definition of such areas—"I think the definition only changed from 25 to 20 per cent Hispanic households"—the listening levels declined. She also feels that the census numbers on Hispanic phone penetration may be inflated. □

Mature *(from page 46)*

bogged down with all kinds of payments—pay off our own college loans for starters. Then come the car payments. You get a little older, you get a little raise, and you start paying for your house. Some more years go by, and another raise, and then comes helping pay for *your* kids' college. It's only after all these kinds of things are finally paid off that you get to keep some of what you get. That's the part that's discretionary."

Extra effort

Jensen also reports that Cadwell Davis Partners surveyed company advertising managers and "found more of them today saying they feel it's well worth the effort and money to target mature consumers. This is a dramatic change in the attitude of many marketing professionals in only a few short years. One result is that major companies are now making that extra effort. Some of the airlines now cater to 60-plus. Sears, Roebuck offers special discounts to people 55-plus."

James De Caro, executive vice president, general manager of WEAZ(FM) Philadelphia, says that addition of 35-plus in the printed book "extends the rationale behind our promotion of the value of 35–64 to advertisers." De Caro feels, "Too many of us tend to live in the past. We remember those sad depression-era photographs of tired old farmers blown off their land by the dust storms in *Grapes of Wrath*. Or those sad coal miners' wives in Appalacia that looked like Whistler's Mother.

"But that was then. Today life is no longer over on your 60th birthday. Today, more and more people in their late 60s and 70s are as vibrant and active as they were in their 50s. The difference is that now they have more discretionary income and more time to spend it. They no longer have to spend so much time earning a living so they can pay off all their bills. And it doesn't take a major research project to prove these things to yourself. Just walk through an airport.

"Go out to a good restaurant. Walk into any of the better stores and see who's trying on the more expensive clothes. The people you see are the ones who also have financial advisors to help them manage their money smarter so they'll have still more of it to spend."

This, adds De Caro, "is why we program WEAZ to skew to 35-plus: because we know this is where the spendable money is that our advertisers want to tap into."

At KABC Los Angeles, general manager George Green asserts, "It takes millions of dollars to make a dent in major market AM, and talk is the most expensive format there is. But that investment pays if you sell the 35-plus market. These are the listeners who fly the airlines, use banks, buy class cars and travel."

And on top of having more spendable income, adds Green, "35-plus offers one more advantage. They'll accept a heavier commercial load. The kids are so fickle that if an FM youth music station runs two spots in a row, your 12 to 24s are going to turn the dial to the competition."

Arbitrary limits

Frank Oxarart, general manager of WMCA New York, says that adding 35-plus "removes the arbitrary limitation of a cut-off at 64. Putting it in the book throws the spotlight on the over-64 part of it that keeps growing more important as its numbers and affluence keeps growing and its health keeps improving."

Oxarart explains that he says "arbitrary" because "We all know 75-year-olds who are still running around like a lot of 50-year-olds. At the same time, we also know a few 40-year-olds who shuffle around and don't seem to get much kick out of their kids any more. It's your attitude toward life and how you feel that determines your lifestyle—not what year the calendar says it is."

Charles Sislen, *Eastman Radio manager, marketing and research, says lack of time causes both station and agency people to "usually rely on whatever is in the book . . . . Agencies generally ask for the standard demos."*

James De Caro, *WEAZ(FM) executive vice president, general manager, programs his station to appeal to 35-plus listeners: "We know this is where the spendable money is that our advertisers want to tap into."*

In Springfield, Mo., Dan O'Day, general sales manager of KTTS AM-FM, agrees that "Over 55 is where the money is. The 18- and 19-year-old kids are too often the last hired and first fired. But the people over 55 are the ones who can afford those big ticket items—the better cars, a second home or a boat."

O'Day says, "Over 55 represents a particularly fine opportunity for AM stations that can put the emphasis on talk, information and service. This is the kind of high-touch radio that listeners pay attention to, and where listeners look for information in the commercials as well as in the programming."

This, continues O'Day, "stands in contrast to those stations that promote 'commercial-free radio,' and play 10 records in a row in an attempt to build up their ratings fast, just so they can sell the station to a trader and scoop up an enormous capital gain. You can produce the same sound with a jukebox."

At WJIB Boston, Cohen points out that addition of 35 plus on the printed page "acknowledges everyone over 35 as a valuable consumer. Back in the 1920s, the average life expectancy in the U.S. was only 66. Today that figure has moved up 10 years to 76. Even television commercials are using older models, and not just for cooking and doing the laundry. When you see good-looking older women selling pantyhose on TV, that's progress."

But Cohen notes that addition of 35-plus to the Arbitron report "also does one more thing, even if it is a bit more subtle: It moves 35–64 over one column to make room for 35-plus. This way 35–64 is no longer perceived as 'the oldest demo in the book'."

Webster concedes, "Sure, all these upscale products want to reach the yuppies. Better yet, if they can, they want to have yuppies seen using their product. But the unfortunate reality is that too many yuppies do not in fact have the discretionary income their double-couple salaries seem to imply. Too many of them are too loaded down with debt—starting with paying off the college loans many of them won't be able to get out from under for years."

And O'Day points out people over 55 "aren't only living longer. They're living healthier. They're active longer, thanks to modern medicine and what we know today about nutrition and exercise and how to take care of ourselves. This, on top of their discretionary income, makes over 55 one of the most powerful economic forces in the country. Yet it's one of the most under-represented and most overlooked. When 35-plus starts showing up in the rating book where people can see it, it should be a little less over-looked and a little easier to sell." □

Dan O'Day, *KTTS general sales manager, points out that AM stations are particularly suited for over-55 listeners because they can emphasize talk, service and information. And, he adds, this age group buys big-ticket items.*

Inside the FCC

Diane Killory

The new general counsel for the FCC defends the commission's controversial decision on broadcast indecency and talks about her own history and politics

Obscenity restrictions: Time, place and manner make the difference

Less than four months into her job as head of the Federal Communications Commission's legal department, 32-year-old Diane Killory already has made her mark by leading the FCC's decision on broadcast obscenity. After the FCC voted in mid-April to redraft its measure of indecent programming from "seven dirty words" to a more general proscription, Killory fielded the fire that followed.

The FCC was accused by some of hypocrisy for lobbying that broadcasters have the same First Amendment rights enjoyed by print media and then restraining some of the contents of the broadcasts. Killory was widely quoted in defense of the FCC's decision, of which she was the major author. She denies charges that the FCC's new position on indecency is inconsistent with the position it has taken on other First Amendment matters: "The First Amendment is not absolute. If someone wants to come in and tell me, 'I am an absolutist. I don't believe there should be any limits, even for obscenity' or whatever, we can agree to disagree. But the people who are coming in and criticizing our decision aren't doing that.

"What they're saying is, 'You should stay out of this area.' And then some of these very same people come in and support retaining the Fairness Doctrine. That's why they're not absolutists. The Fairness Doctrine goes to the very essence of what the [U.S. Supreme] Court has identified as protected speech — the news-gathering process. They're saying the government can intrude into editorial discretion of the electronic press.

"And yet in this other area of obscenity and indecency which the court has held has less First Amendment protections, they come in and say that's the area where we should stay out. To me they have absolutely reversed the priorities."

While the broadcast media differ from the point media, which the FCC would like to have treated the same as far as content is concerned, "we're saying the kind of time, place and manner restriction has to depend on the physical attributes of the media," Killory says.

Brown wrappers

She adds that such restrictions "can apply to any media. In a movie theater, for example, they don't sell tickets to children on certain kinds of movies. If it's a bookstore, there are laws which require them to put [*Playboy*-type magazines] either in a brown cover or put them behind a counter and restrict their sale to minors.

"If a newspaper put in the kinds of things that we found objectionable in our recent inquiry, then they would no longer be considered newspapers and they would be considered more in the category of *Hustler* and *Playboy*, and maybe subject to those same restrictions."

The nature of broadcasting, Killory says, makes it difficult to apply similar restrictions. "It's even different in that respect from cable. The courts have held so far that The Playboy Channel is on a separate channel that you have to affirmatively subscribe to and reaffirm each month by paying the fee if you want it in your home, and that there's a lockbox available to restrict minors' access. That, in fact, serves as a time, place and manner restriction.

"For a broadcaster, there is no easy way to separate out adults from children and that's why for indecency, we will impose time-channeling so that it's put on at a time of the day when there's no reasonable risk of children in the audience."

Still, she acknowledges, "It is a difficult decision."

No picayunes

Regardless of the legality of its stance, Killory says the FCC doesn't intend to be picayunish about enforcing its broader restriction. "I think the context is important and it's something that we look at, even in broadcasting. It [restricted material] has to be done in a patently offensive manner.

"If you're having a discussion about something else and happen to use a word, we're not going to take action in broadcasting. What we're talking about . . . essentially is very graphic descriptions of sexual acts."

She doesn't believe the FCC's new decision on indecency advances the old prohibition on the "seven dirty words." "I think of it as an attempt to more reasonably enforce the statute," she explains. "The line ought to be a reasonable one. To arbitrarily choose seven words . . . means you could basically put on a hard-core porn movie in the middle of the afternoon as long as they didn't use the seven dirty words.

"Yet at the same time, that clearly meets the general definition that was in the Pacifica case that the Supreme Court affirmed [in 1978]. What we're trying to do is say, 'Look, if we're going to make a good-faith effort to enforce the law, we're going to have to do it in a reasonable manner.'

"In fact, the seven words aren't necessarily the right test, because just using the word may not be in a patently offensive manner. Let's say it's in the middle of a Chaucer [recitation] or whatever, we're not going to necessarily find that to be indecent even if some of the words are used. What we really have to focus on is whether there is language or material that describes sexual or excretory organs or activities in a patently offensive manner.

"I understand that for broadcasters it's a lot easier if we just give them a list of words and say, 'don't use these,' but the fact is broadcasters need to use their discretion and make their own reasonable judgments as to when something crosses the line. They already have to do it for obscenity and indecency is really just one prong of the obscenity definition."

Coming full circle

When the broadcast indecency issue fell into Killory's lap as a result of formal complaints about three radio shows, the issue of the FCC's ability to regulate obscenity was no stranger to her.

After graduating summa cum laude from the University of Rochester in New York and cum laude from Harvard Law School, she came to Washington in 1979 to work for the firm of Steptoe & Johnson, which at that time did not do much communications law. After nearly four years there, she was recruited by Bruce Fein, the general counsel at the FCC. She began at the FCC in May, 1983, as special counsel for legal policy in Fein's office.

She has come "full circle," Killory says, in that one of the first topics she worked on as a government employee was "dial-a-porn," the matter of allegedly obscene call-in telephone recordings.

The FCC got involved even though there was only one provider of such recordings at that time. She started working on a notice of inquiry to present to the commissioners, but before she could complete it, Congress passed legislation requiring the FCC to draft regulations restricting children's access to the recordings. Her inquiry then became a notice of proposed rulemaking, but by the time the commission acted, she was gone from the general counsel's office.

Later, in 1983, Dennis Patrick, who had worked in the White House personnel office that screens candidates for nominations, was nominated himself to fill out the rest Commissioner Anne Jones' FCC term (he got his own five-year term two years ago). When he arrived at the commission, Patrick asked for recommendations for a legal assistant and Killory's name came up.

"I talked to him and we hit it off, so I became his assistant," she says. She was named his senior advisor soon afterwards. In that role, she has worked closely with Patrick, working with him on his positions, helping him write speeches and accompanying him to trade shows and other functions.

"Dennis and I get along, both personally and professionally, very well," she adds. "We approach issues very similarly and analyze things in a very similar manner. We discovered this early on when we would look at early drafts of items, and [we] both marked edits and problems in exactly the same places.

"That made it easy to act as his alter ego to the extent that our positions frequently were the same. I also got a sense very quickly as to which things were important and I should take to him, and which I could act in his stead."

Killory concentrated on broadcasting issues and thus brought to the general counsel's office a solid grounding in most of the major broadcasting issues of the past few years. Now Patrick is FCC chairman. Together, he and Killory will have responsibility for determining legal policy for the agency for the next few years.

Party switching

Patrick got where he is in part by being a Republican party loyalist, Killory because she is a pragmatist. As she saw her star rising within the FCC, she switched from being a registered Democrat to registered independent, and within the past year, to registered Republican.

In political terms, Patrick and Killory appear to be different. Unlike her boss, Killory professes no deep-seated political interests. As she tells it: "I was a Democrat when I first registered to vote, but I wasn't very political. I just registered as a Democrat because in Massachusetts (where she attended Harvard Law School) and in the District (of Columbia), if you want to vote in the primary, that's the only one that has any impact.

"So I really wasn't that interested in political issues, period, in that sense. When I came to the government, I became an independent, and then sometime before the last election I became a Republican."

She isn't much for labels, anyhow, she says. What is important to her is that her philosophy is consistent with that of Patrick, and with that of Mark Fowler before Patrick.

That consistency, she says, includes her position on First Amendment issues. If she had a special interest during her law school days, she says, it was the First Amendment, but that, too, was not very obvious to her. "The areas of communications had been of interest to me and when I was graduating, I thought I wanted to do communications or more of the straight-forward publishing First Amendment kinds of cases that are in New York."

But, although a native of the "New York City suburbs," she decided she did not want to practice in New York and "wanted to come to Washington, in large part for the opportunities that it would provide."

As a member of Patrick's staff, her fortunes were tied to his. As his general counsel now that he is chairman, her fortunes are still tied to his. He is not expected to serve more than two years as chairman and his replacement could easily want a new general counsel.

That doesn't bother Killory. She didn't join the FCC, she says, to use it as a revolving door, but she had planned to stay only a couple of years. And, when it is time to leave the agency, she says, she may look for something at a corporation.—**Howard Fields**

Co-op Pro™ Uncovers More Co-op Money For Your Accounts

...And More Ad Revenue For You!

With Co-op Pro™ and your help, your retail accounts will be *using* their co-op funds, not *losing* them!

Derived from the same database that produces the Co-op Source Directory, Co-op Pro simplifies the entire co-op sales process. Diskettes compatible with most personal computers enable you to store and retrieve information on over 4,000 co-op programs—a total of 15,000 brand names! In minutes you can locate co-op programs available in any of 52 product classifications and easily extract the information you need.

With Co-op Pro you can let your retail accounts know exactly which co-op programs expire on December 31st, show them all the manufacturers who offer unlimited accruals, or tell them which manufacturers offer 100% participation. Co-op Pro gives you the information you need to close the sale on your very first call!

Best of all, Co-op Pro is affordable for every size business—and incredibly easy to use. Even if you've never used a computer before, you'll be generating valuable reports in minutes!

If you'd like more information about increasing your sales with Co-op Pro, return the attached coupon, or call Dave Johnston or Amy Zarnowski at 1-800-323-4601, in Illinois call (312)441-2134.

Co-op Pro™ is a trademark of Standard Rate & Data Service, Inc.

CO-OP PRO™

Yes! I want to increase my ad revenue with Co-op Pro! TR5

☐ **Please send me more information about Co-op Pro.**

Name ______________________

Title ______________________

Company ______________________

Address ______________________

City/State/Zip ______________________

Telephone ______________________

srds

Return to:
Standard Rate & Data Service, Inc.
Co-op Services Division
3004 Glenview Rd., Wilmette, IL 60091