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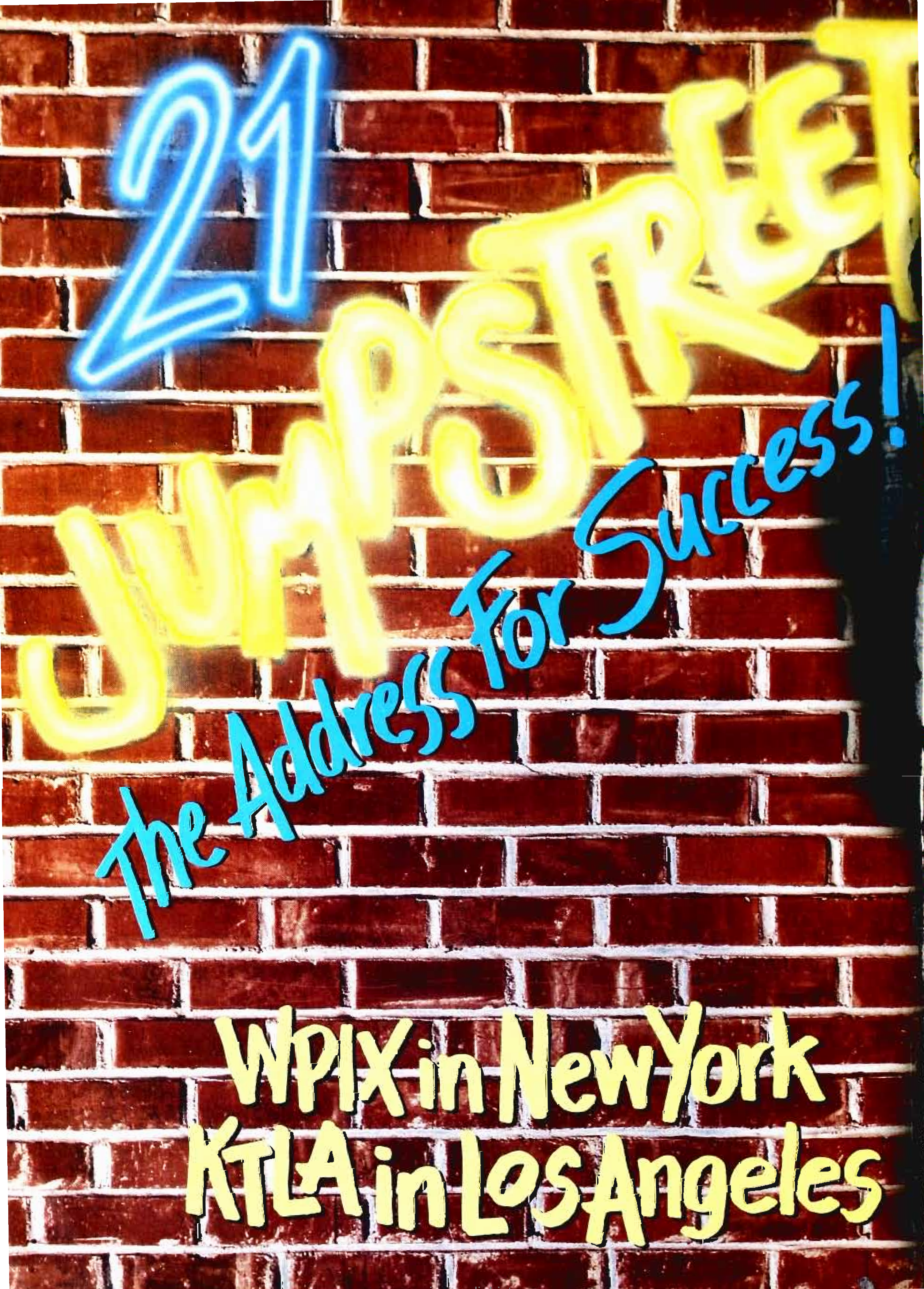
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STATION REPORT

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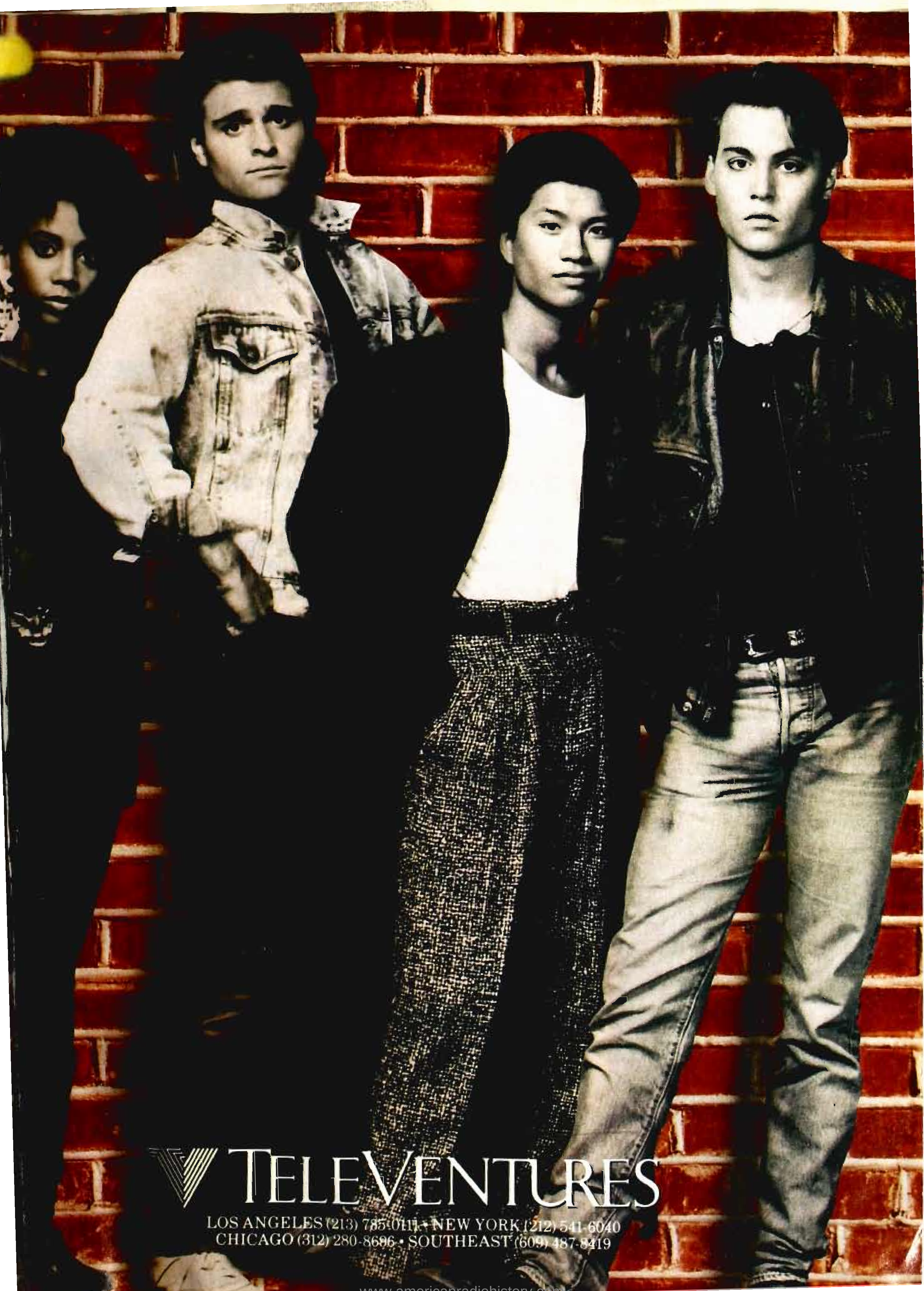
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Publisher's Letter

About the man who invented the funny radio commercial

Before Stan Freberg became a guru of the funny commercial, advertising men almost invariably resisted airing his conceptions, which were almost invariably successful in selling the product. In fact, there was no love lost between Freberg, who virtually invented the funny commercial, and Madison Avenue, which eventually picked it up and ran with it. Which says something about advertising creativity.

Freberg recently wrote a book about his career, a good part of which is devoted to his adventures in Advertising Land. It is called *It Only Hurts When I Laugh* (You must know *that* joke.) and it is published by Times Books. The volume reminds us that radio owes a lot to the man—though he did a lot of TV work, too—proving that the audio-only medium can really jiggle people's buying instincts, not to mention their funny bones.

Actually, the book is only about part of his career. It stops at about 1963, and in an epilogue recounting a conversation between his left-brain and right-brain personalities he reveals he is working on another book, this one really about advertising. No matter. There is enough in *It Only Hurts When I Laugh* to support his reputation as one of the most successful broadcast salesmen—without being a salesman in the usual sense of the word.

It comes as a shock to be reminded that Freberg first plunged into advertising waters almost 33 years ago. His first effort and first success was a radio commercial for Contadina tomato paste. The line that captured the public was "Who puts eight great tomatoes in that little bitty can?" Freberg sang the jingle himself and the name Contadina was mentioned almost as an afterthought at the end of the commercial.

Weak clones. Everybody who heard it hated the commercial before it was aired, except Howard Gossage, the well-known adman who brought Freberg and Contadina together, and, fortunately, the president of the company. Needless to say, it was a tremendous success. Freberg says in his book, however: "In today's broadcasting environment we seem to be up to our ears in 'funny' radio commercials, most of which miss the mark by poor writing and pitiful production."

Freberg prides himself on telling the "truth" in his commercials. This often meant taking a negative and turning it into a positive. Case in point: Butter-Nut coffee, which the vice president of marketing admitted to Freberg was the last brand in America to come out with an instant. "It's been five years since instant hit the market," he said. Naturally, Freberg keyed the whole radio campaign to the line, "Five years isn't exactly instant." The client eventually said O.K., and within three weeks the company had so many orders that their packing machinery couldn't keep up.

There may be a lesson in all this. But one thing seems clear. Freberg is one of a kind. He just happens to have the knack. May there be many more like him. Radio needs the mavericks.

Sy J. Paul

Three-way tug-of-war develops as TV networks address HDTV

The high definition TV standards issue continues to heat up, with the networks each taking a different tack. This occurred despite another—and significant—vote of support for the Japanese-developed 1,125-line/60 Hz system and the attempt, at a meeting of a panel of the International Radio Consultative Committee (CCIR), to develop a compromise solution to an international HDTV production standard. CBS remains strongly committed to the Japanese system for an international production standard, NBC feels the compromise proposed at the CCIR meeting should be given a chance, while ABC thinks more effort should be paid to enhancing the existing NTSC signal.

Early this month, the Board of Standards Review of the American National Standards Institute approved 1125/60 as a TV production standard for the U.S. The Japanese system has already been adopted as a standard by the Society of Motion Picture and Television Engineers and the Advanced Television Systems Committee.

Strong opposition. Nevertheless, it is strongly opposed by Capital Cities/ABC, which has appealed the ANSI decision. Julius Barnathan, president of Broadcast Operations and Engineering for CapCities/ABC, argues this is not yet the time to settle on an HDTV standard. With the U.S. still to choose a transmission standard, he says, the transmission and production standards should be related.

Barnathan insists that digital TV is "right around the corner" and that the U.S. should wait for further developments in that domain. Referring to the Japanese format, already in use, he stated, "I don't believe in a 20-year-old analog system."

Barnathan's first choice to step up to HDTV is 525 lines with progressive scan, and his second is 1,050 lines/59.94 Hz, with interlaced scan, developed by NBC and the David Sarnoff Research Center. Barnathan believes there is a significance in the choice between the field rates of 60 and 59.94 Hz, particularly for live TV. He wants to see more emphasis placed upon such enhancements of NTSC as the Faroudja labs processing equipment, noise reducers and interference cancellers.

One of the proposals coming out of the CCIR meeting in January was for a "common image format," which refers to a fixed number of scanning lines. NBC supports looking into the idea, which is not new, while accepting the existence of different frame rates. At the same time, Michael Sherlock, president of operations and technical services at NBC, says the company stands behind 1050 at the "ideal" for a U.S. production standard.

Doomed concept? Sherlock believes a single international standard is doomed. As to the common image format, he declares that it "implies the coexistence of parameters" at 1,250/59.94 and 1,250/50. Sherlock was impressed at the "phenomenal amount of work" that's been done on the 1250/50 format via the European Eureka consortium.

"Let's face it," he says. "There are different electrical systems in different countries. Let's agree to disagree." But he admits that the different frame rates are still the biggest headache and that adopting 1,250 as a standard would present problems for the U.S.

CBS has been a consistent supporter of the 1125/60 format. Joseph Flaherty, vice president and general manager, engineering and development, says that to attack it now is like voicing a self-fulfilling prophecy. A single international standard is important to the U.S. because it has a big interest in program exports, he stresses. He also points out that 1125/60 has the "vast majority" of support in the U.S. and Canada, while no other system is close.—**Al Jaffe**

Three markets to launch Arbitron people meters

Three markets have been chosen to launch Arbitron's local people meter service, which will be combined with product purchase information recorded by electronic scanners in sample households. The three markets are St. Louis, Sacramento and Minneapolis. All three will be wired during the last quarter of 1990. Local measurement will be identical to the ScanAmerica setup now operating in Denver. However, the ScanAmerica label will be attached to Arbitron's upcoming national people-meter-plus-product-purchase service, not to the local service.

The Arbitron national people meter service will debut at the end of this year with 1,000 sample households spread over five markets—New York, Los Angeles, Chicago, Dallas and Atlanta. But there will be no local measurement reports from these markets. The national rollout schedule calls for 2,600 households by the end of 1990, 4,100 by the end of 1991 and 5,000 by the end of 1992.

Music license issues anticipated

Dick Harris, new board chairman of the All-Industry Radio Music Licensing Committee, says he wants to avoid contentious negotiations with ASCAP and BMI when negotiating new licensing agreements. The ASCAP agreement expires at the end of next year and the BMI pact at the end of 1991.

Harris, who is Group W Radio chairman, also reports that Robert Fox, chairman of the KVEN (Ventura, Calif.) Broadcasting Corp., and John Dille III, president, Federated Media, have agreed to serve as chairman of the committee's Fundraising Committee and Research Committee, respectively. Fox and Dille had just been named to the board along with three others: Arthur Carlson, senior vice president, Susquehanna Broadcast Co.; David Hicks, president, Hicks Broadcast Corp., and Jerry Lyman, president, RKO Radio.

Being feminine precludes nothing.

Be a belle.

Be a boss.

Be there for him.

Prove: Air in the 'do doesn't mean air in the head.

Avoid labels.

Except on canned goods.

Be color blind.

Except when buying evening wear.

Trust intuition.

Whistle Dixie.

Remember: "Single" isn't a dirty word.

Make peace with your biological clock.

When happy, play Elvis.

When depressed, play Elvis.

Whenever, play Elvis.

Acknowledge your roots.

Grow beyond them.

When advantageous, blame PMS.

Tolerate Yankees.

Go for biscuits, fried chicken, okra, black bottom pie and iced tea with real sugar.

Diet tomorrow.

Size up the situation.

Smile demurely.

Flutter your lashes.

Sigh sweetly.

Then nail the sucker to the wall.

Recommend Designing Women.

NYU explodes at TV news for avoiding nuclear war issue

With the threat of nuclear war having received barely an hour of evening news coverage all told from 1982 through 1986, the Center for War, Peace and the News Media at New York University maintains that the TV networks are avoiding that issue as politically divisive and frightening to its viewers.

The threat of nuclear war *received barely an hour of evening news coverage on the TV networks from 1982 through 1986, says a New York University report.*

The Center's David Rubin and Constance Cummings, who published their views in the University of Pennsylvania's latest issue of *The Journal of Communication*, contend that what coverage there was appeared "fatalistic, overly respectful of government, visually unimaginative and politically neutralized."

In the article, titled "Nuclear War and Its Consequences on Television News," the authors state that the networks' news departments could have used "three major news events" as pegs for such stories in that time span but did not. Those events were: espousal of the "nuclear winter" theory by scientist Carl Sagan in fall '83; *The Day After*, a TV movie that ABC aired in fall '83; and discussion by the Reagan Administration on fighting and winning a limited nuclear clash.

'Television journalists. . . seem to believe that viewers cannot endure more debates about the bomb," the authors assert. None of the evening newscasts ran interviews with opposing scientists on the validity of Sagan's theory, for example, and *The Day After* coverage centered on the media event rather than on how to prevent a real nuclear war, they add.

The networks also seemed unwilling to question the Reagan Administration's nuclear policy. "Given the permanent presence of nuclear weapons," Rubin and Cummings write, "the networks have no desire to politicize their existence or encourage inquiry into how they might actually be used in war-fighting."

Another factor in TV's seeming avoidance of such stories, they add, may be that "it is essentially a 'tell'—rather than a visual—story." Most of the visuals available, such as 1940s footage of the bombing of Hiroshima and Nagasaki, are "no longer evocative to the American public," they observe.

Nuclear war, meanwhile, continues to serve as grist for the non-news media. Besides ABC's January rerun of *The Day After*, PBS is airing *War and Peace in the Nuclear Age*, a weekly series from Jan. 23 through April 17 and CBS will show *Day One* as an *AT&T Presents* movie drama about the creation of the atomic bomb.

Life in Russia attracts 4 TV stations; Vietnam, 1

No fewer than four TV stations in recent days filed news reports on life in the Soviet Union—WVIT-TV West Hartford, Conn.; WCVB-TV Boston; WCBS-TV New York; and KRON-TV San Francisco.

The three latter outlets were partners in a joint study dubbed "Project Understanding," which also involved two newspapers—the *New York Daily News* and *The Detroit Free Press*.

Those companies funded a public opinion poll of 3,800, including 1,000 Muscovites and the rest Americans. The surveying was done by Marttila & Kiley, Boston, and Market Opinion Research of New York and Detroit. Marttila & Kiley did research work for Michael Dukakis' presidential campaign, while the other researcher worked for George Bush.

Journalists from the four U.S. cities covered the project in Moscow and reported the results in six parts, from Jan. 23 through Feb. 3. In the study, Americans and Soviets were asked about their daily lives, politics and their views on various world and social issues.

Vietnam visited, too. Meanwhile in Connecticut, WVIT news anchor Anthony Everett reported in a seven-part series Jan. 30 through Feb. 3 on life not only in Russia but in Vietnam.

"A Progress Report on *Perestroika*" aired Jan. 30 and 31 on the station's early and late news. Joining a group of Connecticut businessmen and clergy who sought to form sports and trade links, Everett and news photographer Lionel Jardine visited a sporting goods factory, the Olympic Veladrome and a Moscow hospital treating dozens of children hurt in the Armenian earthquake.

WVIT scored earlier inside-Russia coups in July 1987 and fall 1988, says Mildred McNeill, WVIT's vice president of news and public affairs. That report was followed Feb. 1–3 by "Inside Vietnam: A Status Report," with Everett and Jardine looking at that nation's economy and attempts to account for 1,800 U.S. MIA's.

BBC distribution plans in U.S. focus more on Big 3 nets vs. syndie

Plans to expand distribution of BBC product in the U.S. are being directed more toward both broadcast and cable networks and less toward syndication, according to Jack Masters, who became president and CEO of BBC Lionheart last Nov. 1 and relocated headquarters from Los Angeles to New York.

In an interview with TV/RADIO AGE, Masters says of previous efforts to expand aggressively through syndication, "Some of my predecessors have tried to put the square peg in the round hole. But our product flow is not as well suited to syndication. Independent station viewers are more downscale."

Masters most recently was vice president, national television sales at The Samuel Goldwyn Co. BBC acquired Lionheart, which had been an independent distributor of its product, in April 1986. Masters says the company's distribution currently is about 50% to public TV stations, 30% to cable networks and 20% to broadcast networks and stations.

Network coproduction. Coproductions with the broadcast networks have become a major thrust, and, although the company is "trying to form a mechanism to coproduce with all three networks," CBS has shown the most interest to date, Masters reports. He says BBC is starting to exchange scripts with CBS.

Part of the motivation for moving the flag to New York was being close to the cable and broadcast network corporate offices and also being close to the advertising community. The latter comes into the picture because Masters sees advertisers becoming increasingly involved in production—for example, when Bristol Myers approached CBS with the idea of running periodic *People* magazine specials.

Recently Lionheart completed a coproduction deal with ABC/Kane, going through producer Dennis Kane, formerly with National Geographic, who has a deal to provide the network with travel/adventure specials. BBC's previous dealings with CBS included sale of *Top of the Pops* for 26 weeks ending in February 1988.

Syndication in the U.S. has included the miniseries *Edge of Darkness* and specials *Mafia Wars* and *Cut Rate Care*, the latter about the American daycare system. But

Jack Masters

a major concern in syndication, along with appropriateness of the medium, is that "the syndication marketplace is very unhealthy, and our chances in making improvements are more in network and cable."

Cable outlook. While BBC product is being used by such cable networks as Arts & Entertainment, Bravo and The Discovery Channel, A&E, through a longterm agreement with BBC, has the lion's share of the product for cable. But there isn't total security there, with the agreement expiring in three years.

What happens next, Masters speculates, depends on who is selected to succeed Andy Orgel, who resigned as A&E programming vice president three months ago.

The company's relationship with Bravo also could change, considering reports that Bravo may shift from a pay to a basic service. As a pay service, it's currently entitled to an earlier window, but it goes basic, with only about 1.5 million subscribers, Masters notes, it would have difficulty competing with the larger scale networks for product.—**Ed Rosenthal**

Birch to allow raw data access through others

The standing of Birch/Scarborough Research Corp. in the radio audience measurement world has been given a boost recently by two developments.

It has broken a broadcast industry tradition by providing client access to raw data through third-party enhancers. And it has received accreditation from the Electronic Media Ratings Council for its radio Quarterly Summary Reports.

The third-party enhancers are Strata Marketing and Tapscan Inc. Birch/Scarborough chairman Tom Birch says the two companies already have 80–90% of all PC installations of data enhancement software for radio. The pair have entered into separate agreements with B/S and will be announcing specific development plans shortly.

B/S has already authorized third party data enhancers to develop and market software programs which use B/S multi-media data. It has now added Birch Radio data to that policy.

Marketing plans. Both Strata and Tapscan will be marketing systems to B/S radio station clients, while the latter will also be marketing systems to B/S TV station clients.

Though turning over the job of accessing and massaging raw respondent data to third parties—unlike, for example, Arbitron and its AID service, which uses Arbitron's own software—B/S derives many advantages, Birch explains. "We will get powerful software that emphasizes our proprietary service benefits."

Birch notes that while third party enhancers provide service to Arbitron and Nielsen subscribers, they enhance already processed, not raw respondent, data.

Regarding the EMRC accreditation, Bill Livek, president/COO of Birch Radio, states that while it does not pass judgment on the accuracy and reliability of the Birch methodology, "it does assure our subscribers that uniform procedures are followed and that full disclosures are made with respect to our methodological procedures."

Sidelights

Univision polishes news product for increased menu of offerings

Univision is promising more polished programming for its Hispanic viewers and the resources its programming staff needs to make it happen. The news operation's piece of the action will include a new weekly news magazine, *En Portada* (*Cover Story*), scheduled for Monday nights, 10:30 to 11 p.m., and new nightly local late newscasts from 10 to 10:30 p.m. on six of Univision's eight owned stations—or nine, counting Phoenix, still going through the acquisition mill.

Univision's Miami station, WLTV(TV), has produced its own late local news for years, and KMEX-TV Los Angeles kicked off its late newscast on Jan. 23. On the way are local late newscasts on Univision's owned stations in New York, San Antonio, San Francisco, Albuquerque and Fresno.

Univision vice president, news director Guillermo Martinez says that on top of his regular national 6:30 p.m. evening news, the network will now also be providing five minutes of national and international news feeds for these owned stations' late nightly newscasts.

Hitting the road. Martinez also calls 1989 "the year Univision News will hit the road in a systematic way, to originate from where the news is happening." He fields 12 staff correspondents plus six stringers—"18 people covering the U.S. and Latin America. During inauguration week, we had one of our anchors broadcasting from Washington. We originated from New York the week following the inauguration. On Feb. 13 one co-anchor broadcast from Chicago. And later in the year we'll be doing our early evening national news from Miami, San Antonio, Dallas, Los Angeles and Albuquerque."

He adds that this spring, when national elections are scheduled for El Salvador, Panama and Argentina, Univision anchors will be broadcasting from each of these countries via satellite.

Guillermo Martinez

Martinez describes *En Portado*, Univision's new Monday evening magazine show hosted by Teresa Rodriguez, as "a cross between *60 Minutes* and *20/20*. We'll have some investigative pieces, some profiles, pieces on health and a consumer-oriented segment. For instance, we're planning a story on how to hire an immigration lawyer. How do we make sure he's a good one? How do we make sure we get our money's worth?"

—**George Swisshelm**

Cable TV mergers scored in study

Cable mergers have reached the point where they require significant antitrust scrutiny, according to an article in the fall 1988 issue of *The Journal of Media Economics*. Titled "Antitrust and Horizontal Mergers in the Cable Industry," the article points out that the top four MSOs now service 27.6% of all cable subscribers and that the top eight serve 39.4%.

Authors Barry R. Litman, professor in the Department of Telecommunications at Michigan State University, and Sylvia Chan-Olmsted, doctoral student there, argue that the increasing concentration has led to coercive practices and integration into program production and distribution.

Medialink: VNRs booming in '88; Drexel's lead pack

The Medialink-distributed video news release with the largest viewing audience last year was Drexel Burnham Lambert's December agreement with the U.S. government regarding securities law violations.

According to Laurence Moskowitz, president of Video Broadcasting Corp., New York, which operates Medialink, that VNR was seen by about 80 million people. The VNR, including a statement by Drexel CEO Frederick Joseph on its $650 million settlement with the federal government, was picked up not only by the Big 3 TV networks' evening newscasts and various local stations but by CNN, FNN, INN, ESPN and various syndicated business programs.

The Medialink audience estimate was reached by using Nielsen data as well as direct mail response from stations and other news monitoring sources, Moskowitz notes.

Jobs also hot. A VNR on Steve Jobs' NeXT Computer Systems, timed for TV and cable release the same day as its press conference, had been Medialink's top VNR of 1988 until Drexel's Dec. 22 release. The NeXT report drew an estimated 68 million viewers, Medialink says.

Medialink, which distributed about 800 VNRs in 1988, says its top five also included: Honda's on shipping Accord cars made in the U.S. to the Japanese market (59 million); Walt Disney Co.'s first Disney Film Festival in Russia (nearly 57 million); and Nutra-Sweet's new fat substitute, Simplesse (56 million viewers).

Rounding out its top 10, Medialink notes, were VNRs for the League of Women Voters (on its withdrawal from sponsorship of the Bush-Dukakis debates); U.S. Department of Justice (on a major international drug bust); Sea World (on the birth of Baby Shamu); Disneyland Wham O (on a hula hoop competition); and National Wildlife Federation (on a test of U.S. drinking water).

TV Business Barometer

December local gain came to 5.0%

December was not a great month for local TV business, but at least it was better than spot, which registered a decline for the month (see *TV Business Barometer* in the Feb. 6 issue).

Local billings for the final month of 1988 were up 5.0%, which is the smallest percentage growth for local for any month last year. This compares with a decline of 3.6% in national/regional spot.

Volume of December local business came to $491.3 million, up from $467.9 million in '87. It was the second month in '88 in which local billings topped those of spot. The latter's December figure was $445.8 million, down from $462.4 million the year before.

Local also topped spot time sales in October by an estimated $182.9 million, putting local ahead of spot for the year-to-date for the first time in the history of TV, except perhaps for the very early years. Local's cumulative lead continued in November, even though spot time sales for the month were larger than those of local.

With the year's end, total local time sales were up 9.0% to $6,123.9 million, more than half a billion dollars over '87's total, $5,616.0 million. This compares with the annual spot advance of 4.4% to $6,040.0 million, up about a quarter of a billion dollars over the '87 total, which came to $5,784.3 million.

The smaller stations generally did better than the mid-sized and larger stations in December local billings. In fact, December was the eighth month last year that the under-$7 million bracket was first in percentage growth.

For the final quarter, local time sales were up 8.5% to $1,782.0 million. The second half was up 9.2% to $3,320.4 million.

Network compensation was down in December for the fifth consecutive month and for the seventh time in '88. The decline was 3.0% and the station portion of network revenues came to $42.4 million.

Total picture

That brought the total for the year to $457.2 million, down 0.8% from $460.8 million in '87. For the fourth quarter, network comp came to $113.8 million, a drop of 2.1% from '87.

The total business picture for TV stations in December—a combination of spot and local time sales plus network comp—shows a total of $979.5 million, up 0.6% over '87.

The grand total for the year came to $12,621.1 million, an increase of 6.4% from the preceding year. The local share amounted to 48.5, spot's cut was 47.9 and that of network comp was down to 3.6.

Prospects for this year, according to McCann-Erickson's Robert Coen, are for a 5.6% increase in national spot and a 6.7% rise in local TV business.

December

Local business + 5.0%

(*millions*)

1987: $467.9 **1988: $491.3**

Changes by annual station revenue

Under $7 million	+15.9%
$7–15 million	+ 6.7%
$15 million up	+ 3.1%

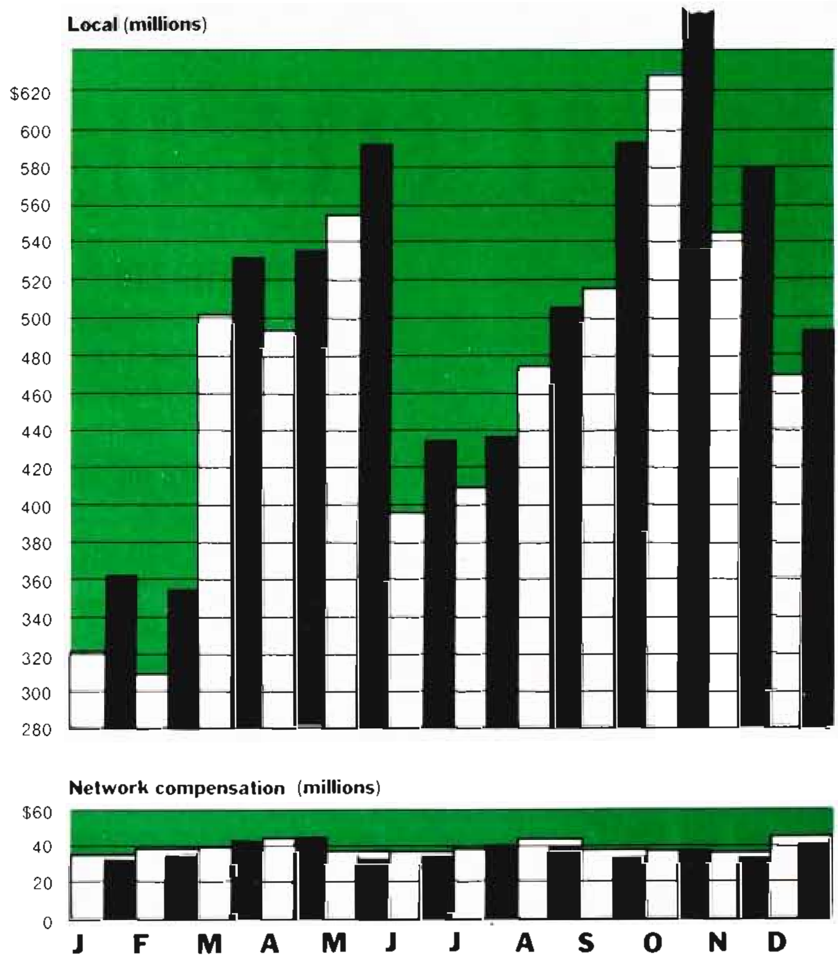
Network compensation −3.0%

(*millions*)

1987: $43.7 **1988: $42.4**

Changes by annual station revenue

Under $7 million	−2.2%
$7–15 million	+4.6%
$15 million up	−5.8%



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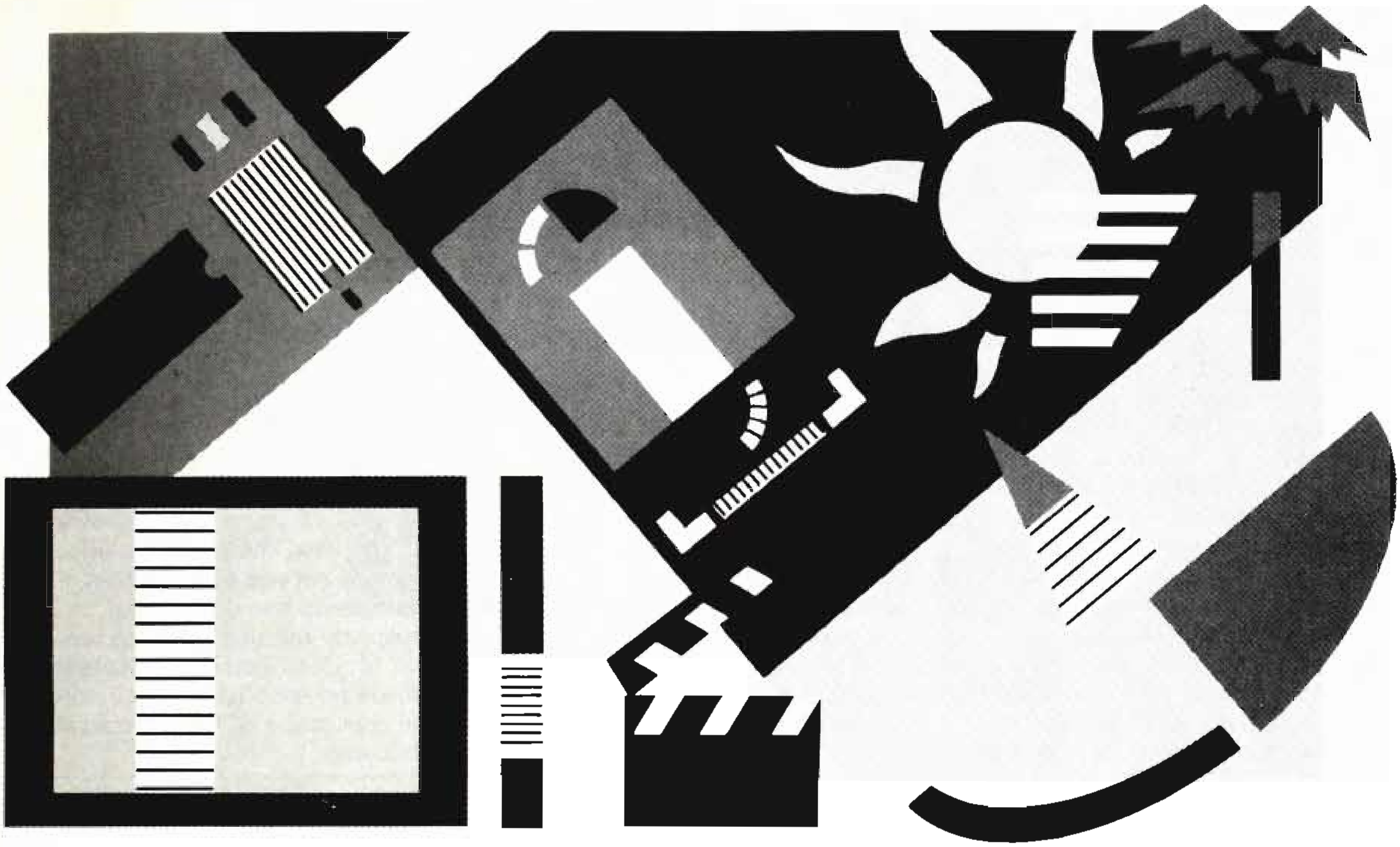

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PALAIS DES FESTIVALS · CANNES

21-26 APRIL 1989

Astra gets the attention, but Eutelsat not playing dead

While almost all attention in Europe is focused on what's happening on Astra, the pan-European direct broadcast satellite, the other major provider of satellite television signals, Eutelsat, continues to serve notice it's not rolling over and playing dead.

Eutelsat, the European Telecommunications Satellite Organization, a consortium of 26 European member states, in general the state-owned telecommunication agencies, says it has firm orders for 49 transponders on its next four Eutelsat II satellites. The new generation of satellites will replace Eutelsat I and be launched at six month intervals starting early next year. A fifth Eutelsat II satellite is expected to be approved by the organization when it meets later this month.

It's expected 32 of the 49 transponders on Eutelsat will be used for television.

Broadcast use. Although transponders on Eutelsat are used for other transmission purposes in addition to television, a spokesperson tells TV/RADIO AGE she anticipates that 32 of the 49 transponders on the medium powered satellites will be used for television.

Until Astra was launched, Eutelsat I clearly was the "hot" bird, as its signals can be picked up by cable operators throughout Europe. Observers point out that despite the all the talk about Astra, for all practical purposes, Eutelsat I still is delivering pictures to 14 million homes, whereas Astra signals currently only can be received by a relative handful of viewers.

Included among Eutelsat clients are Sky Television and the Dutch movie channel, FilmNet, both concurrently on Astra. Although Rupert Murdoch, has said that Sky will only remain on Eutelsat for six months, the Eutelsat spokesperson says that Eutelsat has not received any notification that Sky intends to relinquish its transponder. She added that Sky and FilmNet, along with all other Eutelsat I clients have an automatic option to shift to the new bird, subject to contractual arrangements with the PTTs within their own countries.

She also predicts that Sky would probably continue broadcasting on Eutelsat well beyond the six month period of which Murdoch spoke, commenting that he was welcome to extend his lease as long as he wished. FilmNet has never made any specific comment on its future intentions, but experts observe it is obvious that transmitting on two satellites is an extremely expensive undertaking. Twenty-one program providers currently share 13 transponders on Eutelsat I.

Subleases planned. British Telecom, which leases 11 of Astra's 16 transponders, also has contracted the greatest number of transponders on the four Eutelsat II satellites. BT has taken 11, followed by the French PTT, which has leased eight and Spain, which has taken seven. They and the other PTTs, which have given Eutelsat unrefundable deposits to cover their order, will attempt to sublease the transponders to clients within their own countries.

It perhaps is somewhat ironic that one of the first broadcasting organizations to sign up for a transponder was the British Satellite Broadcasting subsidiary, Datavision, which will use it for private closed user group television services. Datavision initially will transmit on the BSB direct broadcast satellite, scheduled for launching late this summer, but because of anticipated heavy television requirements on the BSB bird, it will shift to Eutelsat II in 1991.

Swedish TV acquires British look at opium

Swedish Television has purchased the film *Lord of the Golden Triangle*, an in-depth look at Burma's opium industry. The one hour documentary, which concentrates on the activities of Khun Sa, known as the Lord of the Golden Triangle, is narrated by Andrew Drummond, a reporter for the U.K. Sunday newspaper, *The Observer*. It has been coproduced by Observer Films and Granada Television, which also has distribution rights.

Crews were permitted complete access to Khun Sa's administrative headquarters, located in an area of Burma which officials calculate produces 65% of the world's annual supply of heroin.

Granada International also has sold its 90-minute movie, *Dead Man Out*, to the Barcelona based, Andromeda Films for immediate video release in Spain. The film, which will be broadcast on HBO on March 12, is set on Death Row in a U.S. prison. It deals with the ironic attempt of a pyschiatrist to get a prisoner, who seems to have gone insane, well enough to be executed.

Budapest shooting on WWII miniseries

Shooting was shortly set to begin in Budapest on the eight-hour miniseries, *The Nightmare Years*, based on war correspondent William L. Shirer's best seller. The story for the television production was written by Bob Woodward and Christian Williams.

The program, which will be shown on Turner Network Television in September to commemorate the 50th anniversary of World War II, is a TNT/Consolidated Productions coproduction. Although a third partner is expected to be named shortly, Consolidated, which has worldwide distribution rights outside the U.S., would not comment on the matter.

The production stars Sam Waterston as Shirer and Marthe Keller as Mrs. Shirer.

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LBS turns eyes to Europe for longform programming

LBS is looking to Europe for help in adding some longer programming forms to its catalog. "We hope to become involved in the production of miniseries and dramatic series," declares Gary Wald, who recently joined the organization, replacing international vice president Mark Mascarenhas.

Wald tells TV/RADIO AGE that he believes there is considerable scope for bringing European ideas to life in the U.S. Generally speaking, he says, until now coproductions involving U.S. partners usually resulted from Americans with projects seeking European participation, adding, "There are now opportunities the other way around." He also feels that LBS' ability to guarantee U.S. airing would be an added incentive for Europeans to work with LBS.

At Monte Carlo. On other matters, Wald said he hoped to close some international deals on LBS' three 1989 live two-hour shows while at Monte Carlo. This may turn out to be more difficult than it appears on the surface, however. It is reasonably well known that RAI, which broadcast one of the 1988 programs, *The Mystery of the Pyramids*, the day after the program aired in the U.S., was far less successful than expected.

Wald, therefore, may be in the position of having to try to persuade potential buyers that the quality of this year's events will be better and that they will attract a larger slice of the audience in European countries than *Pyramids* did last year in Italy.

"LBS," he comments, "has staked its claim on the premise that we can commercially deliver live event specials." He explains that the company has every intention of continuing to expand in the field and that he is entrusted with the responsibility of seeing that the programs get good foreign exposure.

Although he admits that LBS only had a modicum of success in Europe with the 1988 live specials, he says he is confident that the three this year will attract a great deal of attention. In fairness, while the RAI experience certainly may generate some negative reaction, on the positive side in Wald's favor, one of this year's programs, *Hunt for Stolen War Treasure*, has both a European starting point and British anchor. Hosted by Michael York, the April program will delve into the question of what happened to all the priceless loot the Nazis stole during World War II.

Eurosport losing Euro support?

There is a growing feeling that Rupert Murdoch's Eurosport channel may have to go it alone, without the direct participation of many of Europe's state broadcasters.

Under the present arrangement, in simple terms, the European broadcasters were to provide the programming and Murdoch the transponder to air more complete coverage of events already owned by individual state broadcasters. Unless some formula is devised to satisfy the European Commisson about the potential of restrictive competitive practices, however, it appears as if the consortium will be dissolved.

Some time ago when plans for the consortium were first announced, a competing sports channel, ScreenSport, partly owned by ESPN, complained to the European commission about its inaccessibility to events licensed by the state broadcasters, all members of the European Broadcasting Union. The Commission subsequently agreed that it was a problem. Now all consortium members have received a telex from EBU president, Professor Albert Scharf, telling them that the Commission is about to order them to tear up their deals with Murdoch.

While a compromise which would avoid the restrictive practices charges still is quite possible, it is anyone's guess whether one will be

Bryan Cowgill

effected. Nevertheless, Murdoch remains as bullish as ever. He declares that Eurosport will go ahead, with or without the state broadcasters in the consortium.

Exactly what Eurosport will program in that event, seems less certain. In the meantime, things are beginning to fall into place for the third competitor in the battle for satellite sports viewers. Trans World International, which has a \$300 million, five-year contract to provide 13 hours of sports programming daily for British Satellite Broadcasting's sports channel, has appointed Bryan Cowgill to head its U.K. subsidiary, Champion Television Limited.

Cowgill, who has a sports background, is probably better known and widely respected internationally for his management skills.

BSB begins transmitting to the U.K. in September, presuming its direct broadcast satellite is successfully launched in August.

AC Christian format said continuing to grow

Television's evangelists may be having their scandals, suffering the twin scourges of coast-to-coast ridicule and dropping donations. But Joseph Battaglia, general manager of WWDJ Hackensack-New York, says TV's troubles haven't affected the growing popularity of contemporary Christian radio.

Battaglia reports 1,075 full time Christian stations in the U.S. offering a combination of music and ministry and that on 362 of those the musical beat is adult contemporary. And 60 to 65 of these 362 program AC Christian music for 80% of their broadcast day. Only two years ago, he estimates, there were only about half that many, or in the neighborhood of about 30 such stations. The artists they feature include names like Amy Grant, Petra and Deniece Williams, Sandy Patti and BeBe & CeCe Winans.

Joseph Battaglia

Battaglia points out that "Christian" is the one format "identified not by its musical style, but by the content of its lyrics. Besides contemporary Christian, there are also Christian formats that are country gospel, black gospel, and inspirational, which is close to light FM in terms of musical style. But in all cases the lyrics have a Christian theme of uplift, praise, or a call to good works. Our contemporary Christian artists perform titles like *Awesome God*, *Saved by Love*, and *Heaven*."

The demo, he adds ranges from 25 to 44: "The average contemporary Christian listener is a 34-year-old working woman, young mother or both. And our stations are not concentrated through the so-called Bible Belt but scattered more or less evenly across the whole country. There are contemporary Christian stations through the South and Texas, but we're also heard in California, Oregon, in Hartford, Conn. and on Long Island."

He says most of the stations enjoy "generally fair ratings, but in some markets, with a strong signal and good dial position, contemporary Christian will pull numbers right up there with the top secular stations." Battaglia says standouts in the numbers department include KCNS(FM) Seattle, KOJO(FM) Dallas-Fort Worth and KYNS(FM) Santa Ana, Calif.

Battaglia's view is that the format is growing both because the musical style is a favorite among the 25–44 age range and because the message of the lyrics "communicates to people's hearts in troubled times." It's also growing, he adds, "because it's professionally produced. The quality is up to what you hear on good secular stations. Many of our artists consider their music a kind of ministry, but it sounds like an AC radio station, not like a church. We use secular programming techniques, experienced professional announcers and contests and promotions, just like a lot of secular radio stations."

In fact, now contemporary Christian is syndicated. Just last month Brad Burkhart, son of Ken, and president of Brad Burkhart Christian Media, teamed up with Broadcast Programming to offer an adult contemporary Christian format. Burkhart says he applies mainstream radio techniques to "get the most out of contemporary Christian music and the format is flexible enough to allow local affiliates to shape their sound to their market while covering the spectrum from 'lite' to uptempo AC sounds."

And Edith Hilliard, general manager of Broadcast Programming, says Burkhart is also taking over the programming of her company's other Christian formats, *Sacred Sounds of Praise* and *Sacred Sounds of Gospel*.

And still another harbinger of the format's growth is that Battaglia, who also chairs the annual National Christian Radio Seminar, scheduled this year for April 9–13, reports attendance has grown 8 to 15% a year every year over the past five and now averages 250 to 300 broadcasters present.—**George Swisshelm**

Business News Broadcasting 'not going away, just lying low'

Like Mark Twain, rumors of the demise of Business News Broadcasting appear to be not only premature, but possibly prefabricated, perhaps by one of the many new competitors rushing into the business of reporting business news. In any event, someone whispered into the ear of *The Boston Globe* that Business News Broadcasting "has gone belly up" because it couldn't get sufficient financial backing.

BNB founder John Knowles says this story is upside down and backward. Knowles' version is that "We haven't given up the ghost by any stretch of our competitors' imagination. We are not going to go away. We have plenty of capital—enough to finance our startup for two years even if we get no revenue during that period. And we have a tremendous pool of experienced top talent lined up, ready to go."

Knowles says what BNB *is* doing, with four other competitors pushing their way into this field (not counting The Wall Street Journal Radio Network or *Marketplace* on public radio) is "lying low and stand-

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*ALF**
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SABAN THE SPARK OF INNOVATION

Radio Business Barometer

Webs rose 18.7% during December

December was not exactly a turnaround month for network radio, but it was the best month of the year in terms of growth over the corresponding month the year before. And the final quarter was, by far, the best quarter of the year.

The final month of the year jumped ahead of its '87 counterpart by 18.7%, according to the Radio Network Association. This bracketed the year with double-digit increases, since the only other monthly double-digit increase was January, which was up 11.1%. January was followed, however, by four down months before things picked up. But the second half of the year was much better than the first.

While the year ended up only 3.0% ahead, RNA president Peter Moore said that network radio business was better than it looked. "This year's 3% increase is not a true reflection of what has been going on. Since June we have been saying the market has been strong. In the second half of the year, network radio revenues without benefit of Olympic and political revenues are up 7%. We have been experiencing a tight market which shows no evidence of a slowdown in 1989. Much of this business is coming from current advertisers bringing in additional products. Also, a stable of new advertisers, who have discovered radio's values in targeting, frequency and cost efficiency."

December revenues for the RNA members reporting to Ernst & Whinney came to $35,071,342, as against $29,551,999 in December, '87. All the sales territories but New York scored double-digit increases, with an average rise of 35.6% outside of New York.

New York sales climbed 8.1% in December, reaching $19,665,967, compared with $18,194,620 the year before. This followed two down months during the quarter.

The best sales territory performance in December was turned in by Los Angeles, which was up 43.7% to $2,536,373 vs. $1,757,729 the year before. Chicago was up 34.1%, reaching $10,355,490, compared with $7,721,061 in '87. And Detroit rose a similar 34.3% to $2,523,512, as against $1,878,589 during '87's corresponding month.

Fourth quarter data: Network radio was up 10.5%; New York, down 3.8%; Chicago, up 27.3%; Detroit, up 88.7%; Los Angeles, up 27.6%.

Year's billings

Network radio billings for the full year came to $381,911,715. The year before the figure was $370,870,750. All sales territories were up except New York, which was off 4.4%, billing $222,556,918 vs. $232,829,843 during '87.

Detroit had the best '88 sales territory record, shooting up 43.5% to $27,860,290, compared with $19,411,897 in '87. Chicago increased billings 11.6%, rising from $94,649,578 to $105,637,213. And Los Angeles rose 7.8% for the year, climbing from $23,979,432 to $25,857,294.

December

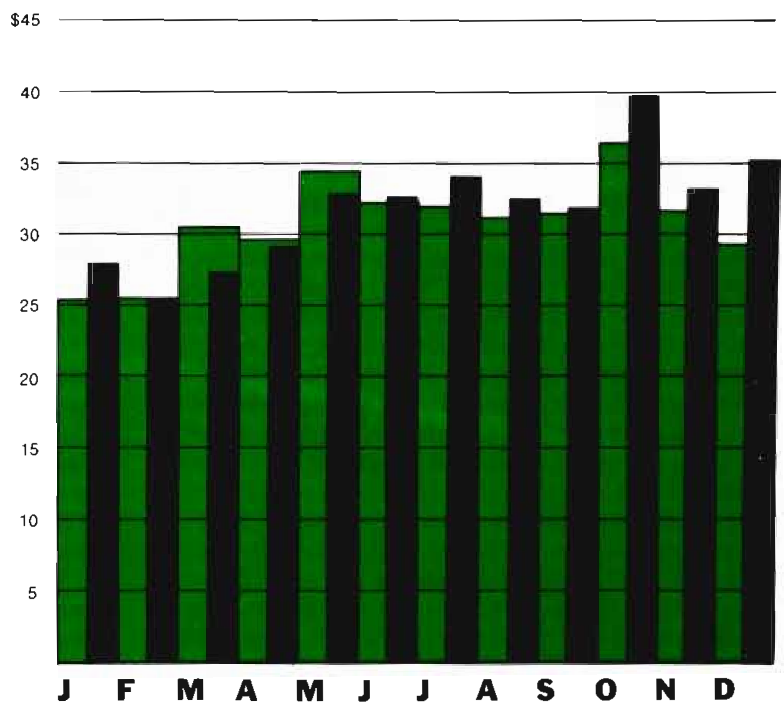
Network **+18.7%**

(millions) **1987: $29.6** **1988: $35.1**

Changes by territories

Territory	*Billings (000)*	*% chg. 88–87*
New York	$19,665,967	+8.1%
Chicago	10,355,490	+34.1
Detroit	2,523,512	+34.3
Los Angeles	2,526,373	+43.7

Source: Radio Network Association



ing aside until the four new guys fall on their faces."

Knowles is convinced all four will drop out "within 18 months at the latest. Then we'll come back in. Except for *The Wall Street Journal*, we'll have the field to ourselves."

The other four newcomers are Business Radio Network of Colorado Springs, K Money, AM Business and Financial Broadcasting Network (TV/RADIO AGE, Feb. 6), headed by former Gannett Radio and Torbet Radio chief Joe Dorton.

But Knowles insists radio business news "is not the field these newcomers think it is. We've researched it, and we know. This is narrowcasting to a very limited, very upscale audience, too small to produce ratings. It's a quality audience, not a big audience. It's not the big, homogenous middle with a couple of bucks in the market. And it's not the professional investors and traders. They get all the information they need talking to each other."

Then who is it? Says Knowles: "We know who our audience is *not* going to be and we know who it *will* be. But we aren't telling anyone who it is until the four new guys are out of the way. We're not going to do their research for them, even though one of them seems more than glad to do our PR for us—except they got all their facts upside down and backwards. I hope those are the kind of 'facts' they give out when they go on the air: They'll be out of business even sooner."

Meanwhile at Business Radio Network in Colorado Springs, marketing vice president Karen Faulkner says BRN, which already feeds business news and talk 24 hours a day to over 20 stations including outlets in Washington, D.C., Chicago, Denver, Houston and Cleveland, expects its radio affiliate list to "triple by mid-summer." She also says BRN has grown from only 10 employees last June to more than 50 as of Jan. 18. And general manager Dave Rose has replaced Michael Lowery as chief executive officer. Lowery has formed a separate company to own and operate some of the radio stations that will be carrying BRN programming.

Country broadcaster meet addresses the big & small

The agenda of the 20th annual Country Radio Seminar, presented by the Country Radio Broadcasters and kicking off March 1 at Nashville's Opryland Hotel and Convention Center, includes sessions on "Taming the Promotional Beast" and sales seminars for large markets and small: large measured markets that have ratings to flaunt and smaller markets, measured infrequently or not at all, where the selling is "mostly conceptual."

In both cases there's useful sales ammunition from the Arbitron study, *Country Music Audience . . . A New Look*, commissioned by the Country Music Association. Using the ClusterPlus market segmentation system developed by Donnelly Market Information Services, the survey found 40% of country listeners are in ClusterPlus lifestyle groups 1, 2, and 3, which add up to well-educated affluent professional families in both cities and suburbs.

The study also includes an analysis of Simmons findings indicating that country listeners index high in ownership of such items as microwave ovens and VCRs and in such financial categories as holders of MasterCard, Gold Visa Card and Discover Card.

Ed Benson, executive director of the Country Music Association, also points to *Megatrends*, authored by futurist John Nesbitt, who predicted growing popularity for country music and described it as "a high touch reaction to our forced high technology society."

Benson adds that it's that growing popularity that has created a market for 2,200 fulltime country radio stations, "up 92% since 1978."

As for that "promotional beast," Nancy Vaeth, general manager of WFMS(FM) Indianapolis, who organized this part of the Country Radio Seminar program, observes that although a country station with a 25-plus skew might not do exactly the same kind of promotions that younger skewing formats might dream up for the 12 to 24 crowd, "Promotions are an issue of growing concern to all formats because more advertisers are requesting them. There are only just so many you can do without cluttering your air to the point that you risk chasing your listeners down the dial to your competition."

NCAA basketball playoffs a CBS, Host team effort

When the first of 10 NCAA basketball playoffs tips off March 23, leading up to the final for the national collegiate crown April 3, coproducers CBS Radio and Host Communications of Lexington, Ky. expect the station lineup for their NCAA Radio Network to exceed 400 stations.

The 11 games, plus two call-in talk shows, *Selection Sunday* on March 12 and *The Eve of the Final Four*, scheduled for March 3, are available to affiliates on a barter basis with some spots presold and other avails open for local affiliate sale.

General manager Ben Osborne says national advertisers will include American Airlines, Buick, Coca-Cola, Gillette, Greyhound, National Car Rental, Pizza Hut and State Farm Insurance. Ad packages are built from a base rate that starts at $50,000 for one 30 in each of the 11 games plus the two call-in shows. A typical package might be $130,000 for two 30s in each game and in each of the two call-in shows, plus a full page, four-color print ad in the NCAA Tournament program, also handled by Host.

And while Host has rights to the games, the CBS Radio Network clears all its affiliates who want to carry the games, then Host takes over to clear other stations in those markets where the CBS affiliate passed.

Host also has rights to the Southeast Conference basketball tournament March 9–12 and was recently awarded the return of both radio and television rights to University of Kentucky basketball and football games. Host had these from 1974 to 1980.

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lion over the life of a 12-year contract or about $41.6 million per year.

MSG wrested the Yankee cable games from SportsChannel. Also adding to the overall increase of rights fees is that WPIX(TV) New York, flagship station for the Yanks for many years, added some 25–30 games this year but also has to shell out high dollars in doing so, understood to be in the $12 million range. This is close to double the amount it paid for the 52 or so games it wound up televising in 1988.

As to a breakdown of broadcast dollars for rights in 1989, local television and radio stations will pay about $102 million; NBC and ABC, in the last year of their six-year deal with MLB, are paying about $175 million; CBS Radio Network, about $8 million, in its last year of a five-year pact; and pay cable, pay-per-view and MSG will pay the rest, somewhere about $55 million.

Another contributing factor to the upward swing in TV license money in the local station sector is that three franchises have been shifted to different flagship stations this season, with new contracts driving up the rights dollars on each. The three new rights holders are WCGV-TV Milwaukee (from WVTV(TV)) for the Brewers; WCCO-TV Minnesota (from KMSP-TV) for the Twins; and KSTV(TV) Seattle (from KIRO-TV) for the Mariners. In Philadelphia, the Phillies games will air on WTXF-TV rather than on WTAF-TV, but this is because the station has changed hands and call letters.

It's understood that WCGV acquired the Brewers TV rights after WVTV(TV) refused to negotiate a new contract that would have included the Milwaukee Bucks in a package arrangement. Both deals are for three years beginning this season. This is confirmed by Mitchell Nye, general sales manager at WCGV, who notes that WVTV apparently felt it couldn't make any money with the Bucks "and didn't look at the overall picture.

But 1990 promises to be a banner year for broadcast rights for Major League Baseball. As has been reported, CBS has become the lone network wolf airing the diamond games in a four-year contract that will cost the network about $1.1 billion over the 1990 through 1993 seasons. CBS reportedly outbid other players including the other two networks and some cable heavies. The contract basically calls for CBS to broadcast a dozen regular season games plus the three "jewels": the All-Star Game, the League playoffs and the World Series.

On the cable-TV side, ESPN is taking its turn at the rights bat

Estimated baseball rights and TV-cable coverage for 1989

National League

	Originating TV/radio stations	Total broadcast/cable rights (000)	Telecasts H	Telecasts A	Rights holders TV, radio, pay-cable
Atlanta Braves	WTBS(TV) WSB	1,900	69	66	WTBS; Braves; no cable games
Chicago Cubs	WGN-TV WGN	3,200	81	69	WGN-TV; WGN; no cable games
Cincinnati Reds	WLWT(TV) WLW	3,250	5	42	WLWT(TV); Reds; no cable games
Houston Astros	KTXH(TV) KTRH	3,850	2	81	KTXH(TV); Astros; Home Sports Entertainment (76 home, 2 away)
L.A. Dodgers	KTTV(TV) KABC	4,100	0	50	KTTV(TV); Dodgers; Z Channel (35 home)
Montreal Expos	CBMT(English) CBFT(French) CBCF(English) CKAC(French)	3,600	8 English 16 French	7 20	Labatt Breweries; CBC-English; CBC-French; Telemedia (French radio); The Sports Network (40 away)
New York Mets	WWOR-TV WFAN	14,800	35	40	WWOR-TV; Mets; SportsChannel (75 games, split "evenly" between home and away)
Philadelphia Phillies	WTXF-TV WCAU	6,100	20	70	WTXF-TV; WCAU; PRISM (32 home, 7 away)
Pittsburgh Pirates	KDKA-TV KDKA	3,920	8	39	KDKA-TV; KDKA; Tele-Communications, Inc. (22 home, 36 away)
St. Louis Cardinals	KPLR-TV KMOX	3,700	1	57	KPLR; KMOX; Cecom Cable Associates (50 PPV home games)
San Francisco Giants	KTVU(TV) KNBR	2,850	3	47	KTVU; KNBR; Giants via GiantsVision (36 PPV home games)
San Diego Padres	KUSI(TV) KFMB	2,140	0	51	Padres; KFMB; Padres-CoxCable (41 PPV home games)

Television/RadioAge

February 20, 1989

Contributing to the upward swing in TV license fees is the shift of three franchises to different flagship stations.

Broadcasters with local franchises concerned with inroads by ESPN

Baseball rights in Major Leagues seen at $340 M

By ROBERT SOBEL

This coming season may be the calm before the storm for television station rights holders of Major League Baseball.

The 1989 season will not be unlike some of the most recent years: Rights for the MLB games will continue to escalate; sales at most TV stations will do well; and the number of games carried by regional cable entities will be somewhat stabilized. The one major difference this 1989 season will be the Madison Square Garden Network deal with MLB for the New York Yankees, which could be the warmup for things to come.

But this arrangement may be miniscule in comparison to the agreements reached for games beginning in 1990, when both the ESPN and CBS baseball pacts go into effect. The ESPN deal will be watched by franchise holders and is seen as especially critical. And, according to a TV/RADIO AGE poll of the local flagship stations, the outcome down the line could be a shutout against them.

Rights sweepstakes

Total broadcast rights from all sources for Major League Baseball this season are projected by TV/RADIO AGE as reaching a record-breaking $340 million, as compared to about $301 million for the 1988 baseball year, for an increase of 13%. Most of the increase has to do with the Madison Square Garden cable deal with The New York Yankees, for 75 games beginning this season. The tab to be picked up by the MSG Network is said to be between $475 million and $500 mil-

Dave Stewart pitches for Oakland A's

Estimated baseball rights and TV-cable coverage for 1989

American League

	Originating TV/radio stations	Total broadcast/ cable rights (000)	Telecasts H	Telecasts A	Rights holders TV, radio, pay-cable
Baltimore Orioles	WMAR-TV WBAL	3,800	6	41	WMAR-TV, WBAL, Home Team Sports (65 home, 25 away)
Boston Red Sox	WSBK-TV WPLM	5,100	37	38	WSBK-TV; WPLM (Campbell Communications); New England Sports Network (56 home, 37 away)
California Angels	KTLA(TV) KMPC	4,900	5	55	KTLA; KMPC; Z Channel (35 home)
Chicago White Sox	WFLD-TV WMAQ	3,500	10	60	WFLD; WMAQ; SportsVision (59 home, 16 away)
Cleveland Indians	WUAB(TV) WWWE	3,780	10	50	WUAB; WWWE; no cable games
Detroit Tigers	WDIV(TV) WJR	4,900	8	39	WDIV; WJR; Pro-Am Sports (55 home, 25 away)
Kansas City Royals	WDAF-TV WIBW	3,120	0	52	WDAF-TV; WIBW (Stauffer Communications); no cable games
Milwaukee Brewers	WCGV-TV WTMJ	2,300	0	6	WCGV-TV; Brewers; no cable games
Minnesota Twins	WCCO WCCO	3,360	4	71	WCCO-TV; WCCO; no cable games
New York Yankees	WPIX(TV) WABC	55,000	40	35	WPIX; WABC; Madison Square Garden Network (75 games)
Oakland A's	KPIX(TV)* KSFO	2,780	0	51	KPIX; Oakland A's; no cable games
Seattle Mariners	KSTV(TV) KIRO	2,200	0	74	KSTV; KIRO; no cable games
Texas Rangers	KTVT(TV) WBAP	3,900	0	60	KTVT; WBAP; Home Sports Entertainment (60 home)
Toronto Bluejays	CFTO CVCI	4,870	19	16	Labatt Breweries, CTV; Telemedia Broadcast Services; The Sports Network (40 away)

* *KPIX(TV) farms out 22–25 games to KICU-TV San Jose.*

night for Major League Baseball, says O'Brien. The night is generally the beginning or the end of an important game in a series. "That's terribly damaging to the local TV broadcaster, who can't air the game."

O'Brien emphasizes that he has talked to a number of executives whose stations carry baseball and has found that "no one is happy with the ESPN deal." Furthermore, he states, he believes the damage being done by such arrangements is irreparable. "When you damage the vitality of the local broadcasts of the team, you are damaging the single greatest public relations exposure that they have," to say nothing of the attractiveness of the games and the profitably that is damaged as well.

Another baseball broadcaster, Ted Koplar, president of KPLR-TV, St. Louis Cardinals flagship station, is concerned about the ESPN pact with MLB, calling it "unhealthy for baseball, broadcasters and the advertisers," unlike the CBS arrangement, which he considers to be upbeat for all parties. Koplar continues that the ESPN deal could potentially dilute baseball viewing, cause a possible erosion of games on the local level and dilute franchise advertising revenues.

He adds that especially critical for the local franchise will be how well the team is doing on the field. "If a team is out of the race in mid-July and there is a competitive game between contenders going on in cable, the cable game could hurt the on-air audiences." Also, Koplar notes, such a game could hurt attendance as well because viewers may prefer to watch the cable game rather than go to the ballpark to watch a noncompetitive match. "Thank God, I'm in a market with a strong baseball franchise," he interjects.

Koplar is especially concerned about the threat which may come from ESPN on the ad revenue side because the franchise has a regional network that reaches about five different states: "If ESPN does the same game that I'm doing as part of the network, there would be a conflict, with advertising potential suffering from it as well as viewership."

He adds that such deals as ESPN's can shake the very foundawith a four-year deal, beginning in the 1990 season, costing the cable network some $400 million. Total regular season games to be aired each season are 175. Bidders were said to have included the USA Network, TNT and Sportschannel America. Most of the ESPN single games will be shown on Sunday, Tuesday and Wednesday nights on an exclusive basis, and doubleheaders are scheduled for Tuesday and Friday.

International, radio rights

Also up for grabs beginning with the 1990 diamond season are the international TV rights and radio network rights. Under the MLB pact with CBS, MLB retains the TV international rights. Previously, overseas rights were part of the NBC and ABC pacts with MLB, although it sold a few baseball contests to the overseas market.

It's noted that CBS is making a play for the overseas TV rights, and other players are in the picture as well. According to Bryan Burns, senior vice president of broadcasting at MLB, "Multiple players are interested in the overseas rights—over a dozen. These are people who want to be packagers for our international rights either for some areas or for all around the world."

On the radio side, the CBS deal concludes at the end of the year, and Burns says he is currently in negotiations on a new contract with CBS Radio, and "we are talking with everyone else in the radio business to measure the market. I expect to do something about the rights in the next few weeks."

Just how much of an increase in baseball advertising CBS will seek in 1990 is hard to determine. One rumor has it that the network will look to double the rate-card price on both the regular season, postseason games and the All-Star game. However, this is held as very unlikely, and speculation is that CBS will look to an increase around 8–9%. At Campbell-Mithun-Esty, Tom Winner, executive vice president, director of media, sees CBS looking for a high single-digit increase, based on the final rates obtained by NBC and ABC this coming season.

Winner points out that while it may be necessary for CBS to ask advertisers for a twofold increase in rate dollars to keep up with the rights' cost, CBS has denied it expects to go that route. Also, he says, "it's difficult for people to agree that because the network paid a lot for a property that it should be passed down. The sponsors aren't used to having to pay much more than they have been paying, particularly the beers, the cars and the franchise people.

"If you raise your price to double or increase it by even 30%, that's a huge amount of money for someone who perhaps is spending a couple of million dollars to get a franchise position."

As to ad rates being charged by the two networks carrying Major League Baseball this coming season, neither ABC nor NBC were willing to quote prices. However, one agency source says NBC's rate card price for the second quarter is $47,000 per 30, and $30,000 for the third quarter for regular season games. ABC's rate card price is $80,000 per unit for Thursday night contests. ABC, which has the World Series this year, is looking to get about $300,000 per 30, about a 15% increase over what a unit wound up costing advertisers for the NBC games. The League Championship Playoff series is going for roughly $175,000 per unit, an increase of 5% or so from last season's rates.

The All-Star Game, on NBC, has a rate-card price of $325,000 per unit, it's understood, vs. the $250,000–260,000 charged by ABC in the 1988 game.

For the 1990 season, the agency source notes, CBS will probably charge "through-the-roof rates" for the three biggies or, he believes, the network will start packaging the three key contests in combination with National Football League games.

ESPN is seen as charging about $25,000–30,000 per 30 for next year's regular season's games. The ad buyer sees ESPN as not having an easy time selling the games. "There is so much inventory to sell—about 26 minutes a game—that's a ton of inventory when you have 175 games to sell. They are not giving much inventory to the local cable companies. I think they want to sell all of it themselves."

Meanwhile, many local franchise baseball stations see the ESPN-MLB deal as seriously hurting them in a few ways. Kevin O'Brien, general manager at KTVU(TV) San Francisco, and an outspoken critic of cable's mounting penetration into the sports arena, notes that the station signed a six-year deal with the Giants at good rights fees. Included was that the station, for the first time, will carry home games (three). But negotiations would have followed a different course had he been apprised of the impending ESPN deal with MLB, O'Brien says.

"In my negotiations with the Giants," he continues, "I was never told that such discussions were being held. It [the ESPN deal] has made our games less valuable. There's no doubt in my mind that anyone who has negotiated for the rights on baseball in the last two years would have wanted better terms and conditions as a result."

Exclusive interview: A. Bartlett Giamatti, new Major League Baseball commissioner, page 43

Added inventory

O'Brien continues that there will be some 2,000 30s "dumped into each marketplace" because of the ESPN arrangement, to be sold by the local cable interconnect. "It will have a major effect on the amount of spot dollars available nationally and locally," he points out.

All the available spots, even in the best scenario, will flood the local marketplace, continues O'-Brien, and make the value of local team inventory less attractive.

Also particularly bothersome to O'Brien is that ESPN, under its arrangement with MLB, is allowed to air games on Wednesday and Sunday evenings on an exclusive basis. Wednesday night has traditionally been the second highest ratings

Media services enter new era

Losing 'sleazy' image; agency mergers help their case

By GEORGE SWISSHELM

The agreement between Omnicom and The Ogilvy Group to buy media jointly in Europe, the new in-house media operation formed by Lever Brothers and Lipton, formation of the Leading Independent Agency Network by 15 middle-sized ad agencies, and the buyout of Media General Broadcast Services (now Horizon Media) by its own management have all thrown the spotlight once again on media, mergers and "clout." (See *One Buyer's Opinion*, page 51).

While independent media services today plan and buy all media, their forte is still national spot. National spot volume hit $6.8 billion in 1987, is estimated at around $7.4 billion last year, and it's estimated that the media services placed 25 to 30% of the total. The people who run the big ones are confident that that percentage will continue to grow.

Use by agencies

Don Miller, veteran agency executive who headed the management team that acquired what is now Horizon Media, predicts that even ad agency use of outside media services will climb from 7% to 14–18% by the end of this year.

Miller commissioned a recent survey of advertisers, agencies and media and says, based on this survey's results plus his own projections, "We anticipate double-digit growth for the industry as a whole, as well as Horizon in particular. This will come even though the image of media services has not kept pace with our reality.

"We're still viewed by many people—particularly ad agency executives—as somewhat 'sleazy,' or as providing a less than top-quality product. We had hoped attitudes were changing faster than they apparently are. We provide blue chip companies with a first rate product, but our image is still second rate."

But most media service execs believe that second rate image is a perception of the past that media services have outgrown.

Mike Kubin, executive vice president, Corinthian Communications, observes, "You haven't seen any juicy scandals about media services lately because the industry has cleaned itself up and overcome its sleazy past. The result is that today it's generally acceptable for smaller and medium sized agencies to use us. We still run into resistance from the larger agencies—those billing $200 million and up. But there's no logical business reason for it. Most of this resistance seems to be ego-based."

John Power, group vice president and management representative, Vitt Media International, says full service media services "are in a better position in the post mega-merger era than we've ever been. That's because, as major agencies have placed more emphasis on their account service and collateral service operations and less on planning and buying media, the major media services have been placing more emphasis on planning and buying the full range of media—print as well as broadcast—at a time when the whole media scene and the media options available to clients are becoming more complex. This complexity requires more experienced heads and hands to make the most of it."

Don Miller

This is one reason, says Power, that "The days of having to defend the image left over from the early days of media services are now well behind us. And while agency media department turnover continues to be a problem, many of our people have been here 10 years or longer. In fact Dick Olsen, who opened the doors of this company with Sam Vitt 20 years ago, is still working on some of our accounts."

Frank Muratore, chief executive officer of Time Buying Services, Inc., says he hasn't run into an image problem: "Sometimes I'll even try to draw it out of a prospect, I'll turn the conversation to the early days of the services to see if he's just being polite by not bringing it up himself."

Muratore adds, "I think the reason we don't run into it is advertisers' real world experience. We have clients we've worked for for seven, eight, even 10 years. Some of them also have some of the top 10 agencies, and those agencies monitor every move we make. Under these circumstances we wouldn't last six months with a client if we weren't getting him his money's worth. Clients have found out from experience that there are good services and some not so good services, just as they've found good agencies and some not so good agencies. Most clients judge both kinds of businesses on their own merits, on a case-by-case basis."

Diversified menu

At SFM Media Corp., chairman and president Walter Staab observes that media services today "are doing much more than spot broadcast, and agency clients aren't limited to the smaller agencies. We're finding a number of advertisers interested in programming—programming they can be identified with to help their advertion that independant stations are based on.

At WGN-TV Chicago, originating station whose parents, The Tribune Co., owns the Cubs, Jake Fendley, sales director, doesn't object to airings of the ESPN games when they go head-to-head with the Chicago station. But what bothers Findley is the number of games WGN may have to lose because of the nights that ESPN is given exclusivity, which would prevent WGN from airing its Cubs contests on the same nights.

"I see the ESPN deal negatively affecting us," says KUSI-TV San Diego's station manager William Moore, whose station carries the Padres. "We have no way of knowing which games will be chosen by ESPN in our market." There is no research at this time that can estimate the impact the ESPN games will have on the station, so there is apprehension, says Moore. "I imagine, however, ESPN will take off a certain number of viewers from us."

Still, adds Moore, he's not all that concerned about fragmentation because cable penetration from superstations has been slight when it comes to eroding of Padres viewers. "The viewer wants to see the Padres rather than some other team coming into the market." The only specific reservation that Moore has about ESPN is that viewing would be impaired if the Padres were in contention for winning the division and if ESPN was airing a game at the same time pitting two rivals for the winner's berth.

Local cable threat

Also on Moore's mind is the effect that ESPN will have on sales, which could hurt the Padres. "I expect the local cable operators to unleash a large number of spots for sale in the market, which will hurt the Padres." The Padres retain the TV rights, and buy time from KUSI, while selling the ad time themselves.

But Burns says he's not had a lot of complaints on the flagship station side regarding the ESPN signing. Actually, he says, he's had one gripe call from the local station community. While Burns says he doesn't think it's appropriate to comment on the ESPN arrangement as it affects local broadcasters, he notes the deal was struck with local inventory in mind. "That was the driving force behind the negotiations because our clubs were advising us that they wanted more inventory to be put back into local television.

"In the present contracts with NBC and ABC, existing arrangements call for the two networks to request MLB over 20 times a year to take clubs off local television—such as Saturday afternoons for example, on NBC. But now, under the new agreement, CBS has that opportunity only about 10 times, and this is the case with ESPN as well, says Burns. "Our clubs are asking for more inventory to be utilized locally because they know that the rights holders' revenues rest on more inventory."

Market overflow

Michael Eigner, vice president and station manager of KTLA(TV), originating station of the Los Angeles Dodgers, looks at the ESPN deal in two different ways. He believes ESPN will not have a lot of impact in the market. "We have two professional baseball teams, and between both franchises, plus the pay-cable regional network, there will be so much baseball coming into the market that I don't see that much interest in ESPN for anybody in the market to be hurt."

But, adds Eigner, there's bound to be proliferation of baseball because of all the entities. "All this will hurt the golden goose." Further, he sees the pay services, the cable imports and now ESPN as posing a threat to free baseball telecasts.

Network affiliates carrying baseball are not overly concerned about the ESPN deal. At CBS affiliate in San Francisco, KPIX(TV), which is originating station for the Oakland A's, the loyalty factor is stressed by Fred Eppinger, national sales manager, who believes that ESPN will not affect the station's business. Eppinger says that people want to advertise in the local team sport, so he doesn't see cable necessarily affecting the spot business. Also, he points out, that it's not likely that the ESPN baseball schedule will carry many games from each team.

Eppinger says, "If you divide 175 games into 26 teams, each team won't be on all that much. Basically, a baseball viewer is a baseball viewer, but I think the A's viewer will seek out the A's games, so I don't think ESPN will have a negative affect. We haven't done our 1990 scheduling of telecasts as yet, but I doubt whether we will go head-to-head with ESPN.

At NBC affiliate WDAF-TV Kansas City, flagship station which carries the Royals, Bud Turner, manager of the Royals baseball network, says he doesn't know all the details involved in the ESPN contract with MLB, "so it's a little premature to make a judgment" on the cable service's entry as a baseball player.

However, he adds, it's his belief that MLB will not short-shrift the local station community. "I have to think that they know the importance of local television, flagship stations and regional networks. And probably somewhere in the contract with ESPN, there has to be a provision to prevent these operations from getting hurt.

Viewer loyalty

"Also, I'm not sure that television stations will suffer in ratings. I remember in 1980, when the flagship station could broadcast the playoff games as well as the network, ABC, we ended up outrating the network, so I have to think the loyalty people have to the local franchise will offset any downside that may be created by cable. At this point, I don't think we have too much to worry about."

At another affiliate, CBS' KDKA-TV Pittsburgh, originating station for the Pirates, Sherry Sieving, sales manager, says she hasn't given much thought to the ESPN deal. First off, she notes, Pittsburgh is already heavily cable-embraced from superstations carrying baseball, "so just what the impact will be from another cable player is hard to say. Right now we are overjoyed with the CBS deal with baseball, and that negates any impact of ESPN." □

And Power says the other side of the agency merger coin is the many smaller and medium sized agencies that have to compete against the giants: "These smaller agencies' shining light is their terrific creative. Competitively, creative is no problem for them. But to access the research they need and the professional planning and negotiating capability they don't have in house, they can come to us to put themselves on an equal, and often superior, footing when they're up against the biggest agencies. This is why we have many more agencies on our client list than we used to. We're currently billing in excess of $400 million, and we expect that to keep growing."

Consolidation trend

Horizon's Miller expects that "Over the long term we will see a continuing consolidation trend in the buying service industry as the largest six to 10 companies compete for bigger shares of an expanding market. I also think we'll go through an interim growth period where companies like Horizon will see steady growth and solid profits, while, at the same time, a lot of advertising agencies will struggle to keep media buying inside the agency.

"It may be that some will relinquish that control only under pressure from their clients. Some may never do so. But I'm not sure they have to relinquish control: We already quietly work with a number of advertising agencies, and see that number increasing steadily."

At the same time, though, Miller doesn't think the current European consolidation will include the U.S. in the short term because "There are opportunities in the U.S. to save money on media without necessarily doing so solely on the basis of total purchasing power. Also, the powerful U.S. media will offer considerable resistance to having the media buying industry reduced to one or two players. And there is so much more inventory available in the U.S. marketplace and such a diversification of media that consolidation is unlikely."

Similarly, though the Saatchis and the WCRS Groups may be doing it in Europe, Corinthian's Kubin sees no trend to mergers with other services or with ad agencies on this side of the water: "We've been approached a couple of times by prospective buyers, but nothing ever came of it. And I haven't heard that they bought any of the other services. Most of us are still running some very entrepreneurial businesses, and it's tough to shake entrepreneurs loose. They like what they're doing too much."

But Miller points to the agency business: "Plenty of entrepreneurs started agencies too. But eventually they retire and want to get their money out of it. They usually find they can get better multiples on the outside than by selling it to their employees. And the larger companies that result benefit in terms of size, growth and economies of scale. They can also benefit geographically by joining services with offices in other key parts of the country."

At Media Basics, Murphy reports being approached by one media service for possible merger during a period when four agencies came in for talks, "even though a media service wouldn't seem to be too tempting a takeover target. In an agency's eyes, the fact that we run very people-intensive businesses doesn't lend itself to high profit margins. On the other hand Wyse Advertising has formed Pinnacle as a separate media service division and Gardner has had its Advanswers subsidiary for years and years." On the other hand, Palmer has been approached with merger in mind by other media services, but not by any agencies, "even though I've long thought a media service should make a logical partner for an agency."

But LaMarca warns, "Bigger is not necessarily better. If we do start to see mergers among the services, to the degree that media services emulate agencies in the merger department, we'll see some of the same erosion of service to clients at merged services that clients are already seeing at a lot of the merged agencies."

Walter Staab

In-house services

When Thomas J. Lipton and Lever Brothers announced formation of their new in-house media buying operation, L & L Media Inc., in December, they said they expect it to "create a more integrated and effective buying operation."

Will other major advertisers follow suit?

LaMarca observes, "Occasionally a company's in-house media activity will be built around one very experienced individual like Bruce Hoenig at Lever and Lipton. But he happens to have a strong entrepreneurial mindset. Absent someone with that kind of experience and drive, most companies wouldn't take media in-house."

Corinthian's Kubin says, "There's no logical business reason for a company whose basic business is manufacturing and distribution to bring media in-house. One very experienced media consultant on staff would seem the logical way to go. Then give him the responsibility for picking the media service or agency, then riding herd on their performance. But actually, how many Levers or John F. Murrays (house agency for American Home Products) are there? Very few. We haven't seen any appreciable growth in the number of companies with their own media operations."

SFM's Staab observes, "A company here or there will go in-house for the wrong reasons, from ego to false economy. Some look only at the relatively small saving from cutting the agency's commission without looking at the bigger picture. And who's going to tell them when they're in the middle of making a multimillion dollar mistake?

"The agency has the client looking over its shoulder. The media service has both the client *and* the agency looking over its shoulder. But the house operation *is* the client." □

John Power

tising rise out of the clutter and stand out. As a result we've found ourselves working with four of the top 10 agencies to develop programming for some of their clients.

"It's true that an agency needs only one or two people to call the three networks, but program development is something most of the big agencies got out of in the '50s and '60s. They're no longer geared up for it. We are.

Bill Murphy, president of Media Basics, says he's always had agencies as clients: "More than half our clients are agencies. And while most are medium sized or smaller shops, we also work for an occasional large agency that doesn't have one of our specialties, direct response. That big agency may have only one direct response client. We've handled direct response for nine years and set up a separate division for it last year."

Bob Palmer, chairman, R. J. Palmer Inc., reports his dollar volume from agency clients "close to equal the dollar volume we do for advertisers."

But unlike the experience of most services who have more agency clients today than they used to, Palmer says five years ago 75% of his dollar volume was from agency clients. But he speculates, "Maybe that was because of my background, which included running my own agency. I could talk to agencies about all their problems, having been through it myself."

At Time Buying Services, Muratore says he's had conversations with agencies "that would probably not have been possible only three or four years ago. I think there's been a gradual consciousness raising process about media services among the agencies as more and more clients have started asking them questions about the services. The agencies have to know what we're about, and more of them have at least looked into what media services can offer their clients. In the process, they've discovered what we can offer agencies, too.

Tarnished image

Matthew Bryant, president, U.S.A., of Media Buying Services, International, reports running into "some feeling that this industry's image is still not all it should be—but only about half so often as a few years ago."

Bryant adds that if a service deals only with discount clients, "It tends to perpetuate the image. But 90% of our new clients have never used another service. If you pitch other services' clients, you have to pitch them on the basis of promising an even bigger discount. That's why we avoid going after other services' accounts."

And today, adds Bryant, "We don't have to. Today we can get into doors of major, major corporations who would have locked us out two years ago. At least some of this is fallout from the rash of major agency mergers. Most clients give an agency merger a chance to sort itself out, but as time goes by and the client still finds himself wondering where the media department is that still cares, he starts asking around. He finds out there are some good media services out here for him.

Jim LaMarca, chairman and president of LaMarca Group Inc., sees continuation of an "attitudinal change that began two or three years ago and has yet to play itself out in terms of actual change in the marketplace: With continuing consolidation at the largest agencies, marketing and media services at agencies tend to become more like a factory production line.

"Agency people we've interviewed say they no longer get the satisfaction out of their jobs that they used to. And the newer people coming into agency media departments are no longer getting the broad-based experience we got when we started out at agencies and found ourselves wearing three or four different hats."

One result, says LaMarca, is that many clients "are no longer looking at their agencies as they once did. The results is, we've found a new openness in being able, as a media service, to get in to talk to people who a few years ago would probably not have given us the time of day. It's led to greater client openmindedness in looking at the issues from a logical point of view and seeing that creative and media are separable—that if they can get better creative one place and better media in another, it makes sense to go ahead and do it."

Bryant says that besides getting more agency clients, Media Buying Services is also getting more media accounts: "We've also been getting more referrals from media. The fact that media are coming to us rather than one of the major agencies reflects the quality of the job we do, as does the quality of many of our other accounts—an airline, automative business, premium liquors and banks."

Bryant says he's also seeing more accounts "who won't discuss media with their agencies unless we're present. That's another sign of increased status in clients' eyes. Another is the fact that we're granted increased presentation time by more clients. However, media's turn to present is still usually last, after every other department has said its piece. This is something that still has to be changed."

Vitt's Power adds, "We no longer have to spend time in a new business presentation talking about our credentials and the experience of our people. Today that's a given."

Mike Kubin

local commercials. In the Oklahoma City metro, 10 of 18 systems accept commercials. In Salt Lake City, systems representing 47% of cable subscribers accept commercials. In Ft. Smith, seven of 54 systems accept commercials. The result is insufficient reach and unacceptably low ratings, says the presentation.

In another effort to counter the growth of local and spot cable, Capital Cities/ABC National TV Sales points out that the medium is weak in weekly reach. Keith Ritter, director of marketing, sales planning and research for the rep firm, notes that while it is no great accomplishment for a broadcast station to achieve a cume in the 90s over a week's time, "cable only gets a single-digit cume in the ABC markets."

This reflects the very low ratings of cable, says Ritter, citing a New York audience comparison between WABC-TV and ESPN, which, along with CNN, has the greatest reach of any cable ad network. While WABC-TV gets a 12 rating in primetime, ESPN gets a 1.2 in cable homes and 0.6 in all TV homes, he says. As for round-the-clock averages, Ritter points to a 6 rating for the broadcast outlet, a 0.4 for ESPN in cable homes and a 0.2 in all TV homes.

Targeting without waste

The other side of the coin, however, is emphasized by Ron Fischmann, vice president and director of local sales for the Cabletelevision Advertising Bureau. "With cable," he says, "the retailer is able to target specific audiences without the waste. Cable brought TV to the retailer who couldn't afford TV, and he now has all the strengths of TV." Also, Fischmann maintains, cable delivers a more affluent part of the community, better educated and with larger families.

The target view is supported by Steve Farella, executive vice president and director of corporate media services for Wells, Rich, Greene. "We find local cable attractive in a strategic sense. Take a client like Midas. You can seek out local cable systems that mirror distribution. You can apportion coverage to avoid waste."

Peggy Green

However, Farella says there's a downside to cable—pricing and verification of audience and exposure. Hence, the agency's local broadcast group must put a lot of effort into negotiating prices. "There are only a few markets with minute-by-minute [metered] ratings, so we often buy without ratings. That's something hard to tell the client."

Finding a number

When asked about special runs, such as Nielsen's Megabase reports, to get details on cable's audiences, Farella answers, "Megabase data don't give tight time period ratings. While you can pull numbers, sometimes there's nothing there. You can muster a number in *some* markets, but even if you apply ratings, you come up with a premium. The only justification is if you have the correct coverage." The WRG executive also indicates the agency isn't about to pay for special runs every time it needs cable audience data.

Another agency executive who explains the attraction of cable, despite its problems with verifying audience data, is Peggy Green, executive vice president and director of broadcast for Saatchi & Saatchi DFS Compton. Most of the agency's cable accounts buy cable networks, "so when we buy local cable it's usually for the local retailer. We're more likely to buy spot TV to heavy-up markets for network TV than buy cable spot to heavy-up cable network."

The agency looks for the "sizzle" in local cable, such as sports. Green points out that local sports programmers give a lot of promotional support. The Madison Square Garden Network in New York, for example, is considered "a viable local competitor for spot TV, as part of a spot TV buy."

Green cites the problems of verifying audience but says the agency nevertheless examines the efficiency of cable against other media. "We might allow a premium, but we negotiate hard."

At BBDO, local cable is looked at as if it were an independent station, explains Peter Stassi, senior vice president and director of local broadcast. As a consequence, agency media people "go through the gymnastics" of analyzing the medium on a CPM basis. This involves adjusting national cable ratings to the local level, then converting household data to age and sex demos, calculating impressions, calculating CPMs and then comparing the cable CPMs to the market.

The agency uses local Megabase ratings but considers the audience levels somewhat understated and adjusts them upward. Also, admits Stassi, "We're willing to give a little. We know the data are not as reliable as in a regular rating book." Stassi says simply that some markets are efficient and some are not. "Some markets are [even] competitive on a CPM basis." This usually occurs where the cable penetration is high enough and there are enough interconnects. Stassi believes that some interconnects don't know how to price their time, thus indicating that proper price packaging could enlarge the spot cable universe without adding to the number of cable systems which accept commercials.

Not selling ratings

Neither Stassi nor Farella are put off by the prospect of buying large numbers of low-rated spots in order to build to a worthwhile audience level. Says the BBDO media executive: "We'll look at a one rating on an independent, and we'll look at pieces [of audience] on cable. We'll buy cume packages."

Whatever methods the agencies employ to estimate local cable audiences, the major cable reps don't make a big point about ratings. "We don't sell ratings," says Robert Fennimore, president/COO of Rainbow Advertising Sales Corp., which acquired Cable Networks Inc. back in November '87. CNI

Advertising on local cable is growing fast, and reps are fighting back

Local cable ads: Are they a threat to broadcast TV?

By ALFRED J. JAFFE

Is spot and local cable becoming an attractive alternative for advertisers—attractive enough to cut into the rich station pie? It would seem so. Ad spending on local cable systems appears to be rising fast. The country is dotted with interconnects, making it easier for national and regional clients to reach cable households. And a couple of broadcast reps have taken to the hustings "to set the record straight" about spot and local cable.

But there are problems with local cable. There are still plenty of holes in ad coverage, even among cable homes. Audience data leave much to be desired. Verification of spots run can be a nightmare.

A big question: How much is actually spent on advertising on spot and local cable? No one really knows for sure, since there is no systematic measurement of ad expenditures in the medium, such as BAR's monitoring of six major cable networks.

Revenue estimates

There are estimates, of course. Considering the lack of solid information, the estimates do not vary outrageously. The biggest estimate, as might be expected, comes out of the Cabletelevision Advertising Bureau. The bureau puts the 1988 local cable ad expenditure at $400 million, with about $50 million of this designated as "spot cable." The bureau also projects a 35% increase in advertising for this year, bringing the total to $540 million.

A recent and more conservative estimate by the consulting firm of Wilkofsky Gruen Associates, in a comprehensive forecast conducted for Blair Television and Smith Barney Harris Upham & Co., came to $290 million for '88, with no breakout of spot (see TV/RADIO AGE, November 14, 1988). A widely-used source, Paul Kagan Associates, figures the local/spot total at $363 million for last year.

Both Wilkofsky Gruen and Kagan see sizeable growth in local/spot cable. The former forecasts a 20.7% jump this year to $350 million, $400 million in ad expenditures for 1990 and $700 million for 1995. Kagan presents a lustier outlook. The newsletter/research firm predicts a 30% increase this year to $472 million, a 27% increase to $599 million in 1990, $1,415 million in 1995 (twice the Wilkofsky Gruen figure) and $1,823 million in 1997. In fact, Kagan forecasts a grand total of $5,688 million for cable advertising in 1997, with $3,599 going to the networks and $266 million to regional sports.

If Kagan is anywhere near right,

Steve Farella

TV stations should begin to be concerned. One of the reps concerned is TeleRep, which has put together a presentation which emphasizes the comparison between network cable and spot cable. It has been shown to a number of major agencies by Richard Waller, a TeleRep vice president with a number of responsibilities, including sales training.

Waller has given the presentation to TeleRep's own salespeople, as well as the agencies, and says it's important that rep salespeople be prepared to argue against spot cable. While he admits the level of spot cable billings is not particularly high right now (he's seen figures for '88 that are as low as $30 million), he maintains, "We owe it to our clients to do whatever we can to make sure they're not losing business." This is particularly true currently, he points out, when spot TV billings are relatively stagnant.

The TeleRep presentation has two main thrusts. One is designed to show that spot cable "falls far short" of the values offered by either network cable or spot TV. The pitch addresses three areas: (1) "Spot cable doesn't enable an advertiser to cover as much of the market as network cable, as many cable systems do not accept 'spot' advertising." (2) "Spot cable doesn't provide rating information that is either as reliable or as acceptable as the data offered by network cable or spot television." (3) "Spot cable penalizes both agency and advertiser with huge 'hidden' costs."

Cable's fables

The second thrust is an investigation of "cable's fables." Three are singled out: (1) "Cable reaches the upscale viewer." (2) "Over-the-air television underdelivers in cable households, and the way to compensate is to buy cable." (3) "Cable is more efficient than over-the-air television."

In presenting evidence that spot cable doesn't reach even the portion of the market covered by network cable, the presentation cites Jacksonville, where only nine of 39 systems will accept spot or local commercials. Waller supplements this with other examples: In Seattle, 44 of 111 systems carry spot/

Comparative renewal faceoff

Does FCC have authority to limit 'greenmail'?

By HOWARD FIELDS

The source of this year's overwhelming conflict between the FCC and Congress could well be set off soon when the agency attempts to do what no other commission before it has been able to do—create a comparative license renewal process with which everyone is happy.

In fact, as has happened so often in the past, the FCC is expected to approve a package that is so frought with compromises to try to satisfy all sides that no one can be expected to be satisfied.

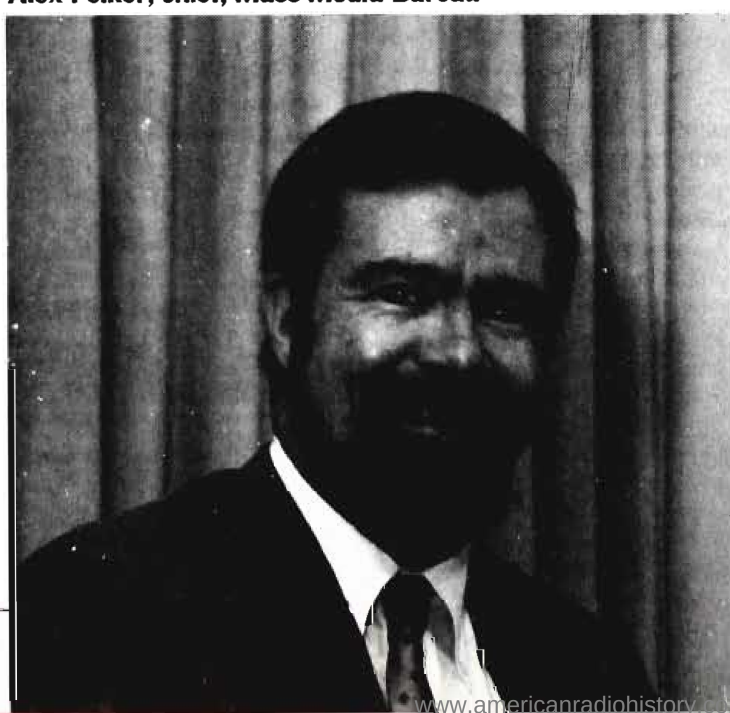
Alex Felker, chief of the Mass Media Bureau, notes the toughness of his task when he says, "The importance of this issue has been recognized by many commissions over the years. In light of the constraints placed on us by various court cases in the past, it makes the degree of flexibility or creativity that the commission has in this area somewhat limited."

And it is not just the courts that put constraints on the FCC. Congress has long held a strong interest in any changes made in the license renewal process, and the 101st Congress that took its seat this year is no different.

Individual members of the communications subcommittees of both houses of Congress have not been at all shy about expressing their own ideas on how a comparative renewal package should look. Still, all sides see an urgent need to resolve the issues quickly. Although whatever the commission does would affect both TV and radio stations, last year the FCC began the 30-month process of renewing the licenses of all the nation's radio stations for seven more years. About two-thirds of the stations—more than 8,000—are yet to be completed, and the commission wants to have an updated renewal process in place for them.

"In light of the constraints placed on us . . . it makes the degree of flexibility or creativity . . . somewhat limited."

Alex Felker, chief, Mass Media Bureau



The National Association of Broadcasters has made the radio renewal issue its top priority for this year, pushing to get congressional approval of the FCC's past effort to deregulate radio regardless of what the FCC does on the overall renewal question.

Even as Felker and his staff were trying to work out the delicate balance between a broadcaster's desire to renew a license and someone else's right to challenge that license, the staffs of two members of the House of Representatives were drafting legislation that could change any package the FCC was likely to fashion.

Add to that the fact that the current communications leadership in Congress remains displeased with the FCC leadership, and the fact that the FCC action could take place before Congress gets around to its priority communications issue—codification of the fairness doctrine the FCC abolished—and the stage is set for the two federal entities to once again be at loggerheads.

Attacking 'greenmail'

And the third branch of the government is likely to get into the contretemps because one of the matters in the renewal process the commission is attempting to resolve is the question of limiting payoffs ("greenmail") stations can make to get challengers to withdraw. Some members of the legal community contend that the commission has no authority to limit greenmail.

Just about all parties participating in the docket, plus Congress, agree that the programming that a broadcaster does, and whether it is responsive to the public the broadcaster is serving, should be a consideration in whether the licensee is serving the community.

But the FCC is gunshy after havnow operates and sells advertising on interconnects in New York and Atlanta and represents individual cable systems and other interconnects around the country. In all, it represents 30 interconnects, mostly in major markets.

Fennimore says CNI sold $15 million in spot cable time last year, up 68%. Its biggest outlet, the New York Interconnect, now reaches 2.4 million subscribers out of seven million TV homes in the ADI.

"There's no accurate way to estimate local cable audiences," according to the cable executive. "The marketplace will tell you what your rates should be. The agencies pay on the basis of their own efficiency estimates."

Setting a price

But Fennimore points out, "We know the CPM on broadcast, and we know that certain programs like sports get more." The rule of thumb for pricing local cable, he says, is to set it at 75 cents to $1-per-1,000 subscribers. NFL football; however, is set higher.

As the base of advertisers on local cable balloons, Fennimore finds package goods advertisers appearing on its ad roster. He cites Procter & Gamble and Kraft among those breaking in. So far, the big ad categories have been autos and banks, in fact, "the financial world," says the Rainbow sales executive.

Claiming to have the lion's share of spot cable business is National Cable Advertising, Boston, which is 50% owned by Warner, Cox, Comcast and Continental, a deal closed last September. Linda Williams, vice president, said the company billed $12 million last year and projects the placement of $25 million in business this year, including its joint sales venture with the Los Angeles Interconnect and its contract with a Chicago interconnect now being finalized.

Williams maintains that NCA has "at least" half of the spot cable business, with exclusives in six of the top 10 markets, amounting to 15 million exclusive cable households. She estimates that about 35 million cable households are reachable by spot advertisers. NCA gets an average commission of 30%, she says, but doesn't go below 25%. It has 37 sales people in six offices.

Auto advertising is by far the the biggest category for NCA, Williams reports—so much so, "it's almost unbelieveable." This includes dealer, dealer association and factory money. But banks are also big, she says. Retail chains are an important category for NCA, with Williams pointing to Zayre, Jamesway, Hills, the 7-11 Stores and Gordons Jewelry. She singled out Pan Am and Kodak as clients on the Los Angeles Interconnect, two-thirds of which is hard. And she finds package goods "starting to happen."

As to the issue of audience measurement, Williams explains, "We use national numbers and extrapolate from them, but we try to stay away from it. Clients are demanding more facts." NCA sometimes uses Megabase numbers and does so in Boston, one of the metered markets. The cable rep hasn't been making much use of Nielsen's Cable Audience Profile (CAP) reports, which index local cable ratings to national NSI figures and which are sometimes further adjusted by NTI meter numbers. "They are of no use in Boston," comments Williams. "The CAP data are mostly diary-based and they underreport the cable audience."

One measure used is the "ECPM" formula—Effective Cost-Per-1,000—which is employed with retail chains and takes into account the trading area of specific chain stores. Another approach, says Williams, is to factor in "likelihood-of-purchase" data. "You have to educate people to think in a different way."

The Television Bureau of Advertising is not taking an aggressive role in countering the growing level of local and spot cable advertising. John Krubski, vice president for local sales, covering the top 30 markets, is the local cable specialist at the bureau and spends about 5% of his time on cable. "Our problem is an educational one. We're not selling against cable." What TvB would like, says Krubski, is for cable to be evaluated on the same yardstick as broadcast. "Why is the cost-per-1,000 for cable subscribers acceptable? Why is the cable universe acceptable as a base?"

Peter Stassi

As for spot cable, James Joyella, senior vice president for national sales at the bureau, feels that ad spending in the medium is too small currently to warrant marshalling resources of the bureau to throw against it.

As noted, the low level of spot cable has not stopped TeleRep from arming its sales platoons against it. And, as noted, it has also aimed its shafts at cable in general, citing "cable's fables."

Upscale viewers

The "fable" that cable reaches the upscale viewer is constructed as follows: Using Nielsen data processed by TvB, TeleRep lays out figures that show that over-the-air TV reaches over 70% more upscale viewers than cable. Example: Over-the-air TV reaches 99% of households with $40,000-plus annual income; cable reaches 57%. Over-the-air reaches 99% of households headed by professional/managerial types; cable reaches 56%.

As to the argument that cable households skew upscale, TeleRep displays the results of an Arbitron AID run in the Norfolk market tallying the percentage of upscale viewers in Hampton Roads reached each week in primetime by five cable networks—USA, ESPN, MTV, CNN and The Nashville Network. That figure came to 36.1%.

Says the TeleRep presentation: "When we eliminate premium cable services such as HBO or Showtime and examine the upscale audience reached in primetime solely by cable's major advertiser-supported networks...we find that the percentage of upscale viewers that can be reached by spot cable declines dramatically." The presentation also argues that the advertiser-supported cable networks do not carry the the type of programming a buyer would purchase to reach upscale viewers. □

regarding programming. The rest wanted some financial remuneration, ranging from coverage of legal expenses, out-of-pocket expenses, contributions or even contracts that could make them a paid "consultant" to the station.

A question of authority

The FCC staff, however, has been struggling with the question of whether it has the authority as a regulator to limit the greenmail requests. As of early February, the issue apparently had not been resolved by those drafting the plan the three commissioners will consider.

Felker does say, however, "I think we have an answer, but I'm not sure it's necessarily definitive at this point." He would not discuss it further because of confidentiality problems.

Baumann, who was in charge of drafting NAB's comments before the commission, argues that the commission clearly has the authority to act. "They don't have to permit buyouts if they don't want to," he contends. "I don't think there is anything in the legislative history or the [Communications] Act that says the commission is prohibited from intervening in the payout area," he says.

On both the programming and the greenmail issues, however, the commission is looking over its shoulder at the federal courts. It has been the subject of criticism by the courts just about every time it has done anything in the regulatory arena that involved the First Amendment rights to free speech.

But the commission also acts on ideology when it refuses to get into what it considers content regulation, and that stance places it as odds with Congress, which has been pressing the agency to include more programming considerations in renewal considerations and to adopt some regulations concerning children's programming.

Felker is sensitive to the commission's desires in the area. Earlier in the consideration of the docket, he said, "One of the things that we were contemplating was whether it would be possible to craft a set of comparative criteria that did not involve the commission as much in the editorial discretion of broadcasters."

He acknowledges, however, as broadcasters contend, that "part of the rules and regulations governing broadcast go to broadcasters providing programming responsive to the various issues in their community. So, conceptually, a compliance-based standard would encompass those kinds of things as well."

The commission's job, he said then, was to "craft an approach that met the concerns of the court and was consistent with the spirit of the Act and at the same time moved the ball a bit in the First Amendment area. It's a tough one."

Rep. Cardiss Collins (D-Ill.)

Rep. Mickey Leland (D-Texas)

Their proposed legislation would suspend renewal consideration while licensees were under investigation regarding equal employment.

Not good enough?

Even if the commission is successful in drafting a resolution to both problems, a Congress already angry with the current commission may decide that its work is not good enough. Even as the final order was being drafted, the staff of Reps. Mickey Leland (D-Tex.) and Cardiss Collins (D-Ill.) were drafting legislation that could easily serve as a vehicle for undoing the FCC's efforts.

Part of their proposed legislation would suspend the renewal consideration of licensees while they are under investigation for possible failure to make a serious effort to give women and minorities a number of positions at the station equal to their proportion of the population in the area being served. Right now, the commission considers 50% of parity as the level below which a station automatically comes under investigation.

Although the main confrontation will be between Congress and the FCC, the broadcasters could have damaged their own standing on the renewal issue if and when it comes up before Congress by reaffirming its stance in strong opposition to codification of the fairness doctrine, something Congress says will happen before the broadcasting community gets anything it wants. □

ing received more than its share of slaps from the federal court system. It is concerned that setting criteria for programming puts it too heavily into content regulation.

Another ingredient for the difficulties the FCC faces when it considers the item—as early as Feb. 22—is the politics involved. Chairman Dennis Patrick faces the uncertainty of his own reappointment as chairman, and an imbroglio with an unfriendly Congress before President Bush makes a decision would not improve the chairman's chances.

Nonetheless, given all the pitfalls Felker's staff has been facing, he says, "I think we have come up with some pretty good ideas" on resolving the sticky issues.

Still unresolved early in February was whether the FCC was going to be able to handle the renewal reform and the ending of abuse of the renewal process in the same meeting. Patrick has said repeatedly that he does not want to handle them separately, and that has caused some of the problems the staff is having. The abuse-fixing segment apparently has been ready for some time, but the staff and commissioners have been having difficulties resolving some of the comparative renewal reform problems.

Felker says, "I see a very direct relationship between the comparative piece in terms of the uncertainty that exists presently and the opportunity for abuse. Clearly we can probably plug some loopholes, but that's sort of a symptomatic approach to the problem, and I think the more fundamental issues involve the comparative questions, the criteria and how they're applied, and things of that nature."

"At least with programming, you have an opportunity to show you operated in the public interest and that you are worthy of a renewal expectancy."

Jeff Baumann, NAB

Pressure on commission

Many influential members of Congress have let it be known that the FCC will be in deep trouble if it does not include past programming as one of the criteria to look at when considering whether to renew the license of a station. Still, the commission would rather leave content matters out of its consideration.

Jeff Baumann, National Assn. of Broadcasters vice president and general counsel, explains why a broadcaster would want the programming that has been offered on the station to be part of the criteria in determining whether the station's license should be renewed:

"The very essence of running on your license is programming. If you take that away, you expose a broadcaster to a small violation of [violating] a lottery or indecency [rule] that could in effect subject him to nonrenewal. At least with programming, you have an opportunity to show you operated in the public interest and that you are worthy of a renewal expectancy."

That's not necessarily the same reasoning that Congress or consumer groups would use, but they do support the NAB's position on including programming. The NAB has suggested the commission consider whether a station has provided "responsive service" to its audience and whether it is in "substantial compliance with the Communications Act and the FCC's rules and policies."

When the commission was taking comments on the comparative renewal reform proposal last fall, some would-be broadcast groups, most of which have a history of challenging license renewals, were in a clear minority in insisting that only the latter standard should be used. In a rare occurrence, Action for Children's Television and most of the broadcast commenters were on the same side on that issue.

The biggest problem in the abuse segment of the commission's consideration was what to do about the greenmail issue. Licensees are concerned that an increasing number of challenges to their renewals are coming from parties that have no interest in broadcasting and want instead to be paid off by the licensee-holder to withdraw the challenge, which often costs the licensees hundreds of thousands of dollars to defend.

For its filing in the matter, the NAB conducted a survey of stations and found that more than half of the challenges to the 900 stations up for renewal or license transfers since the beginning of 1985 were accompanied with requests for some sort of redress.

"Only a handful" asked the station to make certain commitments

GM attacks ESPN baseball deal; plans station franchise committee

Charging that both local station rights holders of Major League Baseball games and a portion of the public are being short-shrifted by recent cable deals, Kevin O'Brien, general manager at KTVU-TV, flagship station of the San Francisco Giants, is preparing to take his case to other franchise baseball holders, to MLB and to Congress, if necessary.

Initially, O'Brien, in an interview, says he expects to set up a committee of rights holders, to be called The Committee of Local Broadcasters to Save Sports on Free Television. "I expect to send out letters to the general managers of stations that have a baseball franchise, asking them to participate in a conference call, with legal representation, to elicit their support."

From there, O'Brien says, he plans to have the committee meet

Kevin O'Brien

with Peter Ueberroth, MLB Commissioner, and Bryan Burns, MLB senior vice president, broadcasting, to present their complaints. If the meeting or meetings don't prove fruitful, O'Brien plans to take the matter to Congress. O'Brien believes he has a strong case to try get the Senate to look into, and possibly eliminate, the antitrust exemption given to Major League Baseball, in view specifically of the ESPN and the Madison Square Garden-New York Yankees' deals.

Audacity. He notes, "The point was made by Major League Baseball, in their exemption pitch, that it is special and unique and is critical to the American public. Then they have the audacity to make the ESPN deal. The way it stands, the guy who can't afford cable will be restricted from watching baseball two of the seven nights per week." (ESPN has rights to air games exclusively on Sunday and Wednesday nights.) Also damaged, he says, is over-the-air television and the local broadcaster.

O'Brien predicts that unless the two deals are altered, "there will be an uprising by the consumer and the American public that will shock Congress."

For starters, O'Brien, via the stations' committee, will ask MLB to abolish the exclusivity portion of the ESPN contract. "A good starting point would be that, in home and away markets of Wednesday and Sunday games, the local rights holder should be given the right to carry that game."

Limited inventory. Also, he continues, he would like to see a limited amount of inventory available for the local cable system carrying ESPN games or a gradual increase in their inventory over the next four or five years. "But they should be restricted at first because it will be very difficult for me to compete for the advertisers at the rate that I need to get, which is based on what I paid for the rights."

O'Brien is looking for the owners of baseball clubs to respond to the present decaying situation as well. "There is no way that the owners are going to allow the antitrust exemption to be withdrawn, as may be the case soon." O'Brien cites the government ruling against the owners on free agents, which involved collusion.

"How much more smoke do we have to see before we realize there is a fire? —**Robert Sobel**

CBS fighting to retain strengths

Now that NBC has managed to hold onto *The Cosby Show* and *Cheers* through at least the 1989–90 season, the focus shifts to CBS, where there are rumblings that Angela Lansbury and Edward Woodward want out of *Murder, She Wrote* and *The Equalizer*, respectively.

CBS, already running third in the primetime Nielsen ratings race for this season, can ill afford to lose its more successful shows as it tries to rebuild for the future.

"We are in very, very active discussions right now with Angela Lansbury" to convince her to continue in her Sunday mystery series, says Kim LeMasters, CBS Entertainment president. The five-year-old *Murder's* 30 share is helping keep Sunday in CBS' win column.

As for *The Equalizer* star, "Mr. Woodward has under his contract the obligation to perform another year," which would be his fifth. Though losing its time slot, this drama forms a compatible male-appeal block with the improving *Wiseguy*, agency sources note.

Two of CBS' oldest programs, the 11-year-old *Dallas* and eight-year-old *Falcon Crest*, are "not performing to the levels that they have been," and that is "of concern to us," LeMasters says. "We're going to keep trying to make creative changes" to stem that erosion. Admen point out that *Dallas* still wins its hour but *Falcon Crest* consistently loses to ABC's *20/20*, with Friday becoming an ABC night for the first time in nine years.

Newhart slip. As for another veteran, Bob Newhart, LeMasters says that he has "expressed interest in doing another year of the show." *Newhart*, a longtime Monday anchor now in its eighth season, has fallen to a 20 share.

Meanwhile, two other CBS series that began last season, but were kept off the air as backups for CBS' midseason, have undergone some alterations. *Jake and the Fatman* now is based in Hawaii, while Robert Conrad's *High Mountain Rangers* will return as *Jesse Hawks*, with *Hawks* and his two sons relocating to San Francisco.

Viewpoints

Robert H. Baker

President, Management Communication Consultants, Hendersonville, Tenn. Before forming his own company, Baker served as executive vice president/operations for Television Bureau of Advertising. He was also sales manager of KDKA-TV Pittsburgh and general sales manager of WSPD-TV (now WTVG) Toledo. He owned radio station WBIS in Bristol, Conn.

Agency, advertiser doors open to salespeople with marketing ideas

Broadcast sales managers have talked about *marketing* their media for years. Yet the television industry is trapped in a cost-per-point and cost-per-1,000 squeeze that is getting worse. Developmental efforts at many stations have been paid little more than lip service. Many salespeople have lost sight of their customers—the advertisers—spending much of their selling time in the media department of ad agencies. Television has become a commodity sell—worth whatever the negotiated rate is *today*!

Now, however, there may be some help. I've noticed more sales managers push their people to focus on results—*customer results*. Conversations at sales meetings turn more and more to discovering customer needs and solving those needs through television. Lip-service marketing efforts, at least at some stations, are giving way to serious attempts to cultivate long-term business. And now, stations have the offer of help from an unexpected source—the agencies.

In a wide-ranging series of interviews with a number of New York's top ad agencies recently, I discovered a willingness to forget the "adversarial" relationships of the past and to join with television salespeople in becoming "partners-in-development" with them.

In these discussions, I talked with account execs, management supervisors, research directors, creative people and media directors. In each case, I asked them to represent their agency peers across the country. I asked them to consider the needs of their own clients and those represented by agencies in cities like Des Moines, San Diego, Nashville, Toledo, Buffalo.

I asked each person only one question: "How can television salespeople *help* you in the maketing process with your clients?" Their answers were fascinating!

With the exception of the media department, these ad agency execs asked TV stations to join them in "partnerships" based on trust and the exchange of marketing information beneficial to all—the station, agency and client. They asked for *ideas*, perspective from outside the agency, and long-term thinking.

They didn't want confidential station or competitive information. What they asked for was trends to help their people reach early conclusions to avoid client surprises. They asked for salespeople to "differentiate each client," help in the planning process and bring "opportunities" and information on their local marketplace. Again and again they asked for local consumer information, local viewing habits and things unique to the market.

Steve Greenberger, senior vice president/director of media planning and research at William Esty, put it best: "The most important thing a salesperson can provide us with is a feeling he/she knows what our business is all about so when he comes to see us [he can tell us] what his station can do to help move our product off the shelves."

These agency execs said they and their counterparts at agencies across the country would be willing to share client marketing plans with television salespeople if there was a real two-way exchange. Bruce Bromley, management supervisor at Lois Pitts Gerson, Pon/GGK, said: "If a television salesperson is involved in the marketing process with us, he can help us peel apart the layers and identify a niche we may not be filling where his station can help."

Understanding the competition

John Neal, executive vice president/management supervisor at William Esty, told me that "getting involved in the marketing process to help our people strategically lend an outside perspective helps us better understand our clients' competition. We don't need anything confidential...just innovative thinking that leads to a better job [for the client]."

Can local salespeople get in to see these key agency execs at their local shops? The answer is "yes"! Peyton Sise, senior vice president/management supervisor at William Esty told me, "We really would like to meet with salespeople and share clients' needs. We can get input that is helpful to us and our client."

Mark Rothman, group account director at Lois Pitts, said: "I've found over the years I will share what's going on with a rep I feel comfortable with... [someone] who has shown he's willing to be involved and be able to help in the marketing of our product."

Unfortunately, while most of the agency execs I talked with said that they and their counterparts would welcome marketing help from local television salespeople, they also told me few salespeople from television actually call on them. Before he joined Lois Pitts, Rothman spent 10 years as director of marketing for Bristol Myers and American Home Products. He told me: "In my 10 years on the client side and my years at this agency, I am continually called on by print reps who really have a sense of my business and bring new ideas to it. I never once saw a television rep who brought new ideas to the business."

It's not that Mark's door isn't open; it's that television salespeople don't call. I heard the same story at every agency I visited.

western series *Bonanza* in four new markets: KSCH-TV Sacramento, KTTY-TV San Diego, WMTT-TV Cookeville and KFYR-TV Bismark. The series now airs in more than 60% of the U.S.

Coral Pictures has wrapped up sales of more than 200 hours of TV programming to TV Valenciana, Spain. The purchase includes *Estafiana, Los Diamanted de la Muerte* and *Cuentros de Terror*, plus music specials and documentaries. Also, Coral has concluded the sale of more than 600 hours of shows to networks in Italy totaling $1 million.

Tribune Entertainment's *At the Movies* has been picked up by all six Hearst Group stations for airing beginning in the fall. *Movies* airs in 120 markets, representing 90% coverage. Hearst stations are WBAL-TV Baltimore, WISN-TV Milwaukee, WTAE-TV Pittsburgh, WCVB-TV Boston, WDTN-TV Dayton an KBMC-TV Kansas City.

Muller Media Inc. and **Cummings Productions** will produce two first-run hour specials for syndication: *Close Encounters of the Fifth Kind* and *Hollywood Gladiators*. The new specials will be added to previously produced shows, Action I and II, for a four specials package in syndication. Also, MMI's Lethal Weapons, six-title theatrical package has been sold to nine of the top 20 markets. And The Great Escapes, feature package coventure with Viacom International, has been sold to KTRK-TV Houston, KSTP-TV Minneapolis, WFTV(TV) Orlando and WDIO-TV Duluth, all affiliate stations.

MGM/UA Domestic Syndication's *Straight to the Heart* has been set for a go beginning March 20. Among the 50 markets cleared are WNYW-TV New York, KCOP-TV Los Angeles, WJLA-TV Washington and KMST-TV Minneapolis.

Buena Vista Television has renewed *Win, Lose or Draw* for a third season. Key cleared markets include WLS-TV Chicago, KHJ-TV Los Angeles, WJBK-TV Detroit, WAGA-TV Atlanta and KOMO-TV Seattle.

Some taking another shot at TV westerns, as museum recalls past

Chicago's Museum of Broadcast Communications hosted a TV western retrospective at a time when that genre is trying for yet another primetime comeback.

The museum's program, "Who Shot the Sheriff? The Rise and Fall of the Television Western," ran from January through Feb. 17.

As its promotional booklet notes, *Gunsmoke* was one of four westerns that bowed in fall 1955, "but four years later one-quarter of all network evening programming was filled by westerns—28 different cowboy series."

Among the most durable were *Gunsmoke*, which lasted 640 installments, *Death Valley Days*, 558 episodes; *Bonanza*, which ran for 430 episodes; and *Wagon Train*, whose 300 hours spanned eight seasons.

As for why westerns virtually disappeared, TV and advertising industry sources usually cite the lack of ratings appeal among under-40 viewers and strong counterprogramming.

For instance, CBS' *Paradise*, the only current western series, is languishing among the 25 lowest raters in primetime on the Big 3 networks, probably because it's airing against NBC's *Cheers* and *Dear John*. Still, it has beat ABC's *Dynasty* on occasion.

Classic western, *"Bonanza."*

But J. Fred MacDonald, curator of the museum and author of 1987 book with the same title as this retrospective, observes, "Today the western is an irrelevant, if not dead, entertainment form. There has not been a successful new western on TV since the 1960s. The genre seemed to wither as the nation changed its comprehension of itself. The tragedy of the Vietnam War called into question the violence and aggression in many of its stories."

Moreover, MacDonald adds, "New sensibilities regarding women and racial minorities in American life have rendered traditional cowboy heroes suspect. The innocence and moral certainty of the western also seems outdated in this contemporary world of ambiguities."

A comeback. Despite the potential for ambushes, many producers have saddled up for a western comeback. Contributing are CBS' four-part, $20 million miniseries *Lonesome Dove*, whose 26.1 rating/39 share gave it No. 14 rank on Nielsen's all-time miniseries list. LBS Communications' *Bonanza: The Next Generation* as a barter-syndicated series; and the *Davy Crockett* remake, one of the rotating elements in NBC's *Magical World of Disney*.

NBC also has run two *Desperado* TV movies, with more to come, and plans to remake *Giant* as a two-part miniseries. *Desperado: Legacy* is due "in the spring," NBC says. Meanwhile, ABC last season decided against going to series with *Badland 2005* when that futuristic western pilot was shot down in the ratings.

In addition, Kim LeMasters, CBS Entertainment president, says a *Gunsmoke II* script is in development, due to the TV movie success of *Gunsmoke: Return to Dodge* a couple of seasons ago. And Palladium Entertainment, which plans to syndicate a new *Lassie* series from MCA TV, for fall, now plans to remake *The Lone Ranger*.

As for whether a miniseries longer than the typical two-parter, and one with a western theme at that, can score in the Nielsen ratings, Suzanne De Passe, executive producer on *Lonesome Dove*, a Motown/Pangaea/Qintex coproduction, says, "One thing nice about conventional wisdom is that it's usually changing all the time. And the breakthrough projects usually change conventional wisdom."

—Jim Forkan

A. Bartlett Giamatti

Giamatti says MLB has no intention of taking games away from free TV

Giamatti sees ESPN deal as helping stations; wants baseball to stay free

In an exclusive interview with TV/RADIO AGE, A. Bartlett Giamatti, president of the National Baseball League and newly appointed Major League Baseball Commissioner, offers comments on the ESPN deal, the future of free over-the-air baseball, and his top priorities. *(see also feature, page 27)*

According to A. Bartlett Giamatti, "The net effect of the ESPN arrangement [*with Major League Baseball*] is short-term and will allow the flowering at the local level of over-the-air [baseball]—either network or local television. I don't see any other direction unless you're telling me that the cable industry thinks it will someday drive away over-the-air television games.

"I am not an expert or a local broadcaster, and I've never pretended to be a guru of television. But I can tell you that baseball does not wish to contemplate the time when everything is in some form of non-over-the-air television.

"However, I suppose that 30 years from now the technology and the industry will change so that everything is dotted up the way you dial a number. Baseball is not creating this technology, and baseball has been slow indeed even to exploit it—or to be exploited by it—so we are not trying to blaze a trail that leads us away from free over-the-air TV."

Regarding the possibility that some local broadcasters may lobby Congress to change the antitrust status of baseball, Giamatti says, "It's a free country. People have the right to do anything they like. If you ask me whether baseball is intending to go in the direction that will take it away from people, my answer is no."

Other areas. In nonbroadcast related areas, Giamatti has set two kinds of agendas that will be the priorities when he takes over the commissioner's helm in April: managerial and social. The managerial, he says, "consists of a labor contract with the ball players that has to be settled fairly without disrupting or destroying the integrity of the 1990 season. This is my top priority," and a fair and just agreement is crucial.

"Expansion of Major League Baseball teams is also part of the managerial agenda in the 1990s, which has yet to be concluded as an issue but is very much alive, as is the relationship between the major leagues and the minors on the player development process. The player development contract comes up in 1990 and must be gone through and thought through with great care."

Also on the agenda on the management side, continues Giamatti, is the aim of bringing MLB into the international arena—"Europe, Latin America and Japan."

On the social agenda end, Giamatti cites the "strenuous, continuous promotion of equal opportunity or social justice or fairness in hiring. I don't care what you call it. We all know what it is. And from my point of view, that's an absolutely top priority.

"Administration is one thing, but what you are really called on to do is to make judgments that grow out of your own sense of fairness and set of human values. That's where I think that baseball has done so well."

Also, continues Giamatti, there are social issues to be addressed: "We have done some—but not enough—in calling attention to drug and alcohol abuse. It's a constant vigilance. The policies of baseball—whether it involves rehabilitation, sanction or punishment—on the abuse of alcohol or drugs is an ongoing priority.

"There's also what I call the environment or ambiance of the ballpark. If you don't continue to appeal to people, they won't make that choice to go out to a public place. They will do other things, private or communal, for their leisure.

"So there are a lot of issues, and to take them all on has a way of paralyzing you, but I didn't expect that it wouldn't be."

Syndication shorts

Multimedia Entertainment will distribute a fall 1989 prospect, *What's Your Beef?* A pilot of the half-hour game show strip has been produced by Woody Fraser Productions in association with Reeves Entertainment Group and Multimedia. Tom Leykis, KFI Los Angeles afternoon personality, will host.

Orion Television Syndication has sold *Crimewatch Tonight* in 10 additional markets. The licensees that will carry the half-hour reality-based strip for a September start are KCOP-TV Los Angeles, KTVU(TV) San Francisco, KRBK-TV Sacramento, WTNH-TV Hartford-New Haven, WPTF-TV Raleigh-Durham, KJEO-TV Fresno-Visalia, KOAT-TV Albuquerque, WUPW-TV Toledo, WROC-TV Rochester and WSET-TV Roanoke-Lynchburg.

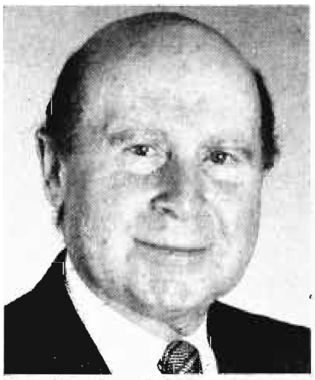
ITC Entertainment has acquired a package of 10 films from CBS Theatrical Films for the U.S. and Canada. Movies include *Back Roads*, *American Dreamer*, *Target* and *Grandview U.S.A.*

Republic Pictures Domestic Television has cleared the classic

(Continued next page)

Zooming in on people

Raul Lefcovich has been promoted to executive vice president, International, **Viacom Enterprises.** Lefcovich has been at Viacom since 1981, most recently as senior vice president, International. Prior to joining Viacom, he worked for United Artists Corp. in a variety of executive capacities for the firm's theatrical, TV and videocassette and videodisc areas including serving as vice president, director of International.



Raul Lefcovich

John Reynolds has been named managing director at **D.L. Taffner/UK Ltd.** He joins Taffner from the BBC, where he most recently was head of BBC, North America in charge of coproduction activities in the U.S., supervision of Lionheart Television and the corporation's broadcasting operations in the U.S.

Robert Fleming has been named vice president, finance and administration at the TV distribution division of **Twentieth Century Fox Film Corp.** Fleming was vice president, business development at Fox, a position he assumed in 1986. Before joining the company, Fleming served in various finance and managerial capacities at Columbia Pictures. Also at Fox, **Paul Franklin** has been named account executive, central division. Franklin comes to Fox from Blair Entertainment in Chicago, where most recently he was midwest regional manager.

Leslie R. Gershman has joined **Genesis International** as director of international sales. For the past four years she was at KTTV(TV) Los Angeles, most recently as sales promotion coordinator. Before that, she held positions at MGM/UA Television Distribution in London, at Network Ten Australia and SFM Media.

Leslie Gershman

Linda Yaccarino has been named director, station sales at **Select Media Communications.** Prior to joining SMC, Yaccarino was research manager at King World Productions.

Robert E. Raleigh has been appointed vice president, northeast area at MCA TV. Raleigh came to MCA TV from the Sperry Corp., where he was responsible for sales of major computer systems. He joined MCA TV in 1986 and was named division manager of the northeast area last year.

Fred Cohen has been named president of the newly formed international division of **King World Productions.** He comes to King World from Sunbow Productions, where he was executive vice president of Sunbow Productions International as well as executive vice president of Sunbow Productions Inc.

Fred Cohen

Richard Kurshner has been named vice president, business affairs/legal at **Republic Pictures.** Prior to joining Republic, Kurshner was director of business affairs at NBC, Los Angeles.

Todd Bernam has been appointed director, marketing and distribution at **National Geographic Television.** Berman joined National Geographic two years ago as director of special projects and later was promoted to director of marketing and special projects.

Raymond Horn Syndication has appointed three vice presidents: **Steve Saltman,** syndication and legal affairs; **Bernie Schulman,** east coast syndication; and **Jesse Weatherby,** syndication.

DuPont-Columbia award winners

The Alfred I. DuPont-Columbia University Awards in broadcast journalism has given the gold baton, its highest honor, to the CBS news program *60 Minutes*, for "two decades of reporting that changed the nature of television news."

Twelve programs won silver batons for excellence in radio and television journalism in 1987–88. These are, in network television, NBC News for *A Conversation With Mikhail Gorbachev* and ABC News for *Nightline: In the Holy Land*. In major market TV: WCVB-TV, Boston, for *We the Jury;* WWOR-TV New York, for the *I-Team;* WUSA-TV Washington, for *Thurgood Marshall: The Man*.

In medium markets: Erin Hayes and WSMV-TV Nashville for investigative reporting; KIBG-TV Seattle, for *Looking for Lincoln*.

Small-market TV: WCAX-TV Burlington, for *The Politics of Pollution;* and John Camp and WBRZ-TV Baton Rouge for investigative reporting.

In independent TV production: Public Affairs Television and Alvin Perlmutter Inc., for *Joseph Campbell and the Power of Myth, With Bill Moyers*.

In radio, Nina Totenberg and National Public Radio, for coverage of the Supreme Court nominations. Charles Kuralt, CBS Sunday Morning anchor, was host of the ceremonies, which were broadcast from WNET-TV New York over public stations.

Mulford heads Wolff in U.S.

Harry Mulford, veteran industry executive, has joined Wolff Communications as managing director of its newly established U.S. operation. Prior to joining Wolff, Mulford was vice president, advertiser sales, barter division, Twentieth Century Fox Film Corp. The barter division was set up by Mulford in 1979, and was the forerunner of similar departments set up by other film companies.

Harry Mulford

From 1975–79, Mulford was a barter consultant for a number of syndicators. Before that, Mulford spent 12 years, from 1962–74, as vice president, general sales manager, WABC-TV ABC flagship station in New York.

Wolff Communications is a division of F.K. Wolff Group of Companies based in London. The division serves as ad sales rep and as TV programming buyer for TV regional networks in the People Republic of China.

Peter Jones offering short-form features

Peter Jones Productions, West Coast based production company, has some busy activity ahead. The company plans to debut the PJP library in syndication late in 1990, when the cable run of the short form features expires. The schedule calls for more than 75 short-form features to be made available for syndication by June of 1990, according to Peter Jones, president of PJP.

"These are Hollywood, behind-the-scenes evergreen pieces that are for all dayparts and may be used as filler material that stations look for when their feature films and sports specials fall short."

'CARE' PACKAGE
Local documentaries sponsored by caring companies/49

BUYER'S OPINION
How much 'clout' will dollar power alone get you?/51

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Carlos Rubio pitches New York's first Hispanic FMer/53

TELEVISION/RADIO AGE

Station Report

February 20, 1989

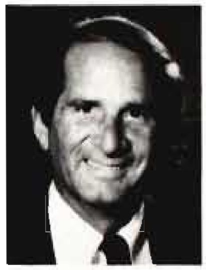
Care" programs are their only use of television. They wouldn't be on television without it." These are the Milam Recovery Center (for substance abuse) and the Pacific Cataract & Laser Institute (eye surgery).

Gooder adds that as part of the promotion KING hosts a couple of luncheons a year for its "Companies that Care" sponsors "to review what we've done and the awards they've helped us win, and give our sponsors a preview of what's in the pipeline, in those cases where we do know what's coming up."

He says there's also an internal benefit at KING: "The project has promoted good internal relations by bringing sales closer to our news and program operations. They appreciate our efforts in finding sponsors to provide the financial backing for the ideas they come up with, and to help pay what it costs to get those ideas on tape and on television."

Appointments

Stations



Philip A. Jones, vice president, general manager of KCTV(TV) Kansas City, has been named to the additional post of executive vice president of Meredith Corp.'s Broadcasting Group. Jones' first job at Meredith started in 1966 at KCMO-FM Kansas City. Between 1967 and 1979 he worked for various Metromedia and Taft stations until returning to Meredith at KCTV.

Craig Dubow has been promoted from station manager to vice president, general manager of Gannett Broadcasting's KVUE-TV Austin, Texas. He succeeds **Joe Jerkins** who plans to retire from the presidency of the station next year and continue with Gannett as consultant to all 10 of its television stations.

Paul Laverty has been named vice president, sales planning, MTV Networks. He had been MTV Networks' director of financial planning after joining the company in 1984 as manager of budgets and forecasts.

Gary Berkowitz has joined Broadcasting Partners' WCZY(FM) Detroit as vice president/programming. He had been operations manager and program director for Capital Cities/ABC's WJR Detroit.

KING-TV sells local documentaries to Seattle's 'Companies that Care'

KING-TV's series of documentaries, sponsored by "Companies that Care" in the Seattle-Tacoma market grew out of KING's policy of producing many of its own public affairs and news specials, says local sales manager Arnie Gooder.

But local production costs money and management asked the sales department to come up with a way to sell this kind of programming to help cover those costs. Gooder explains that the selling "had to be done in the face of two facts about local documentaries: One is that if it's news—a special based on something that happened this week, there's not a lot of time to approach a prospective sponsor and start selling from scratch.

"Second, in view of the times in which we live, some of the subject matter of a documentary can be on the controversial side. There are advertisers who would just as soon pass and not be part of the controversy."

However, Gooder also points to some strong pluses to counter balance these two drawbacks. He cites the "well-justified reputation of KING's news department for turning out first class documentaries, some of which win national awards. Some advertisers really appreciate being associated with this kind of program."

Flat fee. Also, he says KING's plan, "Companies that Care" (meaning care enough to stick their necks out occasionally to support serious programming about important subjects) added some more pluses of its own. Gooder says KING lined up 10 sponsors whose commercials would rotate among the specials, and "One plus is that they each pay us a flat monthly fee that adds up to $30,000 a year from each, for a total of $300,000 a year from all 10 sponsors.

"This allows each sponsor to budget, based on a predictable monthly and annual cost. This avoids unpleasant surprises in the pocketbook. They pay the flat fee each month, even though some months there may be no special. But in other months there may be two or three, so over the course of a year, everybody gets his equal shot to be part of a special in which they get billboarded at the open and close and get a 30 during the program."

Another plus, says Gooder, is that "We run 40 or 50 of our own station promos each month that tells viewers what "Companies that Care" is, and that name five of our 10 sponsors in each promo. Of course we rotate with another promo that names the other five, so over time, all 10 get equal mention."

Too controversial? He explains that when KING News does a program that some might construe as "seriously controversial, we do warn our sponsors in case they want to back out of that particular show. But it's no surprise because we explained up front, when they first joined our sponsor list, that this kind of thing happens, but that they'd be warned and have a chance to postpone their turn until the next special that follows."

One of KING's most controversial documentaries to date was one on AIDS and safe sex that included scenes of teenagers being taught how to use contraceptives. On that one, says Gooder, "We did have a sponsor who gave their place to the next advertiser in line. On the other hand, this was the special that won us a first place Penney-Missouri Award (for J.C. Penney and the University of Missouri) for community leadership last year."


Arnie Gooder

Other documentary subjects have been *Children of the Rainbow*, about children whose parents are of different races, and the political debates organized by the League of Women Voters for their *Candidates Forum*.

Ratings vary. Gooder concedes that ratings have varied widely, from as low as a 5 to highs that reach 15. Caring sponsors have included Alaska Airlines, the Northwest Subaru Dealers Association, U.S. West cellular car telephones, two local realtors, "and two sponsors for whom our "Companies that

Dick Harris chairman of Group W Radio

Dick Harris, president of Group W Radio, has been appointed to the new post of chairman. Besides continued involvement in managing Group W's 14 radio stations, Harris will concentrate on the group's strategic planning, acquisitions and internal business development and become more broadly involved in industry affairs. Group W chairman Burt Staniar says the group is aiming for eventual ownership of 24 radio stations, the full limit under current regulations.


Harris

KMID-TV reruns its Buy West Texas campaign following its 1988 success

Local sales manager Rick Wood reports that KMID-TV's Buy West Texas campaign for the Midland-Odessa market "worked like a charm. It's been fantastic."

Wood notes that the area's local economy "hadn't been much to brag about since oil prices skidded. So we had the Baylor University Economics Department run a study for us that showed that in 1987 West Texas consumers spent more than $464 million outside our ADI. If we had been able to hang on to just 30% of that, we could have raised total retail spending in our West Texas trading area by over $139 million."

Keeping it. Thus the goal of Buy West Texas was to turn this "dollar leakage" around and keep as much of it as possible inside the ADI during 1988. It worked. Wood reports that every month of the Buy West Texas campaign, which kicked off last June, KMID's retail ad revenues were ahead of the same 1987 month.

Wood says KMID invested heavily in promoting the campaign, enlisting the help of merchants in both Midland and Odessa plus the chambers of commerce in 26 smaller towns nearby. He says two chambers, those of Andrews and Seminole "were particularly enthusiastic. They pitched in 100% with our effort to keep more of our citizens' dollars at home."

Participating merchants appeared in KMID's on-air promos saying "We're proud to be part of the *Buy West Texas* campaign because at (name of store or auto dealership) we believe in spending our money close to home and helping keep our West Texas economy strong."

Part of the promotion involved issuing special money called "West Texas Bucks." When a customer went in and spent, say, $50 at a participating hardware store, he got back $50 worth of West Texas Bucks to bid with at the big auction that ended the campaign. This was an on-the-air telephone call-in auction KMID ran much like a Home Shopping Network channel. Participating merchants contributed the 200 items auctioned off for West Texas Bucks.

Auction runs overtime. Wood calls the response "overwhelming. We started the auction at 8 p.m., figured we'd go until 11, cutting away only one half-hour for our regular 10 o'clock news. But from 8 p.m. on, all 20 telephone lines never stopped ringing. After the news, we kept the auction going way past 11, to 1 a.m."

Some $300,000 worth of items were auctioned—everything from an $800 computer to small gift certificates. Yet there were still people who couldn't get through the telephone traffic and who still had a lot of West Texas Bucks they never did get to spend that night.

Goal: "To turn the dollar leakage around."

But Wood says that will be taken care of when KMID does a rerun and they'll get a second chance to spend their West Texas Bucks. Says Wood: "We started our Phase II of Buy West Texas on Jan. 1 and we'll wind it up with another auction in April. But this time we have a better idea of what kind of response to expect, and we're going to have a lot more than 200 items to auction off."

That's how Buy Your Market First worked in West Texas. Larry Matthews, senior partner in the broadcast consulting firm of Logan/Stephan/Matthews, who developed the idea, says Midland-Odessa is one of 20 markets the campaign is working for. As Mat-

CBS Radio Reps form Hispanic unit

When CBS Radio Representatives signed up to represent Command Communications' KRLD Dallas and the four Texas State Networks, one of those four webs was the Spanish Information Service. It currently feeds news and sports to 39 Spanish language affiliates but is working to add more stations in California and other states with heavy concentrations of Hispanics.

To do the job right, CBS set up a new special unit, CBS Hispanic Marketing, and promoted Los Angeles account executive Dee Levy to western manager. Until the new unit's director is named, Levy will report to Tony Miraglia, vice president, general manager of CBS Radio Representatives.

Explaining formation of the new sales unit created to represent Spanish language radio stations, Levy observes, "Until recently, the tremendous growth of Hispanic buying power in Texas, California, Florida, New York and Illinois has been one of the best kept secrets in the business. But it's one CBS has been looking at long enough to conclude that the time is right to get in with both feet. One estimate of Hispanic purchasing power in this country is that it's jumped from $50 billion in 1980 to a current level of $140 billion in just eight years. And we've seen other estimates that are even higher."

Levy

Chris Witting has been named vice president and general manager of WCAU, the CBS-owned AM in Philadelphia. He transfers from Chicago where he had been director, news and programming for WBBM.

Kathy Stinehour is the new station manager at KCFX(FM) Kansas City. She moves in from Chicago where she had been general sales manager at WLUP AM-FM and before that she had been a sales executive with Major Market Radio in Detroit.

Harvey Cohen, president and general manager of WDZL-TV Miami, has been elected an executive vice president of parent company Renaissance Communications Corp. He will continue to head WDZL and now will also coordinate programming activities for all Renaissance television stations.

Jeff Crabtree, general manager of Narragansett Broadcasting's KEZO AM-FM Omaha, has been elected vice president and **Terry Barfield** has joined the stations as general sales manager. Barfield had been general sales manager for WZKX Gulfport, Miss.

Bob Hogan has been appointed general manager of KJR/KLTX (FM) Seattle. He came to the Ackerley Communications stations in 1987 as general sales manager and before that had been with KKHT(FM) Houston.

One Buyer's Opinion

How much 'clout' will dollar power alone get you?

Kay

The term "media clout" has been used liberally over the years as a way to attract clients to advertising agencies and media services. How many new business presentations have we heard when the presenter says: "*We* got clout! *They* don't have clout!"

What do they mean by clout? Well, clout will save you money, make your ads look bigger, brighter and more colorful. Clout means the media will do things for you they won't do for any other advertiser. Clout cures dry skin, eliminates ring-around-the-collar and causes your stocks to go up in price.

Being headquartered in Chicago—Clout City, U.S.A.—we are experts on the subject. Either you have it or you know someone who has it and who will, for an I.O.U., share a little of it with you.

In advertising we are reading again, for the umpteenth time, how mega-agencies are planning to "combine resources" to bring humongous pressure on the media—pressure which is supposed to literally bring the media to their knees, begging you to take their time or space for almost free.

On the other end, small agencies are, once again, talking about "pooling resources" in order to be competitive to the biggies who have kicked sand in their faces far too long. The "resources" being referred to are, of course, dollars. The more dollars you have, the more clout power you have. And, as a matter of fact, there is some truth to the theory. There are also a lot of daydreams.

For one thing, it's hard to believe that a group of maniacally competitive agencies would suddenly become palsy-walsy and share clients' advertising budgets, strategies and plans. It's equally hard to believe that a client that hired Agency A would be comfortable knowing that its media were being bought by total strangers at Agencies X, Y and Z.

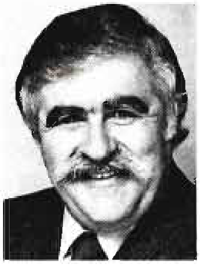
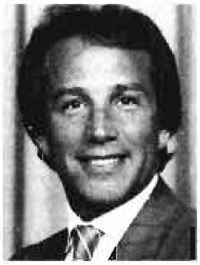
Another fact of life is that an inexperienced and/or ineffective media buyer with a big budget to invest will inevitably make a big bad media buy. If dollars alone were the only criterion, we would not need experienced, professional negotiators. We wouldn't need a lot of professional anythings.

A competent, professional media negotiator will not only do better with a bigger budget, but they also have the ability to *do better with smaller budgets*. Also often overlooked (deliberately?) is how impersonal the buy becomes when the buyer is principally placing "dollars for numbers"; he or she loses a sense of involvement with the client's product, goals and objectives. Individual opportunities may be missed and, even more important, individual product schedules might have to be compromised for the sake of the whole buy.

The theoretical argument in favor of pool buying is that the buyer can go in with the power of a bundle of cash accumulated through many clients. That's fine, *if* all budgets and plans have been done well in advance. But in the real world it happens that way only some of the time.

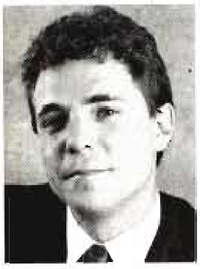
One must wonder: Is the resurrection of the "clout syndrome" just another way for the industry to divert attention away from all of the negatives caused by mega mergers? The growth of independent agencies and independent media services would seem to indicate that more and more advertisers see it that way.—**Len Kay,** *senior vice president/director of media operations, Kelly, Scott and Madison, Chicago*

Representatives

Maisano **Dashev**

Tony Maisano, McGavren Guild Radio executive vice president/ Southern Division, and **Jeff Dashev,** executive vice president/ Western Division, have added responsibilities as regional Radio Store executives for Atlanta and Los Angeles respectively. As such, they'll coordinate solutions using radio to advertisers' marketing problems.



Michael Weiss has been elevated to regional manager of Durpetti & Associates' New York office. He was with Weiss & Powell when he joined Durpetti in 1985, and was promoted to sales manager the following year.

Chris Jordan has been elected a divisional vice president of Katz Continental Television. He joined Katz in 1982 as a sales executive and is currently New York manager of Continental's East Station Group.

Peter Penni has been appointed national sales manager of Seltel's Red Team in New York. Before coming to Seltel Penni had been general sales manager for WTMJ-TV Milwaukee.

Jay Wisse has been promoted to manager of Banner Radio's Houston sales office. Wisse joined Banner in 1987 from Metroplex Communications where he had been an account executive.

Sandie Lanza has been promoted to manager of the Detroit sales office of Katz Independent Television. She had been a senior buyer and planning supervisor for Bozell, Jacobs, Kenyon & Eckhardt in Detroit before coming to Katz as a sales executive in 1987.

Don Hall has been named vice president/sales manager of McGavren Guild Radio in Dallas. He started with the company in 1978 in the research and marketing department and became an account executive in 1981.

Chip Ermish, vice president, sales manager of the Los Angeles White Team for Katz American Television, has added responsibility for managing the Red Team. Ermish came to Katz in 1980 from Kenyon & Eckhardt, was named an account executive the following year, and was promoted to team sales manager and elected a divisional vice president in 1985.

Agencies

Vickie Szombathy has been elected a vice president of DDB Needham Worldwide. She joined Needham, Harper & Steers in 1983 as a media supervisor in Chicago and was promoted to associate media director last year.

Daina Auzenbergs has been promoted to media planner at Wyse Advertising in Cleveland. She joined the agency in 1987 and now steps up from assistant planner.

Nancy Barber, network supervisor on Buick national business at McCann-Erickson in Detroit, has assumed additional responsibility as media supervisor for Champion Spark Plug local planning and planning on other Buick operations.

Alan Jurmain, media director at Scali, McCabe, Sloves in New York, has been promoted to executive vice president. He moves up from senior vice president at the agency.

David Wilcox has been elected a vice president of DDB Needham Worldwide in Chicago. He joined the agency in 1982 as a media assistant and is currently an associate media director.

Bob Steinhilber has been promoted to associate media director at Waring & LaRosa. He joined Waring & LaRosa from William Esty and was named an assistant media director in 1985. His accounts have included Ragu Foods and Home Insurance.

Pamela Profusek has stepped up to media planner at Wyse Advertising, Cleveland. She joined Wyse two years ago and works on the General Electric and Pennbanc accounts.

Spotlight On...

Carlos A. Rubio

Vice president, sales
WSKQ AM-FM
New York

With WSKQ(FM), formerly Forward Association's WEVD(FM), now on the air under Spanish Broadcasting System ownership as New York's first FM station broadcasting in Spanish, vice president, sales Carlos Rubio says, "We'll continue to offer the best of Spanish music and add an occasional Anglo song that happens to be currently popular among our 18–34 and 18–49 audience. New York's Hispanics always appreciated our programming, even when our reach was limited. Now, as a Class B FM, we have signal parity with the market's other FMs. Our engineers tell me that's a 1 millivolt contour of about a 30–35 mile radius extending from the Empire State Building."

Rubio adds that now that SBS has its combo, "We'll be selling the pair as an AM-FM combination, and we've developed special combination rates, plans and packages for advertisers. Our program director, Tony Campos, has planned for different daypart formats, depending on who's available to listen. The format will vary by season. We'll have one variation for spring, one for summer when our primary 18–34 demo is at the beaches, a different format for fall and a fourth variation for winter when people are more inclined to stay indoors."

But he adds, "All year long we'll be featuring plenty of promotions and contests. And our mobile units will be all over the market. Our AM station will continue to send out its news team, but the two units for our new FM will feature our entertainment personalties. They'll travel through all five boroughs and make regular visits to New Jersey, to Staten Island, up into Westchester and Connecticut and out to Long Island where we'll be sponsoring our share of live concerts."

SBS' launch of New York's first Spanish language FM is the second time since last August the company has made news in New York. The first was acquisition of 50,000 watter AM WFAN from Emmis last summer, to trade to Forward for the FM station that is now WSKQ-FM. That, says Rubio, meant Spanish programming could be heard temporarily in parts of New Jersey, on most of Long Island and up into Connecticut and the Hudson Valley. That, he says, "brought us to the attention of many more prospective advertisers, even before we launched our new FM, as our slogan says, as 'The First, and with Class.' Now we expect that interest to grow as more people hear our music on our superior new FM signal."

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thews describes it, Buy Your Market First "combats leakage—the amount of money spent outside a market by persons living within that market. Usually these lost dollars are spent in adjacent markets or through catalogs and can account for 10 to 30% of a market's spendable income. In even the smallest markets, leakage represents hundreds of millions of dollars in lost retail sales."

He adds that recapturing even a small percentage of these lost dollars can create new jobs in a market and improve its local tax base. On top of that, each dollar recovered and spent locally generates subsequent rounds of spending in the community. And one of the great things about the promotion is that results occur in a relatively brief period of time. One station reported a 34-percentage-point rise in retail sales after the promotion had been on the air for only four months. The average return on a station's investment in the promotion is 15 to one."

John F. Mueller, Jr. has been elected president and chief operating officer of Denver-based Communicom Corp. of America, owner of contemporary Christian-formatted radio stations in New York, Philadelphia and San Antonio. Mueller joined the company in 1980 as vice president, finance and acquisitions.

Tom Gatti has been named senior vice president, general manager of DIR Radio and **Ray Hockstein** has been tapped as director of research. Hockstein formerly headed research at Eastman Radio and Gatti had been director of sales.

John Rogers is the new general manager of Bahakel Communications' WABG-TV Greenwood, Miss. He moves in from Montgomery, Ala. where he was general manager of WKAB-TV and president of the Montgomery Sales and Marketing Executives.

Maire Mason has been appointed general sales manager of CBS owned WCBS-FM New York. She came to the station in 1980 as a retail account executive and now steps up from local sales manager.

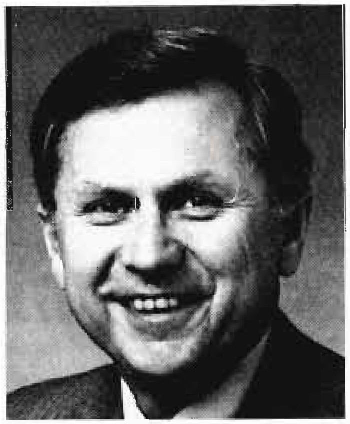
Lee McCoy has been named agrimarketing specialist/assistant farm director for Texas State Networks' Texas AgriBusiness Network. He was formerly editor and advertising manager for *The Missouri Beef Cattleman* and serves as national membership chairman for the National Agrimarketing Association.

FEEDBACK

Do you feel syndicated reality programming will continue at its current rate of popularity over the next few years?

"My guess is that it's the kind of sensationalism that will enjoy a fairly short life among those programs with the least substance. Past experience has shown that most viewers tend to tire rather quickly of the sensational. On the other hand, it has real appeal for certain segments of the public. So I think what we'll see is quite a bit of it during the next two or three years, followed by a shakeout that will leave television with perhaps only two or three versions over the long run."

Gary Schmedding
Vice president of broadcasting
Lee Enterprises
Davenport, Iowa



"I think those that do survive will evolve into programs that turn out to be somewhat different than what they were when they started: away from their early level of sensationalism, toward programs that find themselves more in the mainstream. "Current Affair" is not the same program it was when it began. Now, they appear to see themselves as more of a "20/20" kind of program. It's true that "Geraldo" still focuses on topics that play on sensationalism, but I don't think to the same degree he did in his earlier episodes. I think those programs that succeed over the long haul will similarly evolve."

Cullie Tarleton
Senior vice president,
General manager
WBTV(TV) Charlotte, N.C.

"My feeling is it won't continue at its present rate over the next few years. I think there is an overload, but the marketplace can probably support two or three of the half-hour variety."

Mike Levinton
Vice president and director of programming
Blair Television

"It's very hard to predict whether reality programming will continue to remain popular over the next few years. But I have a gut feeling that it will. Actually, it's been popular for some time. A lot of shows not classified as reality programming really are reality programming."

Caroline Chang
Program manager
KTVU(TV) San Francisco-Oakland

Wall Street Report

Movie company stocks presenting a mixed picture

Pointing out that fourth quarter, 1988 performance of motion picture company stocks was mixed, Oppenheimer & Co. points to Gulf + Western and Warner Communications as the best buys. Among the smaller companies, securities analyst Dennis B. McAlpine regards New Line Cinema as the most attractive.

Meanwhile, he's advising clients to avoid the "takeover stocks," which had been the best performers in terms of stock prices during the fourth quarter. In regard to these, he says, "Pacing the gainers was MGM/UA, as speculation that Leo the Lion would become part of Sony pushed the stock up 20%. The two other supposed Sony takeover targets, Columbia Pictures and MCA, also posted gains.

"On the negative side, the three smaller companies, New Line, New World and Vestron, suffered from a commonly malady—lack of interest—and experienced modest absolute stock price declines which, given their relatively low prices, were magnified into larger percentage declines."

Although the timing of the closing of Lorimar-Telepictures' merger with Warner "will muddy Warner's earnings outlook for 1989 somewhat," McAlpine advises, the pending syndication of *ALF*, *Perfect Strangers* and *Head of the Class*, among others, in the fall of 1990 "should reward the faithful. With 1990 earnings likely to approach $4.00 per share, the stock's upside potential is substantial, and it remains on our recommended list."

Gulf + Western potential

For Gulf + Western, Oppenheimer is pointing out that higher financial services income in the first quarter will be offset by lower publishing results and that the Entertainment Group's results will be mixed. The investment firm expects earnings to exceed the company's estimate of 50 cents per share and projects earnings per share of 55–60 cents vs. 53 cents last year. International theatrical results will be the key to this growth picture, it says.

McAlpine adds, "Despite the positive earnings outlook for fiscal 1989, the stock carries only an 11.2–11.8 P/E multiple." He regards its acquisition of an option to purchase 79% TVX Broadcast Group over the next four years as a positive longterm proposition.

"If TVX were to be wildly successful and generate $50 million in operating cash flow," McAlpine notes, "the maximum price paid by Gulf + Western would be 3.6 times cash flow, certainly not a bargain. Until Gulf + Western exercises more of its options, which need not occur for four years, it has paid $10 million for 8% of $15 millon in cash flow." The deal covers five of TVX's stations, three of them operating at negative cash flow.

Disney afloat at Shearson

Shearson Lehman Hutton is maintaining its short- and long-term buy recommendations for Walt Disney stock. Securities analyst Alan Kassan says this is because of "improving fundamentals and an attractive valuation. Disney sells at a market capitalization/operating cash flow multiple of 7.5 times, based on our fiscal 1989 profit estimates, and 6.2 times estimated 1990 cash flow.

"These valuations are below the average annual operating cash flow multiple of 8.0× for the past five years. Peak market capitalization/operating cash flow multiple valuations for Disney have been 11×–12× historically."

Kassan says Disney's earnings for the December quarter should be up sharply, based heavily on improved theme park attendance, higher income in the filmed entertainment group and continued growth of the consumer products division. Shearson is raising its first quarter earnings per share estimate to 97 cents from 83 cents vs. the year-earlier 73 cents. For the fiscal year ending Sept. 30, it's lifting its estimate to $4.60 from $4.50, compared with $3.80 in the previous fiscal year.

Century rating reduced

In the cable TV industry, Century Communications is taking a slide at Merrill Lynch. The firm's intermediate term rating on Century has been reduced from "buy" to "above average." Merrill Lynch vice president Edward Hatch says his firm believes the stock will probably perform in line with similarly rated cable TV stocks over the intermediate term for the following reasons:

- Century's stock has outperformed the Standard & Poors 500 by 17% during the past month, compared with 7% for the Merrill Lynch cable stock average.
- Century's shares are selling at 64% of Merrill Lynch's $23 per share estimate of Century's 1989 private market value, a level in line with the cable stock average.
- "The rapid appreciation of media assets and the very competitive acquisition climate, in our view, will make it difficult for Century or other companies to buy assets that could meaningfully increase its PMV in the intermediate term.
- Century's high financial leverage may impede its intermediate term stock market performance in a high interest rate environment. "In our view, this may have contributed to the shares' relative underperformance during 1988."

Merrill Lynch made a modest reduction in its estimate of Century's PMV to $27 per share from a split adjusted $28. This was the result of trimming its estimates of Century's 1990–92 cable cash flow by $2–3 million annually, as Merrill Lynch sees only slight room for continued margin expansion.

During the past six months, Century acquired cable systems serving 80,200 subscribers for $168 million and cellular telephone properties serving markets with a population of 1.55 million for $108 million, paying an estimated 15–17 times second year cash flow, Merrill Lynch points out.

Spot and local ad expenditures—top 50 markets

$ Rank	ADI rank	Market name	January–Sept 1987 Dollars	January–Sept 1988 Dollars	Change	% Change
1	2	Los Angeles	645,466,365	695,318,535	49,852,170	7.7%
2	1	New York	627,191,473	672,410,646	45,219,173	7.2%
3	3	Chicago	320,787,243	404,070,895	83,283,652	26.0%
4	5	San Francisco	305,388,712	306,899,257	1,510,545	0.5%
5	4	Philadelphia	242,636,651	252,972,539	10,335,888	4.3%
6	6	Boston	239,339,587	240,354,805	1,015,218	0.4%
7	12	Atlanta	190,269,901	188,198,765	(2,071,136)	−1.1%
8	10	Houston	183,570,779	177,883,701	(5,687,078)	−3.1%
9	9	Washington	171,165,698	177,065,878	5,900,180	3.4%
10	8	Dallas	199,282,937	168,538,949	(30,743,988)	−15.4%
11	14	Miami	154,381,567	158,669,528	4,287,961	2.8%
12	7	Detroit	158,719,345	156,749,178	(1,970,167)	−1.2%
13	13	Minneapolis	142,474,070	145,397,535	2,923,465	2.1%
14	15	Seattle	135,465,112	136,095,996	630,884	0.5%
15	24	San Diego	123,884,762	124,862,298	977,536	0.8%
16	20	Phoenix	120,182,647	122,962,208	2,779,561	2.3%
17	17	Tampa	111,429,947	120,362,314	8,932,367	8.0%
18	19	Denver	123,744,472	118,067,983	(5,676,489)	−4.6%
19	18	St. Louis	103,341,535	113,763,076	10,421,541	10.1%
20	11	Cleveland	101,906,306	112,668,416	10,762,110	10.6%
21	16	Pittsburgh	102,825,223	111,665,733	8,840,510	8.6%
22	22	Baltimore	99,936,366	103,300,473	3,364,107	3.4%
23	26	Indianapolis	92,095,193	98,218,657	6,123,464	6.6%
24	21	Sacramento	94,554,289	92,257,398	(2,296,891)	−2.4%
25	23	Hartford	91,459,199	92,034,856	575,657	0.6%
26	29	Cincinnati	69,877,501	86,033,556	16,156,055	23.1%
27	30	Kansas City	81,756,707	83,840,070	2,083,363	2.5%
28	27	Portland OR	77,366,778	78,018,353	651,575	0.8%
29	25	Orlando	75,329,221	77,531,193	2,201,972	2.9%
30	28	Milwaukee	68,128,410	73,457,394	5,328,984	7.8%
31	33	Columbus	65,449,107	66,639,429	1,190,322	1.8%
32	31	Charlotte	56,999,141	65,534,433	8,535,292	15.0%
33	35	New Orleans	60,914,818	62,162,405	1,247,587	2.0%
34	40	Salt Lake City	61,910,193	59,276,591	(2,633,602)	−4.3%
35	43	San Antonio	55,415,741	56,900,162	1,484,421	2.7%
36	32	Nashville	48,228,972	55,145,462	6,916,490	14.3%
37	39	Oklahoma City	51,275,242	54,569,571	3,294,329	6.4%
38	34	Raleigh	45,292,235	51,449,336	6,157,101	13.6%
39	42	Norfolk	51,463,628	50,234,590	(1,229,038)	−2.4%
40	38	Buffalo	48,576,546	50,038,593	1,462,047	3.0%
41	49	Dayton	45,388,507	47,839,181	2,450,674	5.4%
42	41	Memphis	43,609,217	47,234,751	3,625,534	8.3%
43	37	Grand Rapids	42,093,976	46,055,107	3,961,131	9.4%
44	46	Louisville	42,525,498	45,358,316	2,832,818	6.7%
45	44	Providence	41,058,545	44,566,143	3,507,598	8.5%
46	57	Jacksonville	42,898,134	43,615,858	717,724	1.7%
47	56	Albuquerque	41,235,812	43,122,949	1,887,137	4.6%
48	48	Greensboro	41,367,883	42,755,710	1,387,827	3.4%
49	50	West Palm Bch	39,284,823	40,476,765	1,191,942	3.0%
50	36	Greenville	42,011,208	39,790,618	(2,220,590)	−5.3%

Source: BAR. Markets ranked by ad expenditures. Note that markets below the top 16 ADIs are monitored one week a month.

"The popularity of syndicated reality programming has evolved over the years, going back to 'PM Magazine/Evening', through 'Entertainment Tonight' and 'Current Affair.' Don't forget that 'PM Magazine' started in 1976. There is no reason to believe that the popularity of this kind of show will diminish. There will be clones in the future, and the best of these will survive."

Farrell Meisel
Director of programming
WWOR(TV) New York

"My sense of it is that it's good for a maximum of 24 months. You can see that the viewership of the traditional talk shows is not as high as the new ones, but I think it's a predictable 24-month curve."

Nickolas Davatzes
President
Arts & Entertainment Cable Network

"No. I think it's a phase that we're going through. I go back to the time when Joe Pyne and Mike Wallace had reality based shows. It's a situation where one clicks and others try to copycat it. I give the current trend one season—two at the most. What people should be thinking about is the fact that a lot of advertisers shy away from programs that jump off the pier rather than stay at the edge—and this could shorten the reign of this type of program."

Bill Croasdale
Senior vice president, director of network television programming
Backer Spielvogel Bates

"No. There are now too many in the soup—and the soup is getting cold. I don't think 'Inside Edition' will continue [beyond its initial commitment]. 'Tabloid' will get terrible time periods. Obviously, the talk part of it will continue, with 'Donahue,' 'Oprah,' 'Sally Jessy Raphael' and 'Geraldo,' but I don't think Kenny Rogers will even get launched...They've got as much out there as they can handle, and they'll start falling by the wayside by the end of this fall."

Dean McCarthy
Vice president, director of programming services
Harrington, Righter & Parsons

WASHINGTON ROUNDUP

Religious broadcasters' faith shattered by President Bush

President Bush was roundly lauded by the National Religious Broadcasters as a long and special friend, but he sure messed up the group's annual convention in the capital.

The entire last day of the convention had been built around the possibility that Bush would address the group at lunch. After all the workshops—the backbone of the convention—were carefully scheduled and the programs printed, the White House called and wanted to move Bush's appearance up to 11 a.m.

That would chop off the ends of all of that morning's 19 workshops, so the NRB leaders decided to move the workshops to that afternoon. At mid-morning, however, conventiongoers learned that Bush had cancelled, claiming a raspy throat.

As the host hotel disgorged busloads of the conventiongoers, a tour of some of the workshops rescheduled for the afternoon, including one concerning the main topic of the convention—ethics—revealed only a handful of attendees. Some of the groups were so small they looked like informal groups gathered around poker table.

the marketplace

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In the Picture

Bill Wells

Veteran research executive at DDB Needham Chicago is also a prolific author whose latest work shows how creative and media must interact and work together for optimum consumer impact.

Wells stresses the specific in drafting ad strategies, defining target audience

Shortly after publication of *The Advertiser's Handbook for Budget Determination* by Simon Broadbent, vice president and director of brand economics at Leo Burnett, another Chicago agency executive, Bill Wells, executive vice president, director of marketing services at DDB Needham Worldwide, has authored a second how-to book for marketing professionals as well as students.

While many such texts concentrate exclusively on either the creative or media operation, just one of Wells' contributions in *Planning for R.O.I.* (for both Return on Investment and Relevance, Originality and Impact) is showing how both creative and media must interact for maximum consumer impact. Says Wells in his new book:

"All too often, media plans are made in a vacuum, independent of what the advertising will say. The R.O.I. system differs from other strategy systems in that it insists upon integration between media strategy and message strategy, that neither strategy should be developed on its own."

Another key Wells point is his insistence that successful advertising strategies avoid generalizations and stick to the specific: "The purpose of the advertising must focus on specific behavior, identify the source of business, and focus on some major barrier to use: The purpose is not merely to persuade the consumer to buy the product but to buy it instead of something else."

Explicit statement of purpose

An example would be: "The purpose of the advertising is to persuade members of the target audience to buy an extra package of real cheese instead of some competing food product next time they shop."

The effective advertiser, adds Wells, must be equally specific in defining his target audience: "If advertising is to be a 'highly personal communication between two people,' the receiver must be described as a person, not as a male or female 25–49."

Stressing that direct aim at a precise target will concentrate fire where it will do the most good, Wells gives such examples of more precise aiming points as "heavy users of analgesics, young women who have acne problems, or people in the market for an expensive, sporty European car." Even more complete, he continues, would be to add to a description like "heavy users of charcoal," the further description, "Fathers between 25 and 49. Most of them live in the suburbs or semirural areas. They get a big kick out of barbecuing for family and friends. They want the meat to turn out just right."

Picturing the audience

Such descriptions, explains Wells, "bring targets to life. They contribute to relevance and impact because they help writers picture the audience, and because they help media planners think creatively about how, when, and where the best prospects might best be found."

Thus the goal is to be as specific as possible says Wells, in answering each of the five basic questions of R.O.I.:

- What is the purpose of the advertising?
- To whom will the advertising be addressed? What competitive benefit will be promised, and how will that promise be supported?
- What personality will distinguish the brand?
- When, where and under what circumstances will the target be most receptive to the message? And what media will deliver that message to that target at the lowest possible cost?

A third key Wells point is that "support" of an advertising promise—everything in the advertising that lends credibility to the promise—is as important to success as the promise itself. Support, he says, must include demonstration that shows the brand at work, showing how it improves the prospect's life. Noting that most advertising strategy systems stop with factual support, Wells says, "R.O.I. is explicit on the point that key demonstrations must be preserved in the strategy. Often, key demonstrations are absolutely essential elements of the campaign."

One media principal Wells stresses is "aperture": For many products, he observes, "The customer's aperture responds to time in a predictable way. Breakfast eaters think about what to have for breakfast at breakfast time and are therefore likely to be open to messages on morning radio. Homemakers think about weekend grocery shopping while looking through the Thursday evening newspaper."

But Planning for R.O.I. is only Wells' most recent accomplishment. He is also the developer of the agency's continuing *Life Style Study*. This survey has been conducted annually since 1975, asking 4,000 men and women across the U.S. to complete a questionnaire that includes almost 1,000 questions. These cover everything from personal and family use of over 200 package goods items and ownership and intention to buy big ticket durables from cars to VCRs and personal computers, to media habits and their attitudes and opinions on such areas as dieting and health, family finances and dealing with the kids.

Washington Report

Tauke proposal would resurrect an industry code

One of the most difficult jobs the FCC has, regardless of ideology, is deciding how much, if any, regulating to do of the content of what goes out over the nation's airwaves. And that includes advertising.

For example, the National Association of Broadcasters shares with the FCC the principle that government should not be in the business of regulating the content of programming. Yet, it wants programming to be considered when a current licensee is considered for renewal against a challenger. The FCC would rather not.

The FCC would rather leave broadcasters and the marketplace to determine how much and what type of children's programming will be carried, but Congress, whose job it is to ensure adherence to freedom of the press, biennially considers forcing broadcasters to keep juvenile viewers in mind.

'Indecent' programming

On the other side of the FCC coin, it decided that although its principles say it shouldn't get involved in content, it would adopt strong regulations governing the airing of "indecent" programming, a label whose definition even the U.S. Supreme Court has been hesitant to touch.

This dichotomy of interests was touched on recently when Rep. Tom Tauke (R-Iowa), who has been a champion of broadcasters in their effort to get relief from comparative renewal hassles, introduced a new bill to, in effect, allow broadcasters to regulate themselves. Tauke's measure would override the agreement broadcasters were forced to make with the Justice Department earlier in this decade to abolish their code of conduct. The code amounted to an antitrust violation, Justice said.

Tauke said in a statement accompanying his proposal (HR-823), "As long as television has been a part of American life, Congress and the Federal Communications Commission have struggled to address problems with television programming and advertising. Concerns have been expressed about the effects of the depiction of violence on our children, the effects of too many commercials on programming, and the effects of children's shows that are program-length commercials, where the show itself becomes a sales vehicle, just to name a few.

"I believe there is an alternative to the heavy hand of government that does not add more hoops for broadcasters to jump through." The alternative, he says, is his proposed legislation.

"Those who are truly concerned about preserving our over-the-air system of broadcasting should encourage the television industry to better its service to the public in ways that the government cannot, and should not, mandate.

Rep. Tom Tauke (R-Iowa)

"The best way to accomplish that goal is by permitting broadcasters to enact a comprehensive code governing the programming and practices of the television industry."

With his legislation, Tauke says, the TV industry "could work together to improve its programming in substantive, meaningful ways. A new broadcasting code would avoid the problems inherent in government oversight of the content of broadcast programming.

"Through a new code, broadcasters could effectively address many of the problems that have vexed lawmakers and regulators for decades. The appropriate amount of advertising during programs, including childrens's programs, the curbing of portrayals of violence; even the responsibility of news and public affairs programs to present more than one side of important issue."

Although the code would be voluntary under Tauke's legislation, he says that FCC "could take a station's compliance with the code into account at renewal time. Participating stations thus could gain an advantage in the license renewal process by complying with the code's provisions."

It's not that easy

Unfortunately for supporters, Tauke's proposal is fraught with problems. Even if it could get by the strong objections of a great number of his colleagues on the House Telecommunications Subcommittee and the inevitable squawks from various public interest groups, the fact is the NAB doesn't represent all of the stations around the country.

Could Congress grant authority to one organization to, in effect, police the activities of those stations that choose not to belong to it?

Tauke notes in his statement that the Senate last year passed a bill to free the NAB from antitrust restraints long enough to adopt a code dealing with violent programming.

But the House never got around to passing the measure, it died, and the constitutionality of such a proposal never got tested.

Regardless of the merits or demerits of the Tauke proposal, its chances of passage in this Congress are very remote, but it does achieve a purpose of helping to air a troubling issue.—**Howard Fields**

Broadc[...], agency campaign shoots [...] counter beer, wine purge

Broadcasters and advertising agencies, fearing a new round of attacks on beer and wine commercials, this time aimed at cutting certain tax deductions, have developed a new campaign they hope will work as well as the last one.

When the cause of the moment several years ago was drunk driving instead of drugs, broadcasters and advertising agencies effectively undercut efforts to curb beer and wine commercials by mounting a successful campaign against drinking drivers. This year's efforts will be aimed at reaching those who are susceptible to peer pressure.

The most immediate effect sought by the groups is heading off the report of the U.S. Surgeon General, expected to recommend a ban or restrictions on advertising and marketing of alcohol products. Among the groups' suggestions to the surgeon general is an approach similar to that being conducted by the National Commission Against Drunk Driving. The panel, using Transportation Department funds, is conducting a $100,000, 16-month study of the drunk driving issue.

Until the study is completed, the groups contend, there is no connection between alcohol advertising and alcohol abuse. The Surgeon's General's workshop on the issue recommended restrictions on alcohol advertising after holding a series of meetings without the broadcast community.

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