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Television/Radio Age

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November 27, 1989 • \$3.50



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Washington, DC

Television/Radio Age

November 27, 1989

Volume XXXVII, No. 9

In a not-so-accessible time period, the optimistic ready launches of game, magazine/entertainment shows

Road to NATPE: primetime access **26**

Advertisers, agencies see merits in having more control over program environment at webs

TV sponsorship: back to the future **32**

Investment banker, lawyer join forces, buy four affiliates; minority status eases the way

Granite Broadcasting emerges **36**

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Editorial, Circulation and Publication Offices

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

Publisher S. J. Paul

Executive Vice President
Lee Sheridan

Editorial

Vice President & Executive Editor

Alfred J. Jaffe

Managing Editor

Edmond M. Rosenthal

Associate Editors

Robert Sobel

George Swisshelm

James P. Forkan

Contributing Editors

Dan Rustin

Europe: Pat Hawker, Meg Morley

Washington

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

London

Irwin Margolis, *European Correspondent*
Keepers Lodge
Hatfield Park
Hatfield, Herts AL9 5PJ, U.K.
(07072) 64902
Fax: (07072) 76488

Advertising

Vice President & Sales Director:

Mort Miller

Graphics & Art Director

Frank Skorski

Production Director

Marvin Rabach

Circulation/Marketing Director

Brad Pfaff

Marketing Coordinator

Anne Hoey

Business Office

Wendy Pally

West Coast Office

Gregory Barbato, *Account Executive*
6290 Sunset Blvd., Suite 315
Los Angeles, CA 90028
(213) 464-3552
Facsimile Number: (213) 464-1956

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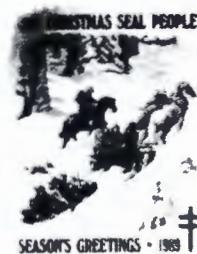
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THE GREAT AMERICAN INVESTMENT

Publisher's Letter

Hispanic broadcasters forge ahead as pioneers in new marketing era

When advertisers first decided to do Spanish-language commercials on TV and radio, more often than not it was out of social consciousness. Supporting Hispanic media, as in supporting black media, was the thing to do. In some instances, results were secondary. But, over the past several years, this has changed considerably. There are now few blue-chip advertisers that don't target Hispanics with their messages. In fact, where general market advertising hasn't had much of a growth pattern in the past year, Hispanic advertising is forging ahead at a rapid pace.

To understand why this is happening, one need only look at the statistics on the Hispanic market. Between 1980 and 1988, the total U.S. population grew 8.4%, according to the U.S. Census Bureau, while the Hispanic population increased by 34.4%. That's, of course, documented population. Because of President Reagan's amnesty program, there are fewer undocumented Hispanics in the U.S. now, but they still exist. And there are also the many Mexican citizens who cross the borders reaching from California to Texas to do their shopping.

Disposable income. In the U.S. alone, disposable income of Hispanics has grown appreciably—72% in the four years from 1986 to 1990. In 1982, Hispanics in the U.S. with family incomes exceeding \$25,000 amounted to only 27% of that population. In 1988—with inflation not all that high—they represented 41%. Between 1970 and 1988, the percentage of Hispanics who completed four or more years of college doubled from 5% to 10%.

But those are only the statistics of the marketplace. One also has to look at the broadcast medium to find other reasons for its success. Because of the language barrier and other matters related to research methodology, Hispanic stations have never been able to sell themselves on the same terms as their Anglo counterparts. So, as certainly as Hispanics were pioneers in the discovery and settlement of the Americas, they have pioneered something other broadcasters, including the TV networks are just beginning to learn—merchandising.

Long before any network contemplated working with a K mart or a Sears, Hispanic TV and radio stations were working with retailers for mutual betterment. As some of our articles in this issue Hispanic Market study show, Hispanic broadcasters are the experts in combining advertising, show business and advertiser sales results in a single package. In this issue, we refer to it as promo "salsa."

Another thing that is traditionally Hispanic is a sense of both family and community. In any Latino community across the U.S., there is hardly a Cinco de Mayo or Independence Day that goes by where a Spanish-language station isn't in the forefront of the activities. For another aspect, you'll read in this issue how TV stations in Puerto Rico became the lifelines of their island during Hurricane Hugo and in the aftermath as families were attempting to locate missing relatives and generally put their lives back in order.

Hispanic broadcasting is no carbon copy of its Anglo counterpart. In fact, there is much that other broadcasters can learn from it.



A Channel Innovates and Moves Up
... The station recently revamped
its 10PM news program, giving
it an informal look that uses
the whole newsroom"

The New York Times, Sept. 16, 1989

Channel 9, the only station
trying to break open the
stale news format, has a
state-of-the-art newsroom—
and they're showing it off
every night..."

New York Magazine, Oct. 9, 1989

WWOR-TV "is being given warm
congratulations from its
broadcast colleagues for finally
breaking the traditional
formatting mold of tv news
broadcasts"

New England Point Of View, Oct. 1989

Imitation being the sincerest
form of television, it won't
be different for long. Right
now, WWOR's is the most
different-looking newscast on
the air, start to finish."

The Cleveland Plain Dealer, Sept. 11, 1989

When you're doing something innovative, word gets around.

When the Channel 9 News at 10PM broke with tradition, it didn't take long before people started talking.

Our new behind-the-scenes news presentation is not only getting press coverage, but congratulatory calls from stations all around the country.

Yet our difference in style is not without substance.

Our news is anchored by Rolland Smith, one of the most respected newsmen in the country. And our investigative team was awarded both an Emmy and the prestigious duPont-Columbia Award for Excellence in Broadcasting.

Keep your eye on WWOR-TV Channel 9. You'll see how breaking a few rules might even start a new tradition.



An MCA Broadcasting Company

Electronic invoice seen reaching critical mass

While the progress in grafting an Electronic Standard Broadcast Invoice (ESBI) onto the spot paperwork universe has been glacially slow, some of the key people involved believe the ESBI has finally achieved enough momentum to assure its success. The aim of the ad and broadcast industries in pushing the ESBI is reducing paperwork costs, reducing invoice discrepancies and making spot easier to sell and buy.

At present the ESBI is being tested via monthly transmissions by about three dozen BIAS TV stations serviced by Jefferson-Pilot Data Services (JDS) to Foote, Cone & Belding and Ogilvy & Mather, serviced by Donovan Data Systems (DDS). Group W, which has an in-house business system, has begun transmitting electronic TV bills to the two ad shops via DDS. CBS-owned TV outlets, it is understood, is getting ready to do the same via its in-house system. And the NBC-owned outlets are working with Enterprise Systems, its service company, to join those testing the ESBI.

If the tests, which began in September, work out, it is hoped that a bandwagon effect will follow. JDS handles about 220 BIAS stations, connected to the JDS mainframe in Memphis, and about 110 outlets employing the JDS/2000 stand-alone system. In addition, JDS has its own agency-to-station link called Buylines, through which BIAS stations have been transmitting electronic invoices to ad shops using JDS' Spotline system. About half a dozen ad shops have been using the JDS system, including Grey and Lintas: Campbell-Ewald. A hitherto big hole in the ESBI effort is represented by stations using Columbine Systems' business system. Columbine now says it is joining the ESBI movement by working with some reps "on developing electronic invoicing as part of a unified system sales function."

"Alive and well." David Solomon, executive vice president at DDS, which services agencies representing about 70% of spot broadcast business, says that at this juncture of the test the electronic invoice "is alive and well." He notes that the test represents only a small amount of data compared with the spot total, but he expects more stations to join before the test is over.

Expressing optimism about the test is Donald Crabtree, vice president and general manager, agency and rep services, for JDS. He notes that JDS is offering to transmit ESBI's free to stations until the end of the year. But he expects the test to be over by that time. As far as Crabtree is concerned, the ESBI is a "done deal." Stations joining the move to the ESBI will "snowball" in 1990, he says, because they are under pressure to make spot competitive.

There is also pressure on stations from agencies, which, despite the existing level of computerization at both buyer and seller level, must still input manually into their systems computer-printed invoices from stations. The station data are then matched automatically to see if there are any discrepancies. With the ESBI the manual keystrokes are eliminated. Because of the expected savings to agencies, the 4As has been making a determined effort to push the ESBI. A leading figure in this effort is J. Walter Reed, senior vice president and director of spot broadcast at FCB. Also supporting the ESBI drive is the National Sales Advisory committee of the TvB.

Ad shops like new cable reach, frequency system

Agencies appear receptive to the new CableCume reach and frequency system developed by the Cabletelevision Advertising Bureau (see *Focus*, Nov. 13). At Saatchi & Saatchi Advertising, one of the biggest users of cable networks, Sam Sotiriou, senior vice president, media research, finds the raw data very useful, but says the agency will not use the CAB model. S&S wants multi-media R/F numbers so it uses the raw data to help generate R/F curves compatible with the agency's own planning model. While the CAB system covers cable only, CAB is developing a multi-media capability which includes various proportions of broadcast and cable network schedules.

Grey Advertising will be using CableCume in media planning, says Helen Johnston, vice president and director of media analysis. She notes that CableCume is an improvement over the cable household curve developed four years ago by CAB. That covered 24-hour, run-of-schedule advertising. While Grey used it, she points out, it lacked essential demo data, now available from the Nielsen people meter sample.

Cumes "nicely". Johnston comments that while the new model demonstrates that cable is able "to cume nicely," that's not exactly a "stunning finding." Only die-hards will find it surprising, Johnston says. Hence, she's not sure whether it would divert any ad money to cable.

Another agency that intends to use CableCume is DDB-Needham. Eugene Huber, vice president and director of media services, says the CAB model was needed and that the agency will be using it for cable alone as well employing the cable data with data from other media to estimate combined reach and frequency.

Tim Brooks, senior vice president and media research director at Ayer, thinks CableCume is a "good job," but feels that the data may be "too average" and finds that some of the published data contain "errors." One drawback, he says, is that it doesn't identify specific networks in the R/F results. The agency buys A&E, for instance, because of specific demos, Brooks notes.

The media research executive is looking forward to a

cume study structured by Nielsen, which will contain sets of "real cumes" covering five media—the broadcast, cable and Fox networks, barter syndication and spot. This will include multi-media cumes excluding spot.

Brooks also made the point that the Big Three networks never effectively marketed their cumes, at least in recent years, though clients could get the data from Nielsen. CAB's CableCume is thus an effective marketing ploy, the adman says.

System for computerized spot sales to go 'live'

The controversial Hot-Net service, which got some reps riled up last year with its proposal for computerized, direct station-to-agency sale of last-minute spot avails, will go "live" on Dec. 4. This follows a one-month test embracing stations and ad agencies, the latter including shops accounting for what Hot-Net estimates is half of all TV and radio spot spending.

Since the original proposal, Hot-Net has been repositioned as basically a communications service, with room left for negotiations on spot buys, even for 11th hour offerings. The provision for computerized, non-negotiated sales of last-minute avails remains, however.

Duane Loftus, president of Info-Edge Corp., New Canaan, Conn. parent company of Hot-Net, concedes that the early descriptions of Hot-Net involved "some bad positioning." But he also maintains that the reps misunderstood what Hot-Net was all about and that some misinformation got bruited about.

Hot-Net is now described as a nationwide computerized communications system that links buyers and sellers of spot TV and radio. The system is designed to consist of a central computer facility connected to more than 1,000 telephone nodes via microcomputers. Buyers can communicate with all sellers, but sellers cannot communicate with each other.

Transaction fee. Charter subscribers to Hot-Net will pay a one-time installation fee of \$250 and \$100 a month as a license and service fee. Connect and on-line charges are in addition (the calling charge is local), but the service company estimates that it would cost a high-volume user an average of \$100 a month for such charges. However, participating stations, cable operators and barter syndicators might pay a transaction fee on all sales made through Hot-Net, though this is not clear.

Loftus would not reveal who, if any, the charter subscribers are. However, he said that there were 45 participants in the test, including 18 TV stations, among them two O&Os from different companies, and a superstation. John Krubski,

"Don't Let Anybody Tell You You're Too Old!"

The only limitation is a person's health.
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I understand the spots will be sent without cost or obligation.
Public Service Director

Station _____

Street Address _____

City _____

State _____

Zip _____

Please send me additional health campaigns that are available

an Info-Edge marketing executive, listed Outlet Communications and Hearst Broadcasting stations, Ogilvy & Mather, BBDO, Grey Advertising and Young & Rubicam as among those taking part in the test.

The Hot-Net operation consists of three services:

■ **Hot Net Instant**—This is a "transactional system," structured for quick sales. Stations, cable operators and syndicators decide each morning specifically what they want to sell and at what price, entering this information into the Hot-Net system. These are one-day offerings. Agency buyers select the market and medium in which they're interested and buy—on the spot, via computer—the inventory they want. While rates are described as "not negotiable" under this setup, Loftus says that, if there is enough time, a buyer could conceivably contact the seller (including via Hot-Net's electronic mail service) and try to negotiate a lower price.

■ **Hot-Net Electronic Mail**—Described as "an instant communications network for the electronic media industry," this service is available for all types of messages. Users would check their "mail box" for messages. The electronic mail system would also be used for Hot-Net Avails on Request.

■ **Hot-Net Avails on Request**—This would be initiated by buyers and would be sent to subscribing stations in the markets specified, and, if indicated, to reps. Sellers would respond electronically with specific avails via the electronic mail service. The avails could include selling points, as in existing printed avails offerings. Rates would be negotiated and, once agreement is reached, Hot-Net would electronically transmit the order and confirmation.

Nielsen readies proposal on commercials audience

Clients and ad agencies have long panted for regular measurement of commercials (as opposed to program) audience but have never found a satisfactory way to do it. But they never stop trying.

The latest effort involves a request of Nielsen by an Advertising Research Foundation committee for metered data on channel switching during commercials. Nielsen is developing a proposal that would involve a test employing households leaving the Nielsen sample. This would cut the cost of the research, which could be expensive, since meters are already installed in such households.

John Dimling, Nielsen executive vice president, states that gathering information on channel switching during commercials depends on how finely meter data is resolved on minute-by-minute (or second-by-second) viewing. The ARF committee request "requires a change in the way data is collected from the meter," he says. The Nielsen meter is scanned every three seconds, but only the station viewed the longest during a 30-second span, for example, is credited when household members switch channels back and forth, Dimling explains.

Other data desired. The ARF Commercial Audience Committee would also like information on when viewers leave the room, says Helen Johnston, vice president and director of media analysis for Grey Advertising, who heads the committee. In theory, this data could be provided by people meters, but the committee does not feel they are accurate enough. While Nielsen's "passive meter" technology now being developed, might provide the answers, the committee does not want to wait for the perfection of that device before getting channel switching information.

Dimling acknowledges that the use of Nielsen households leaving the NTI sample might not result in a representative sample for the channel switching test, he argues that the information doesn't have to be "too precise." He also notes that sample weighting could be employed.

Interep seeks to ease spot radio burden of agencies

The Interep Radio Store's deal with Donovan Data Systems for installation of the DDS Reppak system in all six Interep companies is the first step in an ambitious plan for the large rep entity to take over the burden of spot radio paperwork from the ad agencies.

The next step is the integration of an electronic worksheet, which could go up simultaneously on computer screens of buyers and sellers and then into the paperwork system. As envisaged by Ralph Guild, Interep chief, spot radio buys would be negotiated by telephone as both sides juggle the worksheet. Once there's agreement on the buy and the price, the worksheet becomes the order, with both rep and agency having identical buy information. This would eliminate the need for agency personnel to input the same contract on their end, since the buy would be transferred through the system to the agency's file.

According to Interep: "The DDS system will allow The Interep Radio Store to electronically verify commercial clearance affidavits with the order for market-by-market buys. It will also hasten the same process for unwired network transactions, which traditionally have verified affidavits with the order. The verification would then electronically be forwarded to the agency of record. It is believed that this will shorten the span between the time schedules are broadcast and when they are paid for by the agency."

Electronic mail. Another key feature of the paperwork network Guild has in mind is electronic mail. This would tie in Interep, agencies and client stations. Guild's interest in computerized communications is also made evident by the fact that he is an investor in Hot-Net (see previous story).

Interep has used a number of outside services for spot paperwork including DDS, Market-Buy-Market, Marketron and Media Market Plus. When Guild acquired Torbet Radio, it already was a DDS Reppak client. Another Interep unit took on DDS subsequently and by the end of this year, all six Interep companies will be on the Reppak system.

STOP THE MUSIC!

January 15-19, 1990

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Down with campaign pools, election projections, voters tell researcher

Most of the American public dislikes the news media's presidential campaign polls and their use of election-night projections of the outcome, according to a University of Michigan researcher.

Michael W. Traugott, professor of communication and research at the university's Institute for Social Research, Ann Arbor, observes, "It's not so much the accuracy of the polls that are called into question but the intrusiveness of the continual presentation of the 'trial heat' results—the reporting of who is ahead and who is behind." Such "horse-race" surveys tend to exert too much influence over who is nominated for president and who is ultimately elected, he feels.

While on leave from the U-M last year, Traugott directed the Gallup Organization's six-survey project, "The People, The Press and Politics," for Times Mirror Co. His book on that project, *Media Polling and Election Coverage: 1988* will be published next year.

'Too much influence.' In most of those surveys, Traugott found, more than half the respondents (from 49% to 59%) maintained that the news media have "too much influence on candidate success." Moreover, the most concern about the news media's influence was expressed by "the best educated and most politically sophisticated members of the public," the professor notes. Self-described Republicans and independents, he adds, were more concerned than Democrats.

Traugott cites another finding, that "a significant number of voters think the media should pay more attention to local and state campaigns."

Turning to the public's opinions on election projections, Traugott says the 1988 research indicated that 72% thought "the networks should not report such results if they discourage voting." Mean-

while, just 18% felt the networks have the right to report who has won the election "as soon as they think they know."

Harte-Hanks plans TV news for Texas

Harte-Hanks Television, San Antonio, will in fall 1990 start *Texas Evening News* as a daily statewide newscast.

The program, which will be satellite-delivered Mondays through Fridays, will air as a half-hour afternoon news show. Anchoring the planned newscast will be Chris Marrou, anchor on the top-rated 10 P.M. *Eyewitness News* on KENS-TV San Antonio.

KENS' marketing team has been contacting TV station general managers throughout Texas as well as adjacent ADIs in nearby states about *Texas Evening News* and Harte-Hanks reports that the initial reaction to the idea has been "quite favorable."

KHJ's prime news block is delayed

KHJ-TV Los Angeles, which had planned to start a primetime news block in January, now is delaying that three-hour daily newscast to March 5.

"We need this time to marshal all our resources to provide our viewers with the highest quality news operation possible," says Blake Byrne, president-general manager. "We realize that we need a staff in excess of 140 people," explains Jim Saunders, KHJ's executive vice president/manager, adding that that is 25 more than initially planned. Moreover, he adds, "We need to invest in excess of \$4 million more in capital equipment than originally planned. Add to that delays in shipping and delivery dates" for equipment."

WNYW readies late night news for January debut

WNYW(TV) New York, Fox Television's flagship station, which already claims to offer "more hours of local news each weekday than any other TV station in the New York area," will add a late night half-hour program come January.

Already described by some industry sources as a local version of ABC News' *Nightline*, this new



A late night news show is being prepared for a January bow by Ian Rae, WNYW's news director.

weeknight news show will be anchored by Jack Cafferty, who was lured away from WNBC-TV's *Live at Five*, a news/interview program he had coanchored since its 1980 debut.

Ian G. Rae, vice president, news director, news director of WNYW and also exec vice president of news for the Fox-owned TV outlets, says Fox's new late night news show "will enable us to explore one or more significant local news stories each day in full detail. We must it to be a 'must-watch' for informed people."

Cafferty, who had been with WNBC-TV for 12 years, is being replaced on *Live at Five* by Tony Guida, the NBC flagship's political reporter. Sue Simmons remains the other coanchor on the 5 p.m. (ET) program.

FNN claims to be scoring points with its new sports news service

Arnie Rosenthal, who oversaw the start of Financial News Network's event-driven FNN: Score in 1985, also guided its replacement last September by FNN: Sports, "the first on-air all-sports news and information service."

FNN and FNN: Sports are transmitted via Satcom III-R, with the new service running on weekends when there is no financial news. FNN: Score, meanwhile, had occupied weeknight and weekend time before FNN was producing prime-time programming and before it went 24 hours to cover financial news developments abroad.

The initial cable ratings are promising, says Rosenthal, executive vice president and general manager of FNN: Sports, although he is barred from divulging specific numbers by A. C. Nielsen Co. in the so-called "peekaboo period" that expires for the startup service in March. The ratings are "higher than we expected them to be," he claims.

The switch to FNN: Sports was

FNN: Sports is increasing its investigative reporting and, come the first quarter, will begin a periodic series of "special sports forums that will probably run monthly."

inspired by research that indicated there was a growing demand for news about sports on the weekends, he says. Mizlou plans a similar service, but Rosenthal dismisses it as a threat since it is "not up and run-

ning" yet. FNN: Score had occupied chunks of time on both week nights and the weekend.

A 'wheel' format. The FNN: Sports "wheel" format offers sports fans game scores, highlights and analysis from 2 p.m. to 6 a.m. (ET) on Saturdays and Sundays. In addition, there are such features as athlete interviews, *Time Out for Trivia* (which Rosenthal had created for FNN: Score) and *Who Beat the Spread?* a live, interactive show featuring Jimmy "The Greek" Snyder. *Media Review*, which has critiqued the best hunting magazines and best workout videos, will assess *The National*, the proposed sports daily newspaper, in January.

FNN now is saving on rights fees that used to be spent on boxing, soccer, college football and basketball as well as those events' production costs and the fact that it "doesn't need to market the service event by event." Still, Rosenthal says, FNN must spend on marketing and promoting a newly created service plus satellite transmissions for reports from, for instance, the site of the World Series and the upcoming Super Bowl. Ultimately, he asserts, "You don't save that much. It's just a matter of channeling your resources." He declines to get into specifics on the promotion budget for the service or the rights fees FNN: Score paid out.

Beer is missing. Ad sales for FNN: Sports are "meeting projections," Rosenthal continues. Representing such typical sports categories as financial and automotive, he notes, are Prudential Bache, Sears' Discover card and Volvo. Foods also are a major category, he says, citing Domino's Pizza and General Mills' Wheaties as examples.

Among the notable holdouts is the beer category. Although Anheuser-Busch was a major supporter of FNN: Score, Rosenthal concedes that brewer has not yet bought into its successor. There are, however, "preliminary talks with Anheuser-Busch and Coors."

FNN: Sports also is increasing its investigative reporting and, come the first quarter, will begin a periodic series of 90-minute "special sports forums" that will probably run monthly, Rosenthal states.



Arnie Rosenthal

Topics will include legalized sports gambling, the pros and cons of boxing and guidelines for athletes' ad endorsements. These will be "videotaped with a handheld camera to achieve the look like the opening of *Hill Street Blues*," he notes.

Maybe events again. FNN: Sports already is planning on covering the 1992 and 1994 Olympics, although the exec acknowledges that embargo restrictions from CBS and NBC will hinder its use of event highlight footage.

Rosenthal, who has been with FNN since its infancy in 1983—and who once was an amateur boxer under the name "Tokyo" Rosenthal—says FNN supplies three services—FNN: Business, FNN: Data Broadcasting and FNN: Sports—to as many as 32 million homes via 3,500 cable systems in the U.S. and Canada. FNN: Sports, which is offered at no extra charge to systems already carrying FNN, now reaches 26 million of those households, he estimates.

Looking ahead Rosenthal says that occasional sporting events may yet be part of the new service's menu. "We never ruled out doing events again," he maintains. During July from 2 to 5 p.m., for instance, "there are not a lot of [score] results to give," he observes, so events would be useful there.

TV Business Barometer

Fourth quarter's modest spot rise

With one month left to go in the fourth quarter, spot TV time sales will undoubtedly end up on a modest note for the three months. But the picture is far from the same for affiliates and independents.

There are no surprises about spot billings overall for the October-December period. They'll probably end up in the 5% range, which is about the same as—or a little lower than—predicted by reps as the quarter opened.

Bill Breda, senior vice president and general sales manager of Blair Television, characterizes the last quarter of the year as "looking pretty good." There was a brief lull in November, he reported in the middle of the month, but he saw billings coming back.

As for product categories, he had positive comments on autos, "cor-

porates," such as package goods, and retailing. But he was not happy with the billings from fast foods clients.

Speaking about December, Breda still had hopes it would run a little stronger in billings than the overall 4-5% he estimates for the quarter as a whole. A key factor is auto ads. While acknowledging that car sales are not strong, Breda feels the car makers will not reduce their advertising accordingly at the end of '89.

Pete Goulazian, president of Katz Television, sees final quarter spot TV volume in terms of the "haves and have-nots." Generally, speaking, these are independents and affiliates, respectively. Indies will rack up double-digit percentage gains in the fourth quarter, says Goulazian, somewhere in the mid-teens.

However, the Pacific States (Washington, Oregon and California) are enjoying good spot busi-

ness, reports the Katz executive. Both affiliates and indies are doing well on the West Coast, particularly in the larger markets. The have-nots are affiliates in small and medium markets around the country, says Goulazian.

Spot TV time sales in '89 at the end of the third quarter, according to *TV Business Barometer*, was up 2.2%.

For the third quarter alone, the increase was 2.0%. Nine-month billings for spot were \$4,572.7 million (see table below for monthly and quarterly figures).

Local TV time sales for the year through September were up 5.1%, with the third quarter up 3.5%. Local billings for the nine months were \$4,563.2 million, \$9 million less than spot. Local business topped spot last year for the first time and is expected to do the same in '89.

The table below shows a spurt for local time sales in the fourth quarter of last year, with a spread of more than \$200 million between local and spot.

Television station advertising billings, 1987-1989

Spot, local time sales and network compensation (in millions)

	Spot			Local			Compensation		
	1987	1988	1989	1987	1988	1989	1987	1988	1989
January	\$364.7	\$419.0	\$426.5	\$320.5	\$361.8	\$409.9	\$34.8	\$34.0	\$34.3
February	335.7	367.6	363.2	308.3	347.5	366.6	38.4	37.4	41.0
March	452.0	480.5	495.5	500.9	532.0	546.4	38.6	39.1	41.1
1st quarter	1,152.4	1,267.1	1,285.2	1,129.7	1,241.3	1,322.9	111.8	110.5	116.4
April	580.4	612.9	627.6	493.2	535.1	583.3	43.1	43.7	45.2
May	589.5	594.8	617.4	554.6	591.2	611.9	36.4	36.8	37.3
June	483.6	471.0	484.7	397.7	435.9	452.9	36.3	36.4	38.4
2nd quarter	1,653.5	1,678.7	1,729.7	1,445.5	1,562.2	1,648.1	115.8	116.9	120.9
1st half	2,805.9	2,945.8	3,014.9	2,575.2	2,803.5	2,971.0	227.6	227.4	237.3
July	481.4	517.5	526.8	408.0	436.2	444.9	38.1	39.4	41.3
August	439.8	452.1	448.0	474.7	504.6	535.4	41.6	40.0	42.6
September	521.4	557.4	583.0	516.1	597.6	611.9	37.3	36.8	38.6
3rd quarter	1,442.6	1,527.0	1,557.8	1,398.8	1,538.4	1,592.2	117.0	116.0	123.7
October	497.4	528.7	—	630.3	711.6	—	36.5	36.3	—
November	576.0	592.7	—	543.8	579.1	—	36.0	35.1	—
December	462.4	445.8	—	467.9	491.3	—	43.7	42.4	—
4th quarter	1,535.8	1,567.2	—	1,642.0	1,782.0	—	116.2	113.8	—
2nd half	2,978.4	3,094.2	—	3,040.8	3,320.4	—	233.2	229.8	—
Total	\$5,784.3	\$6,040.0	—	\$5,616.0	\$6,123.9	—	\$460.8	\$457.2	—



0 to 33 in just 4 months.

Talk about shifting gears. In a recent four month period, KCPQ-TV in Seattle/Tacoma roared from a 0 to 33 per cent share of annual advertising budget with a local Mazda dealership.

The reason for the sudden acceleration? TV Conquest from Nielsen Station Index, the first desktop program to merge marketing data and tv ratings into a dynamic, powerful sales tool.

KCPQ used TV Conquest's target ratings to demonstrate the local audience's current and potential purchase patterns. That did the job.

And if it hadn't, they could have driven home their points effectively with the system's four color charts and maps.

Your station can do the same to steer new advertisers in your direction.

For more information, call the information people at Nielsen Station Index, (212) 767-1515.

We'll help push your sales to a higher level of performance.

Nielsen

OUR SPHERE

From London to Los Angeles, from Cannes to New York our fax machines are busy carrying the latest international information into the latest issue of TV/Radio Age.

Our International Report is gathered from the TV capitals of the world and presented in easy to read digest form in every issue throughout the year. Therefore your international ad in TV/Radio Age reaches the TV influentials throughout the world.

Television/Radio Age



F INFLUENCE

Radio Report

UPI group rate for state web affiliates

United Press International is now implementing the offer it made to the 26 state networks to provide its headline service to affiliates at a reduced group rate. The proposal was made at the May convention of the National Assn. of State Radio Networks in Key Biscayne, Fla.

The way it works at Texas State Networks, largest of the state webs, is described by vice president, general manager Scott Savage. There the UPI headline service, a condensed version of the wire service's full radio news report, goes out to affiliates via TSN's regular data satellite uplink. This is already in place to beam the latest weather, notification of upcoming news stories and avails changes to its 132 Texas affiliates.

Savage says the affiliates benefit from the reduced cost of distribution for UPI, which sends its headline feed only to TSN central master control in Dallas, which fans it out from there to the stations, instead of UPI itself having to transmit to each of the 132 affiliates individually. However, each TSN affiliate does sign a separate contract with UPI.

VIP carpet for core listeners has ad link

Because one share point gain in Chicago radio is worth \$2,284,292, Gavin Stief, vice president, marketing of Wayne, Pa.-based Direct Radio Strategies opens his sales mail to station managers pitching his Frequent Listener Marketing operation with "We're going to help one station in Chicago get \$2,284,292 this year in increased revenues. Shouldn't that station be yours?" Stations in other markets get similar letters but with different dollar figures, depending on market revenues.

Stief says Frequent Listener Marketing "uses every tool except the station credit card to communicate with and keep the station top-of-mind with its core or heavy listeners. For instance, just 20% of a typical AC's listeners account for 60% of its average quarter hour rating. We use direct mail, telemarketing and research to isolate and identify a client station's core listeners and communicate with them."

Stief explains that station credit cards have lost their original luster "because stations found there was a downside: no station needs its call letters associated in its listeners' minds with anything as negative as bills in their mail boxes that have to be paid."

He says his operation currently works for a dozen stations across the U.S. and Canada "to build a data base of their heavy listeners: name, address, phone number, listening habits and buying behavior—everything Rapp and Collins (partners in the direct marketing agency of the same name) talk about in their book, *Maximarketing*."

One wrinkle, he explains, is that his direct mail to heavy listeners "serves not only as a direct link between the station and its core audience but also between each of those listeners and the station's retail advertisers. The station can offer a package that combines the radio advertising schedule with participation in our radio coupon program." This involves a sheet of 12 participating advertiser coupons included in the station mailings—which also include listings of retail outlets where a station's member listeners can enjoy membership discounts on merchandise.

Stief adds that instead of having to be the 10th caller or 15th caller for a station giveaway, "The station simply pulls members' names from its database. This way a listener only has to listen for his or her name to be called out over the air to be eligible for prizes instead of having to fight with the telephone system on the chancy prospect that no more than exactly nine callers got through to the station's switchboard before you did."

More new shows on Hispanic Radio Net

The weekly hour of Spanish language international soccer commentary out of San Francisco by Univision sports maven Andres Cantor and former Argentine soccer great Alex Gutman is scheduled to go national in January via Santa Fe-based Hispanic Radio Network. HRN general manager Jeff Kline says the show includes live satellite discussion with top soccer coaches from Europe as well as Latin America, and that he has radio stations in the top 20 U.S. markets signed up to carry it.

At the same time Kline reports HRN is now up to 50 affiliates carrying the web's *Hechos y Gente* (Facts and People) daily one-minute trivia segments. Sample bit—only in Spanish: "Do you know where the world's tallest pyramid is located? Egypt? Wrong. The pyramid the Aztecs built near Mexico City is taller than Egypt's biggest." Charter advertisers include southwest discount chain Pick 'n Save and Univision's new four color quarterly magazine, *Mas* (More).

HRN's other shows are *Buscando La Belleza* (In Search of Beauty) with Consuelo Luz and *El Dicho del Dia* (Saying of the Day), featuring former New Mexico lieutenant governor Roberto Mondragon.

Interep expands sales training for staffers

With its newly formed Interep Radio Store University, Interep becomes the latest entity to enter or expand its sales education thrust. The RAB is into continuing education with its weekend Radio Sales University for beginners, its CRMC or Certified Radio Marketing Consultant program for experienced sales reps and its Wharton Business School program for senior station management.

The Television Bureau of Advertising will soon be beaming video sales conferences to its member stations via satellite and has already published the first of its eight proposed volumes on broadcast sales, *Marketing and Sales Promotion*.

Former agency principal Erwin Ephron and BBDO media veteran Ed Papazian run their own media school setup. And when veteran sales trainer Martin Antonelli combined his Media Training Center in New York with Ted Valand's media consulting firm, the



Ralph Guild

University features on-the-job training as well as field training programs covering all aspects of radio advertising.

VBS Group Inc. in September to form The Media Development Project offering more than 40 one-to-four-day evening courses in all aspects of media industry operations, Valand said major corporations "traditionally have turned to standard employment agencies or have used last-minute advertising to meet entry- and mid-level staff requirements. But there is no industry-experienced, industry-specific provider of qualified personnel across the entire 'media job' spectrum.

"We're seeing increased corporate concern over the time as well as the costs associated with high turnover, inefficient advertising and screening, escalating employment agency fees and incomplete on-the-job training. A vacuum has developed that affects productivity, product quality, and ultimately the corporate bottom line. Now we're set up to do something about it."

Field training. Now Ralph Guild, chairman and CEO of The Interep Radio Store says his University features on-the-job training as well as field training programs covering all aspects of radio advertising for the 450-plus employees of Interep and its six radio rep companies and two unwired networks.

Among the courses available are an "exceptional salesperson program," teaching techniques for suc-

cessful account and sales territory planning, with emphasis on time management, plus:

- Professional Selling Skills III," a course developed by Xerox, adapted for all new Interep sales personnel.

- "Strategic Selling," a systematic approach to planning and sales strategy development for a typical account.

- "Influence," created by The Forum Corp. of North America to teach management practices "proven successful in influence situations."

Still other courses zero in on business writing and on radio promotion. Guild says each Interep employee is required to devote at least 5% of his or her time to personal growth through such courses.

More groups buying and selling stations

Buying and selling of radio properties continues apace with such players as Command Communications, Jacor and Westwood One doing both at the same time, and for some pretty impressive prices. In a transaction valued at \$101.5 million, Command has agreed to sell KJOI(FM) Los Angeles and KHOW/KSYY(FM) Denver to Viacom Broadcasting. Command president, CEO Carl Brazell sees that purchase price "reflecting the operating and programming enhancements made at these stations over the past year. Viacom is acquiring attractive properties poised for strong growth in 1990." Broker was Americom Radio Brokers of Washington.

At the same time, Command has agreed to acquire 50% controlling interest in WNEW-AM New York from Westwood One for 15.3 million, only seven months after Westwood One picked it up for \$11 million. Meanwhile Westwood One plans to purchase KJQY(FM) San Diego as part of a three part deal involving Command and Group W.

Terms of the acquisition call for Westwood One to pay \$15 million in cash to Group W and \$4 million worth of Westwood One common stock at \$10.75 per share (372,093 shares) to Command to be held for three years. Command recently acquired an option to buy KJQY(FM) from Group W, which will not be transferred to Westwood One.

As part of the WNEW deal, Command has agreed to continue its affiliation agreements with Westwood One's NBC and Mutual Radio Networks.

What Jacor is buying from Rusk Corp. for \$70.5 million is KTRH/KLOL(FM) Houston and KSMG(FM) San Antonio. Rusk is owned by the Jones family and KTRH has been in the Jones family for 69 years, KLOL for 42 years, and KSMG was added in 1988. Media Venture Partners represented Rusk in the Transaction and Americom represented Jacor.

However, Jacor's negotiations for sale of WQIK AM-FM Jacksonville, Fla and WMYU(FM) Knoxville, Tenn. to Media Properties, Inc. for close to \$28 million have been terminated. Jacor reports "inability to reach a final, definitive agreement," so now discussions are underway with other interested parties.

The optimistic ready launches of game, mag/entertainment shows

Access inaccessible as returning hits dominate on affiliates

By ROBERT SOBEL

Access is virtually inaccessible to syndicators of first-run strips for next fall, becoming a misnomer as far as station affiliates' availability is concerned. And it has become redundant to say the consistently strong performances year after year of *Wheel of Fortune* and *Jeopardy*—plus the rejuvenated *Entertainment Tonight* and the growth of *A Current Affair*—are winning the time period for affiliates of these shows to the point that additional access needs are minimal.

Even the few questionable or failed shows and the most recent victim, *Crimewatch Tonight*, are hardly seen as creating enough new holes in first-run access for more than one or two program hopefuls.

In off-network, too, *The Cosby Show*, used in access by most indie

buyers, has tied up the time period for at least another season or two, while last season's *Night Court* and two fall-launched sitcoms, *Who's the Boss?* and *Growing Pains* are feeling no access performance pain on the indies while contributing to the 7-8 p.m. blockage.

Many have hope

Still, as the road to NATPE reaches its midway point, it's obvious that syndicators are oblivious to these given facts, looking to launch an assembly line length of game shows and magazine/entertainment product. There are, in fact, some two dozen games looking for a fall debut, primarily in access, to be used basically as counterprogramming to *Wheel*, *Jeopardy* and *Affair*.

Game shows are being pitched and produced in abundance mostly because they are cheap to make,

Bill Cosby's familiar face



Television/Radio Age

November 27, 1989

Used in access by most indie buyers, "The Cosby Show" has tied up the time period for at least another season or two.



**He already has
the airline,
the yacht,
the tower,
the hotel,
and the casinos.
Now he wants
to take over
something new...**



Peter Allen in "Name That Tune"

goes the rep conventional wisdom. Mitchell Praver, Katz Continental vice president, director of programming, observes that the large number of game show projects being produced is due "more to the economics of the situation than to the marketplace's needs for 1990."

As to specific titles, the game shows may as well be collectively known as going back to the future because many are revivals of previous game-show fare. Among these are ITC Entertainment's *Tic Tac Dough*; *Name That Tune*, from Orion Television; *The Joker's Wild*, via Orbis Communications; *Quiz Kids Challenge*, Barris Entertainment; MTM Enterprises' *Stop Me if You've Heard This One*; *The Challengers* from Buena Vista (was called *Who, What or Where* on NBC); and Gold-Guber's *Treasure Hunt*.

Obviously, so many new/old game shows are entering the access fray because syndicators are counting on the show's previous track record to draw stations' interest. But in addition to the revivals, a number of original prospects are looking to crack access next fall, including Warner Bros. *Trump Card*; King World's *Monopoly*; *Brainy Bunch* from Tribune Entertainment; and from Select Media, *Coast to Coast*.

Many of these, of course, will fall by the wayside leading into and going beyond the NATPE convention, and when the dust settles, reps are saying there will be room for one or two game shows for next fall in access and perhaps one for early fringe. The surviving few will be relegated to the other dayparts.

As of presstime, notes Katz's Praver, pilots have not yet been produced for *Monopoly* and *Trump Card*, "two of the most talked-about game shows for next fall." There's a lot of sizzle and a lot of expectation, but it will all boil down to the execution. It would be ludicrous for a station to commit to the new game shows without seeing a pilot. Even then, what you see isn't what you get, although the risk is minimized when you see a tape."

However, *Joker's Wild* already has its own trump card via an up-front deal with Procter & Gamble, despite the fact that station pitches are in their initial phase. The deal is supposed to be costing P&G about \$13 million at \$25,000 per 30 for the 520 national barter spots.

Clearances begin

As to clearances on some of the proposed fall strips, the reports are just trickling in, as of presstime, mostly because the majority of syndicators with first-run programs are just beginning their pitches to stations and reps. The pilots of *Tic Tac Dough* and *The Joker's Wild*, for example, are said to have just recently been shown to reps.

Warner Bros. Television was scheduled to begin shooting a pilot of *Trump Card* sometime after Thanksgiving, according to Scott Carlin, senior vice president, first-run division. In any case, he says stations and station groups he has talked to are pledging not to make any commitments on other new first-run strips "for important time periods until they've seen our pi-

lot."

But it's understood that Television Program Enterprises has already lined up some buyers for *Preview*—*The Best of the New*, with one or two planning an access slot for the magazine strip for next fall. One of these stations is NBC affiliate WTHR-TV Indianapolis. Also, TPE has received offers from three major station groups in the top 50 markets, according to Rich Goldman, senior vice president, general sales manager at TPE. But, he adds, "we have a high-class problem" in trying to determine which group or groups to sign because there is an overlap of stations in some of the cities. The Cox stations, obviously, will run *Preview*, because Cox Broadcasting owns TPE via TeleRep. The *Preview* strip, a cash-plus-barter offering, is being sold together with its weekend hour version, *Preview—The Next Seven Days*. The hour is being marketed on a straight barter basis, in an even split of 13 minutes between local and national.

Another new game strip planned for the fall, *The Challengers*, has been sold by Buena Vista to at least five stations, according to an authoritative source. Four of these have been confirmed: WCBS-TV New York, WCAU-TV Philadelphia, WCIX-TV Miami (all CBS-owned stations) and WTMJ-TV Milwaukee. Unconfirmed is WRCC-TV Rochester. BV's marketing plan on *Challengers* includes a four-tier structure, it's known, giving stations the option to air the show in any one of four dayparts—daytime, early fringe, access or late-night—with different prices for each.

WTMJ-TV is expected to run the strip next fall in early fringe, according to Gerald McGrath, program manager. McGrath says *Challengers* will probably replace *Family Feud* at 4 p.m., which follows *The Oprah Winfrey Show*. While *Feud* wins the time period, it has been dropping off from its *Oprah* lead-in, hence the possible shift, explains McGrath.

'Feud' holds out

Feud, however, appears to be the only other game show strip, besides *Wheel* and *Jeopardy*, to be holding

ACCESS!

This time of year you get pitched by lots of people promising an instant fix in access. But, deep in your heart, you know that to come out on top you need a lot more than a new idea and a promise of prosperity. You need a show that will compensate for the trials of first-run syndication.

That show is "Trump Card." No other strip has its magnetic power. Not a one! Because no other show has the power of Donald Trump's name to pull viewers to the set. Nor does any pilot have the prime time feel

that comes with taping in the billion dollar Atlantic City Trump Castle. And, "Trump Card" has already been proven in the trenches. Like many long-running hits of American TV such as "Three's Company," "All in the Family" and "Sanford and Son," our access strip is based on a format that has been a hit in England for over six years.

Next fall, don't put a new strip into play with insufficient assets. Get "Trump" on your side of the deal and you'll be in the #1 position to take over access.

TRUMP **CARD**

The Crown Jewel of Prime Access.

FALL 1990!



A Createl Ltd.
and Fiedler/Berlin Production
distributed by



WARNER BROS.
DOMESTIC TELEVISION
DISTRIBUTION

A Warner Communications Company

its own in access, it's pointed out. Jim Curtin, vice president, assistant director of programming services at Harrington, Righter & Parsons, says, "Both *Wheel* and *Jeopardy* are guaranteed to run until the mid-1990s, and *Feud* is in its second year and doing well, so I assume it will be around until at least the 1991-92 season, leaving access room virtually tied up against other game show possibilities."

While *Wheel* is down somewhat in performance, Curtin says that's to be expected after so many years of dominance. And he sees a gradual shifting of *Jeopardy*, whereby it becomes the more attractive of the two properties and more valuable in terms of a station's inventory. "That won't happen overnight, and I can't see *Wheel* stations shelving it over the next year in favor of a *Name That Tune* or *Trump Card*. Stations paid a lot of money for *Wheel* and may as well get their use out of it."

Still, HRP's Curtin notes that while there have been very few available slots open in access traditionally, one or two may be open, come the 1990 season in the top 50 markets, for the third affiliate in the market. One of the strong options for the affiliate that doesn't have *A Current Affair* or *Entertainment Tonight* or a *Wheel of Fortune* or *Jeopardy* is for it to acquire one of the many game shows being offered or to try to get a tabloid newsmagazine show to compete with the other affiliates, he says.

Pat Finn: "The Joker's Wild"



One of the openings may come from GTG Entertainment's *USA Today on Television*, according to Curtin. "Unless it has a big turnaround, most stations will not be eager to continue with it. It has a number of good time periods and most likely will be replaced by another newsmagazine currently on the air for upgrading to access."

GTG is preparing a new newsmagazine strip for access, *Celebrity Update*, which could be a replacement for *USA* if it is dropped. Other newsmagazine strip projects looking for access include *Today's People*, via Buena Vista; and King World's *30 Minutes*.

In addition, there will be some access voids because of the pullout of production of *Crimewatch Tonight* by Orion Television Entertainment after the strip completes its 26-episode run on Jan. 19, with repeats until mid-March.

Pulling the plug

One of the stations which has been running *Crimewatch* in access, at 7:30, WAGA-TV, CBS affiliate in Atlanta, will pull the plug on the program after the originals are over. Leslie Glenn, program director at the station, says WAGA doesn't want to go into the February books with repeats. "We want first-run programming for that but at this point we don't know what we will do. We're working on budgets to determine that. But we need really only one program until the fall."

It's most likely, Glenn continues, that *Family Feud*, the current 7 p.m. occupant, will continue in the same time slot until at least next fall. At that time, it's probable the station, which recently bought *Wheel* and *Jeopardy*, will run both in access. Glenn points out both shows had been on WXIA-TV, NBC affiliate, which was running *Jeopardy* in early fringe and *Wheel* in access. "Both never ran together here in access, so it makes sense for us to put them together," says Glenn.

Feud has been running successfully against *USA Today on WXIA*.

Family Feud had been on KTVU-TV San Francisco in the 7:30 p.m. time slot but was replaced

this fall by *Hard Copy*, according to Caroline Chang, program manager, with *Feud* going to CBS affiliate KPIX-TV for early fringe. KTVU airs *Cheers* at 7, and has been performing very well, and the station is planning to stay put in access, at least until the November books come out.

All-in-all, Chang sees very few changes being made in access in the San Francisco market, with the affiliates sticking pretty much to their present schedules of such things as *Entertainment Tonight*, *Jeopardy*, *Evening* and *Wheel*. However, Chang says the fact that KRON-TV, NBC affiliate, has tested a one-hour rollback of primetime bears watching, especially if KRON and the other two network affiliates adopt an early primetime schedule.

Chang says, "If only KRON moves, we won't change anything. But if all three affiliates do it, we will have to take a harder look to decide whether we should move our primetime up as well, putting our movie in at 7 p.m. and our news at 9, or to move back to 11. We have talked about a lot of different scenarios but nothing firm."

At KRON, station executives emphasize that the early primetime move, which was tried from Oct. 23 over a four-day period, was not to test the waters but was related to public service reasons in the wake of the earthquake. KRON, after the four-day move, went back to its original schedule.

Although its early primetime news and other shows racked up some higher numbers in some of the evenings, the overall results were mixed, and the network's *The Cosby Show* suffered in the 7 p.m. slot. The regular access shows, *Wheel* and *Jeopardy* were affected as well. *Wheel* was preempted, and *Jeopardy*, which aired at 6:30 instead of 7:30, lost performance ground. KRON, to accommodate the extra primetime hours, trimmed its 6 p.m. news to a half-hour.

John von Soosten, Katz Television Group's vice president, director of programming, notes that the concept of an early primetime cannot yet be judged conclusively. "It's still up in the air. The four days that KRON ran it were cer-

tainly not conclusive. There was no promotion ahead of time, and it was kind of slapped on the air. So you can look at that either way—that it was a failure or that it didn't have a chance for the audience to find it. It's still up in the air. I don't get a sense of a lot of stations being supportive of the idea. I get a sense of a handful."

Sitcom competition

Meanwhile, on the sitcom end, *The Cosby Show*, *Cheers* and *Night Court*, of the past crop, are all effective as indie counterprogramming to such first-run shows as *Wheel* in access for the 18-34 demographics, says HRP's Curtin, although they don't compete strongly in household numbers. And of the new off-network fall strips, *Who's the Boss?* and *Growing Pains*, both are doing well in households, but how they are stacking up in demos is still too early to call.

On indies, which generally represent only about 10% of the *Cosby* licensees, *Cosby* is performing quite well in access, according to von Soosten. "The only complaint by indies is the price they paid for it in terms of return on their investment. Other than that, I think stations are satisfied with its performance."

At WFLD-TV Chicago, a "satisfied" customer of *Cosby*, which airs on the indie at 7 followed by *A Current Affair*, Stu Powell, vice president, general manager, says that *Cosby* took a while to get on track on the station but "is moving along beautifully right now. I have no complaints about *Cosby*, although we didn't get back what the station paid for it in terms of value. But that doesn't mean the show isn't any good. It just means we didn't pay the right price." In two recent November overnights, *Cosby* did an 11 rating and close to a 12 in the other book, with shares of 19 in both Arbitron and Nielsen, says Powell.

As to the renewal plan being offered on *Cosby* by Viacom, Powell says that as the incumbent, the station has been given first crack. At this point, he hasn't bought the new offer and is considering making a counterproposal, which would

entail getting a lower price than what Viacom is asking.

Powell says that the renewal price Viacom has set is considerably lower than the money Viacom got for the *Cosby* initial cycle, "but we paid too much for it initially."

In any case, Powell says the station is adamantly opposed to acquiring *A Different World*, which is being offered as an option along with the *Cosby* renewals. (See TV/RADIO AGE, Oct. 30, for details on *Cosby* renewal terms.)

Pricing on the renewals of *Cosby* is said to range from about 35% up to 75% of the original *Cosby* fees, according to the reps. One of the stations in a smaller southern market was understood to be offered a deal at the low end of the range, having paid a hefty price the first time. At HRP, Curtin says that "indies probably will love the deal. But an affiliate doesn't have the time periods; they can't really use the bonus spots. And because they can't, that means that part of the deal is gone, so that leaves just *A Different World* and the *Cosby* renewals to think about. Frankly, I think stations are willing to wait it out."

At Katz, Praver says he would be "surprised" if many stations renew *Cosby* before the October books, which he terms as crucial in determining their decision. "With Viacom seeking renewals before the October books are issued, it leads me to believe there is some concern on Viacom's part. At this point there are no *Cosby* demo stories, there are only household ratings and shares. A sitcom's performance is based on demo success or failure."

Shifting access shows

The *Cosby* station in Los Angeles, KCOP-TV had run the off-network sitcom at 6 p.m. last season, but now airs the series at 7, followed by *Night Court*, which was triggered this fall. And, according to Carol Martz, program manager, "Once the time changes kicked in, we were real happy with *Cosby*. It's cooking right along. Last season, the station ran sitcoms from 6-7 and *Wheel* and *Jeopardy* from 7-8 p.m.

Martz explains the switch to sitcoms in access was because the sta-

tion sold back the rights of the two game shows to King World, which subsequently sold it to KCBS-TV. "We had another year to run on the contract on both shows, and we were not willing to renew the multiple-year agreement that King World was trying to get. KCBS wanted the shows this year, so it worked out well for everyone."

The KCOP upgrading of *Cosby* and the launch of *Night Court* has increased the access competition in the market, notes Steve Bell, senior vice president, general manager at KTLA-TV, Tribune indie. Nonetheless, he continues, the station's checkerboard shows at 7:30 continue to thrive. Last season's checkerboard fare performed very well, says Bell. "Last season, our third with checkerboards, was the best to date. Collectively, we went up in market rank and rating, doing an 8, and were ranked third in the market."

For this season, four first-run programs are returning, Bell notes. The most successful, *Out of This World*, on Mondays, is in its third season. Other returning shows are *My Secret Identity*, *Punky Brewster* and *Munsters Today*. Added on Thursday are new first-run episodes of *The New Leave it To Beaver*. With the exception of *Brewster*, the four other series are produced by MCA TV, says Bell. "The reason, obviously, is because MCA is practically the only one producing first-run sitcoms."

MCA-TV's *Charles in Charge*, back for its second season as a strip, airs at 7 p.m. Bell says, "Last season everyone was sort of surprised that this upstart off first-run syndication did so well, getting an 8 rating and being No. 2 or 3 in the market." This season, he adds, the competition expected *Charles in Charge* to fall apart, because of *Cosby*'s new time slot, and *Family Ties* on KTTV(TV), "but an MCA ad showed us beating *Family Ties* and running neck and neck with *Cosby* here.

"So it has gone, to the point where KTTV moved *Family Ties* out of 7 and moved in their own checkerboard consisting of *Adam 12* and *Dragnet*," two first-run programs from MCA. KTTV runs *Adam* three days a week, and *Dragnet* airs the other two nights. □

Ad world sees merits in having more control over program environment

Sponsors, agencies getting back into TV programming

By JAMES P. FORKAN

More advertisers and agencies seem to be following a bit of advice set forth in an old Beatles hit—"Get back to where you once belonged." Both agencies and clients are becoming increasingly involved in TV and cable programming in two ways—producing or commissioning their own product or simply making major sponsorship commitments early on for projects produced by others.

This return to the worlds of TV program production and sponsorship—primarily on network TV but also in barter syndication and cable—owes to these companies' desire to overcome commercial clutter, control program surroundings for their messages as well as capitalize on the anticipated up-

surge in demand for TV programming abroad, particularly in Europe. For agencies, generating more income from clients than the traditional commission may be another incentive, some industry sources feel.

On the down side, there is greater financial risk for the agency or client producing programs. Should such a venture fail to measure up in the ratings, for example, its after-life also would depreciate and the company's chances of recovering production costs would lessen. Another negative is that, as one agency exec puts it, such ventures tend to "take one's eye off the ball," meaning the advertising business.

Latest entries

Despite such risks, recent weeks and months testify to the growing

"Roots: The Gift" (AT&T, ABC)



urge of agencies and advertisers to become more involved in TV programming aspects of the business. Last August, Young & Rubicam formed a TV programming operation for the first time since the 1960s, with the worldwide marketplace as a key focal point. In October N W Ayer formed the globally oriented WIN/Ayer joint venture with the World International Network broadcast consortium. In the U.S., meanwhile, Ayer has been helping increase the network TV profiles of clients General Motors and AT&T via showcase packages.

In addition, this season the Big 3 TV networks alone will have aired by the spring of 1990 no fewer than 20 fully sponsored and/or sponsor-supplied movies or specials.

Paul Isacson, Y&R's executive vice president, broadcast programming and purchasing, says his agency's new programming, production and distribution unit now

The top-rated sponsored miniseries among the top 50 minis of all time

Program Network	Sponsor	Rating/Share	Year
"Marco Polo" (NBC)	P&G	21.3/36	1982
"George Washington" (CBS)	GM	21.3/33	1984
"Jesus of Nazareth" (NBC)	P&G	21.2/33	1979

Source: A.C. Nielsen Co.

has "a number of things in motion." These involve "various" clients and are geared for "virtually every area," encompassing network, cable and syndication. This unit's mission is to generate profits and develop programs that are "essentially client-driven, but they don't need to be," says Isacson. It is conceivable that some will be created directly for a network, for example. Given Y&R's many multinational accounts, the agency aims to produce or acquire entertainment programming "that will be

Sponsored movies/specials due in the 1989-90 network TV primetime season (including May)

ABC

Hallmark Hall of Fame: "The Shell Seekers," Dec. 3

AT&T Presents: "Julie & Carol: Together Again," Dec. 13

GM Mark of Excellence: American Film Institute Achievement Award, spring

CBS

P&G's Circus of the Stars, Nov. 22

Hallmark: "The Secret Garden" (R), Dec. 16

P&G's Ice Capades, Dec. 28

GM's Kennedy Center Honors, late December

IBM's "A Christmas Carol" (R), Dec. 24

AT&T: "The Incident," first quarter

Hallmark: "Caroline?" first quarter

Hallmark: "Face to Face," spring

P&G's "Pied Piper," TBA

P&G's People's Choice Awards, March

P&G's Miss USA, February

P&G's Miss Universe, May

P&G's Miss Teen USA, July

NBC

K mart's "Christmas in America, A Love Story," Dec. 13

GM: "The Old Man and the Sea," March

successful both here and abroad," he notes.

Other agency activity

Nina Rosenthal, whom Isacson named as the new unit's vice president, came from ABC Entertainment, where she was executive producer of miniseries. In fact, Isacson cites one of her ABC minis, Richard Chamberlain's two-part *The Bourne Identity*, as "a prototype of what we want to do." Rosenthal is no stranger to the world of advertising, having once been vice president of programming and production at Benton & Bowles, where she worked on network projects for General Foods and a cable show for Procter & Gamble.

Other ad agencies already involved in television programming include D'Arcy Masius Benton & Bowles, Omnicom Group (encompassing BBDO Worldwide and DDB Needham), FCB/Telecom, Interpublic Group of Cos. and WCRS Group.

Michael Moore, DMB&B's worldwide media director, emphasizes that his shop continues to develop programming for such ac-

counts as GF and P&G, despite the recent closing of the Telecom Entertainment division after the death of Michael Lepiner and the departure of Ken Kaufman to Pacht Kaufman Entertainment.

Pied Piper, a P&G movie that was to have been coproduced by Telecom, now is being produced by Stan Margulies Productions with England's Granada Television and P&G. A drama with a World War II setting, *Piper* is due on CBS, though Moore notes, "We don't know when yet."

The P&G experience

P&G works through several agencies on its sponsor-supplied fare, including DMB&B, Leo Burnett Co., Saatchi & Saatchi, Wells Rich Greene and Jordan, McGrath, Case & Taylor. *Pied Piper* is the sole drama, P&G's other vehicles being the Miss USA, Miss Universe and Miss Teen USA pageants and The People's Choice Awards and Circus of the Stars, all on CBS, plus the syndicated Mother/Daughter International pageant, which P&G coproduced with Gaynes Productions and Tribune Entertainment.

In recent years, P&G also had eyed a similar arrangement with the Mrs. America pageant, sources say.

Among the pros of the sponsor-supplied strategy cited by Kevin Brown, vice president, associate buying director at Saatchi & Saatchi, are "control over the environment in which you advertise and showcasing your products, including cutting it up so you get added exposure with billboards and bumpers. Unlike most others, P&G never promotes the corporation. It's only interested in brand identity." The big disadvantage, Brown adds, is that "it's a risk—it's expensive."

The whole notion of marketers supplying programming, adds DMB&B's Moore, "relates to clients' needs and abilities. It's not easy to fully sponsor long-form programming. You've got to have a lot of brands," or be high on image promotion, he explains. Such deals also can be "efficient from a media viewpoint."

P&G's *Shirley*, a sitcom starring Shirley Jones on NBC, was the last sponsor-supplied weekly series on network TV, and that was in the '70s. Moore regards that approach today as "a long shot," given "the cost question and client resources, including just being able to develop enough ideas to keep a series going." According to 1989-90 estimates from BBDO, production costs for a sitcom are in the \$450,000 to \$625,000 range per episode.

Global perspective

P&G for a time got into miniseries production as well, an experience that began when it replaced General Motors on NBC's *Jesus of Nazareth*; religious protesters had criticized some elements of the project, sight unseen, causing a nervous GM to pull out. P&G has not developed any minis in quite a while but S&S' Brown feels, "They wouldn't pass up on great ideas. But like everyone else, they're proceeding cautiously." Here too rising costs is a concern, some sources feel, pointing to a TV movie being in the \$3 million range.

Rising costs is one factor behind the ad business' taking a more global perspective. DMB&B's Moore says its clients have not

sponsored projects abroad, "but I think that's going to happen." BBDO and N W Ayer also are looking to overseas opportunities.

BBDO's Melissa Goldsmith, vice president, director of program development, says her agency has been seeking long-form projects for such accounts as Campbell Soup Co. and Chrysler Corp. Toward that end, BBDO execs attended MIP-TV in Cannes last spring to talk with various European and other producers about potential vehicles (TV/RADIO AGE, May 29). So far, Campbell's big project has been last season's *Quiet Victory: The Charlie Wedemeyer Story* on CBS. In the interim, Campbell has tried other sponsorship tacks to stand out from the clutter, such as sponsoring NBC's first *Peter Pan* special repeat in 15 years and buying "the show of the week" last January. The latter ploy involved buying and promoting episodes of series like CBS' *Dallas* and NBC's *Matlock* as "brought to you by Campbell soups."

At Ayer, Marcella Rosen, executive vice president, managing director of media services, says sponsored projects can originate in several ways. In some cases, a client may request that a script be developed or may scout for promising properties from among those in development at the Big 3 networks. Or, she adds, a client may pick something "off the shelf" at a network that fits its marketing objectives and tastes.

Overcoming clutter

Clients AT&T and GM have returned to sponsorships of showcase specials for similar reasons, she continues: To stand out amid today's commercial clutter while also seizing some control over the programming in which their spots air. Moreover, she says, each client wants to emphasize "significant, well done, quality TV."

"It's back to the future," jokes Burke Stinson, director of corporate information at AT&T, about the renewed trend to sponsored specials. AT&T—whose tradition of sponsored events dates back to *Family Theater* in the '70s and *The Bell Telephone Hour* in the '50s—decided in late 1987 to back



"The Old Man and the Sea" (GM, NBC)

TV specials and movies under the "AT&T Presents" banner. Starting with *Inherit the Wind* with Kirk Douglas and Jason Robards on NBC in March '88, AT&T decided to sponsor such "quality" fare on all three networks. Its other specials have included the \$7.2 million, three-hour *Day One* on CBS, about the creation of the atom bomb, and *Roots: The Gift*, ABC's yule 1988 sequel to the miniseries *Roots*.

This season the AT&T-backed *Final Days* ran on ABC in the November sweeps with a disappointing 17 share. It will be followed by *Julie & Carol: Together Again*, a one-hour ABC variety special, and *The Incident* (aka *Incident at Lincoln Bluff*), due on NBC in the first quarter.

AT&T does not commission works, says Stinson, noting that "the storyline is generally brought to us" by the networks. There is nothing definite beyond the 1989-90 offerings, he adds. However, other sources said that AT&T had last year considered sponsoring *Challenger*, although that three-hour ABC drama about the space shuttle tragedy is no longer on its list of potential buys.

GM, which in the recent past commissioned the successful *George Washington* miniseries and

its lackluster sequel, both on CBS, this season has allocated \$11 million to sponsor various specials on network TV, cable and public TV under the "GM Mark of Excellence" umbrella.

"Supporting quality TV is synonymous with our overall commitment to excellence," says John McNulty, GM's vice president, public relations. Moreover, such sponsorships deliver high awareness for GM than ordinary spot buys, he states. The only upcoming works commissioned by GM, he adds, will air on the monthly *American Playwright's Theater* via cable's Arts & Entertainment Network.

Its other "world-class entertainment vehicles" include: CBS' Kennedy Center Honors (for the seventh year), NBC's *Old Man and The Sea* (mullied at one point by Hallmark Cards) as well as PBS' *World of Ideas* with Bill Moyers; *The Civil War*, a 10-hour historical project bowing in fall 1990; and *Live from Lincoln Center*, which GM will underwrite for at least three years. There are no minis on GM's horizon, McNulty adds.

Ayer has added another weapon to its buying arsenal with WIN/Ayer. There are "a number of projects in the works" from that joint venture, she says, adding that these

The highest rated sponsored TV movies in the 1988-89 network TV primetime season, including May Sweeps:

Program Network	Sponsor	Rating/Share
"Home Fires Burning" (CBS)	Hallmark	18.6/29 (No. 14 movie overall)
"Roots: The Gift" (ABC)	AT&T	15.4/24 (No. 38)
"Day One" (CBS)	AT&T	15.2/24 (No. 39)
"My Name Is Bill W." (CBS)	Hallmark	15.2/24 (tie)
"Quiet Victory: The Charlie Wedemeyer Story" (CBS)	Campbell Soup	14.9/25 (No. 42)
"A Christmas Carol" (CBS) (R)	IBM	13.4/23
"The Tenth Man" (CBS)	Hallmark	13.3/21
"Pancho Barnes" (CBS)	Chrysler	11.7/18
"Pancho Barnes" (R) (CBS)	General Foods	10.3/22

The highest rated sponsored specials in the 1988-89 network TV primetime season, including May:

People's Choice Awards (CBS)	P&G	19.6/31 (No. 7 special overall)
"Peter Pan" (R) (NBC)	Campbell Soup	16.1/27 (No. 13)
Miss USA (CBS)	P&G	14.4/22 (No. 19)
Ice Capades (CBS)	P&G	13.3/21 (No. 24)
Circus of the Stars (CBS)	P&G	12.7/24 (No. 29)
Miss Universe (CBS)	P&G	9.7/15
Kennedy Center Honors (CBS)	GM	8.6/15

Source: A.C. Nielsen Co. data

programs should appeal not just to U.S.-based multinational marketers but to European clients, many of which could not afford such product prior to the WIN global consortium approach.

"Many times when one of our clients in a specific country wants to produce a program to target a specific audience, the cost of the production turns out to be prohibitive for the advertiser to produce independently," she says. Now, however, these accounts can "tap into the worldwide structure of WIN, [whose] members help to defray the costs of production." Ayer clients, at the same time, help reduce the financial burden for the broadcasters, she adds. Besides giving Ayer accounts first-refusal rights on new programs, WIN/Ayer enables them to have more time to develop tie-in promotions, she notes.

Ayer, AT&T and GM have dealt with WIN's chairmain Larry Gershman before, Rosen recalls. WIN distributed *Day One* overseas and Gershman headed MGM Television when it produced the *GW* miniseries for GM.

The WIN/Ayer concept is "better than having an in-house pro-

gramming unit," Ayer's Rosen maintains.

"I see potential conflict of interest in that, a la the Marie Luisi/JWT time bank days. Whose interests are you representing—yours or the client's?" However, DMB&B's Moore dismisses such concerns, contending that "the programs in which we have an equity interest are outlined [to clients] on a full-disclosure basis."

Mindful of 'environment'

Hallmark Cards tends to slate its *Hallmark Hall of Fame* specials around the primary greeting card seasons, Christmas, Valentine's Day and Mother's Day, says Brad Moore, vice president, advertising and promotion. Thus, *The Secret Garden* will be rerun by CBS and *The Shell Seekers* will bow on ABC in December, he notes, while *Face to Face* is targeted for "late January or early February" and *Caroline?* for "late April or early May," both on CBS. Ogilvy & Mather is its agency.

Besides offering "a commercial environment" better than buying scatter on regular network series, he says such sponsorships "make a

statement about the company in terms of quality and dedication to taste."

When asked how many projects are developed by Hallmark or the networks, Moore says, "We have not picked up a network development in several years, but I wouldn't rule that out... We've developed projects ourselves in recent years." For 1990-91, he adds, Hallmark expects to present "probably four, possibly more," dramas, though there are no specific titles set yet.

Chrysler, which produced *Pancho Barnes* in association with Orion Television as a "Chrysler Showcase Theater" drama last season on CBS, has two more such projects under way. The auto maker is targeting an ecology-themed drama, tentatively entitled *Mara* after a region of Kenya, for September 1990 on ABC, says Werner Michel, senior vice president, TV programming at Bozell. Robert Halmi is producing and James Garner has been cast, with shooting to begin in February.

Chrysler also is developing a drama for CBS. Called *Manifest Destiny*, it is based on a recent book about Teddy Roosevelt. □

Granite Broadcasting emerges

Investment banker and lawyer join forces, buy four affiliates

By ALFRED J. JAFFE

Where else but in this country could guys like us get four local TV stations?" asks Stuart J. Beck, referring also to his partner, Don Cornwell. The two of them are all of a sudden, in a manner of speaking, running a company that owns two TV stations and is on the verge of adding two more.

Their company is called Granite Broadcasting Corp. Cornell is chairman/president, and Beck is managing director. Granite will shortly consist of four affiliates in the 100-plus markets, and as Beck would have it, they've become big frogs in a little pond. Still, the cost of buying the quartet came to over \$130 million, not a sum they could assemble themselves.

Beck's only-in-America theme is actually a little disingenuous. He's a lawyer with 17 years experience in civil and criminal trial work and was counsel to his father's radio group. The theme rings truer in the case of Cornwell, who's black, comes from a middle-class family of teachers, is a Harvard Business School graduate and was on the management team of Goldman, Sachs' corporate finance department.

Cornwell's minority status has helped ease the way in buying the

four TV properties—because of FCC regulations granting tax certificates to the sellers of stations to minority buyers—though he's not the only minority investor. There are in fact about 50 investors in all in Granite, the major ones being Oprah Winfrey; Goldman, Sachs itself; UNC Ventures, Boston; the Wakefield Group, Charlotte, and the Jackson National Life Insurance Co., Lansing. All debt and equity placements were private. As for the amount of the debt, Cornwell says, "We are clearly a leveraged company. But we have substantially less debt relative to cash flow than other [broadcast] companies you read about in the press."

Here's the Granite station lineup, owned and soon-to-be owned:

■ WEEK-TV Peoria-Bloomington; 111th ADI, 112th DMA; channel 25, NBC affiliate, (all-UHF market); purchased from Price Communications for \$33 million, approved by the FCC Aug. 26, 1988; ranked No. 1 in May 1989 Arbitron in sign-on-to-sign-off household share, No. 1 in May 1989 Nielsen in 7 a.m.-to-1 a.m. household share.

■ KBJR-TV Duluth-Superior; 125th ADI and DMA; channel 6, NBC; purchased from RJR Communications for \$12.2 million; approved by the FCC Sept. 12, 1988; tied for first in May Arbitron,

ranked second in May Nielsen.

■ WPTA(TV) Ft. Wayne; 101st ADI and DMA; channel 21, ABC (all-UHF market); purchased from Pulitzer Publishing for \$26.5 million; approved by the FCC Sept. 29; closing expected by the early part of December; No. 1 in May Arbitron and Nielsen.

■ KNTV(TV) San Jose (Salinas-Monterey); 109th ADI, 111th DMA; channel 11, ABC; purchased from Landmark Communications for \$59 million; awaiting FCC approval; closing expected by mid-February; No. 2 in May Salinas-Monterey Arbitron and Nielsen.

KNTV, Granite's latest deal, is an anomaly. Technically, it's located in the San Francisco-Oakland-San Jose ADI/DMA, but it barely showed up in the May Nielsen and not at all in the May Arbitron report. As seen above, it's a strong contender in the Salinas-Monterey books (Nielsen calls the market Monterey-Salinas).

The way is San Jose

Cornwell stresses that the station's focus is San Jose, which contains the bulk of the population in Santa Clara County, which actually has a bigger population than the city of San Francisco (it's the third biggest municipality in California) and which is the center of "Silicon Valley," semiconductor capital of the U.S.

KNTV's transmitter is in Santa Cruz County, at the north end of the Salinas-Monterey market, and the station is *the* ABC affiliate there. But its Grade B contour covers San Francisco, where KGO-TV resides, a Capcities/ABC-owned outlet, no less. "We actually help ABC in the San Jose area," Cornwell points out. In any case, the station's time is sold on a total survey area basis, he adds.

If early Granite policy is any indication, one of the first things Beck and Cornwell will do when they take over KNTV is beef up local news programming. The partners are big on localism, which ev-

New entrepreneurs in TV broadcast field are investment banker Don Cornwell, l., and Stuart Beck, a lawyer. Oprah Winfrey is among the investors.



ery broadcaster pays lip service to, at least, but they sound as if they mean it. They've already added a 6:30 a.m. news in Peoria, and Cornwell says they encourage managers to be involved in community affairs, to do "good works."

Localism used to be the way broadcasters made brownie points with the FCC, but today, in the cable age, it has a longterm business significance. Beck makes the point that localism, particularly in the form of news, is the way to the future for the broadcast business. It is also a way of creating ties with cable systems in a station's area, he says.

Cable systems, argues Beck, are really common carriers. They produce little local news or public affairs programming. "For that reason, we welcome a partnership with cable. This enhances us because cable gives us an ability reach viewers."

Cornwell adds: "Look at cable ownership. The MSOs are becoming national purveyors of programming." As for cable as competitors for advertising, Cornwell feels that, for example, "there aren't enough dollars in Peoria" for cable systems to generate much ad revenue.

Cooperating with cable

Beck: "National programming is a bigger payoff for cable. Why would cable try to compete with us? We don't regard cable as the enemy." Beck points out that his station managers are talking now to cable systems about cooperation.

Granite is also a purveyor of national programming, of course, with four affiliates in or soon to be in the fold. From that point of view, affiliates represent a safer investment than independents to a relatively small company like Granite, according to the company's top executives. Beck explains that he and Cornwell like the idea of a partnership with the networks because it makes the future more predictable. "If we were a larger company, we might consider buying independents." In short, affiliates are the conservative way to build a TV group, Beck holds.

As for the growing competition to the networks, Cornwell acknowl-

edges the expanding number of viewing choices, but says the networks can contend with it. "The networks are rich. They have money for programming."

Granite has been buying stations in a market that some people described as depressed, but Cornwell and Beck, given their financial limits, were not thinking bigtime. They set out to buy stations in the 50th to 125th ADIs and, as noted, their purchases so far have all been in the 100-plus markets. At this point, the pair are intent on digesting what they have. "It's hard to say when we'll look again," says Beck. "We may be receptive in 1991."

Cornwell feels they've bought carefully and well. He puts the prices paid for the four stations "at well under 10 times cash flow." One analyst estimated that the Peoria station came in at nine times and Cornwell implied that it was even less than that.

The tax certificates authorized by the FCC were certainly a factor in the favorable prices negotiated by Granite. The certificates allow the seller to defer payment of capital gains taxes if the money from the sale of a station to minority owners is reinvested in the communications business.

Granite qualifies for the minority ownership designation on the two tests required, namely, control and equity, Cornwell says. First, Cornwell owns a majority of the voting stock—55%—while Beck owns the rest. Secondly, the minority investors in the aggregate raised \$25 million, more than the 20% of the equity that is required to qualify for the issuance of a tax certificate. Not so incidentally, Cornwell

and Beck together have less than 20% of the equity.

Cornwell is reluctant to get into details of the financing of Granite, particularly since it's privately owned. But it is known that among those also putting up money are Beck's father, Martin, CEO of Beck-Ross Communications, which owns three radio stations (see *Sidelights*, Oct. 16), and James Greenwald, chairman of Katz Communications, which reps the Peoria and Duluth stations.

Careful about describing Granite's financial setup, Cornwell, in responding to a question about Granite's leverage, confines himself to saying that more than 50% of the purchase price of the four stations is debt. "We believe we have leveraged on the safe side." But Cornwell stressed that more important than the debt ratio is the relatively low cash flow multiple that Granite paid for its stations.

Junk bonds? The term doesn't apply in Granite's case, says Cornwell. "There are no junk bonds in terms of the publicly-traded securities that are sold by Drexel, Burnham and other companies." Cornwell also noted that most of Granite's acquisitions have been private purchases, not bidding situations, "with the brokers involved close to us and the sellers."

Cornwell, who is 41, was born in Oklahoma, but grew up in Tacoma. He was graduated by Occidental College in Los Angeles in 1969 and by Harvard Business School in 1971. He started his career with Goldman, Sachs and remained in the corporate finance department until he left to form Granite.

Beck was in private law practice until he joined with Cornwell. □

Granite is currently operating two affiliates: WEEK-TV Peoria-Bloomington, pictured below, No. 1 in its market, and KBJR-TV Duluth-Superior.



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Source: Philo M-F 4PM-11PM, All other: M-S, Sign-on/Sign-off
S.C. May 1989 Share of Spanish TV Viewing

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Hispanic population over 20 million;
growth rate five times non-Hispanic's

Latino advertising ahead of general market in growth

By **GEORGE SWISSELM**

From all quarters come the signs that the growth of that once great marketing machine that was U.S. general market advertising is running out of steam: layoffs at major agencies, a drop in new product introductions, and the major multinationals holding down spending in the U.S. while they raise their ad investments abroad.

But while general market advertising was developing creaky knees and no one was looking, advertising to Hispanics living in this country, still looked on as advertising's step-

child by some, has grown up into lusty adolescence to become a boomlet within a slower-growth general advertising industry.

In fact, today's Hispanic market is still a stepchild only to those who haven't been looking. To those who have, it's a different story.

Belated discovery

Hank Olguin, vice president, associate director, Hispanic services at GSD&M Advertising in Austin, Texas says, "If I had to describe what's been happening to our Hispanic market in one word, it would

Television/Radio Age

November, 1989

Today's Hispanic market is still a stepchild only to those who haven't been looking.



have to be 'growth'—to the point that almost 500 years after Columbus discovered America for the Queen of Spain, the rest of America has now started to discover us."

Just one element of that growth is population. As the flood of immigration continues nonstop, the U.S. Department of Commerce reports Census figures showing that U.S. Hispanic population totaled 20.1 million this March and has been growing about five times as fast as the rate of the non-Hispanic population since 1980.

The latest Census data show that since 1980 the Hispanic population has grown 39%, with immigration a major factor, accounting for about half of the overall gain. This year Hispanics represent 8.2% of total U.S. population.

Estimates by Miami-based Strategy Research Corp. are a bit higher than the government's: 23.7 million, "subject to upward revision shortly."

On top of the sheer population climb, adds GSD&M's Olguin, has been income growth: "Estimates today range from \$140 billion to over \$170 billion for total Hispanic buying power in this country. Even the low end is impressive." SRC's estimate is \$171 billion, or 27% above SRC's estimate of \$134 bil-

lion for 1987.

Olguin says his agency has been working with the Hispanic market for the last six-and-a-half years: "During that time we've seen billings targeting U.S. Hispanics more than double nationally. There's been enormous growth in awareness. We've even seen successful films in the general market English language movie houses, like *Stand and Deliver* and *The Milagro Beanfield War*."

Byron Lewis, chairman of Uniworld Group Inc. and Uniworld Hispanic, observes: "Economic forces continue to attract Hispanic immigration into this country, as they have for decades. The new, additional element today is the political forces in Central and Latin America that are driving more and more people from the middle class to seek asylum here, bringing strong business and professional skills with them. This raises the economic level of today's immigration wave and Hispanics' ability to land good jobs and buy goods and services once they arrive."

Hispanic leadership

Lewis calls this "the kind of immigration that has made Miami a truly international city. Hispanics are among its leaders in business, in

communications and in Miami's political life."

Lewis points out that with such developments has come growing recognition of the marketing potential of today's Hispanic consumer—"growing recognition by leading businesses in the general market. This in turn has fed the growth in both numbers and size of this country's agencies that specialize in marketing to Hispanic consumers. This recognition has contributed to the billings increases of such specialist agencies as Sosa and Castor GS&B, among others, as a growing number of companies recognize their need to advertise to Hispanic consumers."

Lewis adds, "It's also contributed to the growing number of acquisitions of Spanish language specialist agencies by so many of our larger general market agencies—to the point that there are few successful independent specialist agencies left."

At one of the independents that remain, Castor GS&B, chairman Castor Fernandez expects billings targeted to Hispanics to grow a lot more. His own agency's are close to \$60 million right now. For the near future, Fernandez predicts, "If Nielsen's new ratings for Univision and Telemundo perform as I think they will and show how many people are really watching Spanish TV, it should change the face of Spanish advertising. The Spanish language networks are going to say 'No more \$10,000 for a 30 second spot. Now it's \$100,000. And when advertisers see the ratings they won't cry about paying \$100,000.'"

Richard E. Dillon, president, Mendoza, Dillon & Asociados in Newport Beach, Calif., recalls, "We started our agency 10 years ago from nothing, and today we bill around \$60 million. Most of that growth came during the last five years with the entrance into the market of many new players."

Dillon adds, "Even the car manufacturers are in the market today. Our client, Ford, is conducting an aggressive program to find out the spending level it takes to make a maximum impact on Hispanic consumers. We hear Chevrolet is planning to be active. And we expect to see some of the imported makes enter the market with gusto."

Gary Patrick, Vitt



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Dillon also observes, "Everyone's heard the academic discussion back and forth about whether it's more effective to sell in Spanish or in English to Hispanic families who've lived here in the U.S. for three or four generations. I don't know. I leave that to the learned professors."

"What we do know is that there are about 25 million Spanish speaking people in this country. And we know from our clients' research that reaching these consumers in their own Spanish language makes a significant addition to our clients' sales and profits."

CBS Radio's CBS Hispanic Marketing division opens its new presentation, *Hispanics in America Today & Tomorrow, According to the U.S. Government*, with excerpts from an article from the February/March 1989 *Journal of Advertising Research*. Written by Joseph G. Albonetti and Luis V. Dominguez, it's called "Major Influences on Consumer-Goods Marketers' Decision to Target U.S. Hispanics." And those "significant additions to clients' sales and profits" reported by Dillon and by other Spanish-language specialist agencies are among the reasons Albonetti and Dominguez could report that "Spanish language media advertising expenditures reached \$491 million by the end of 1987," and that "... from a handful of agencies and organizations servicing Spanish language advertising

needs in the late 1960s, a recent compendium listed over 400 media firms and over 100 advertising and marketing firms..."

But in spite of all the growth, all the data and all the success stories, GSD&M's Olguin adds that there are still those advertisers who hesitate. For instance, when Bob Lobdell's Cold Spring Harbor Group surveyed company ad executives for the Station Representative Assn.'s Radio Committee, the surveyors did find 44% of the respondents budgeting for Spanish language media, with 27% using Spanish language radio, 30% using Spanish language television, 32% using Spanish language magazines and 10% using Spanish language newspapers. But if 44% do target Hispanics, 56% of the advertisers interviewed still don't.

Olguin says the reason those who hesitate entering the market often give is lack of research. Actually, he says, "There's quite a bit of research. And there's much more on the way. Nielsen's contract with Univision and Telemundo even made *The Wall Street Journal*."

Ethnic diversity

Olguin also points to the diversity: he says, "Too many people try to sell to an overgeneralized, stereotypical Hispanic. They neglect to take into account the differences in national origin and the regional differences even among those of us

of the same national origin. The family that's been in San Diego or Los Angeles only a year or two is far different from the third generation Mexican-American family in San Antonio that speaks English as well as it does Spanish. All these subcultural differences between people of even the same national origin makes our task a tricky one."

Looking at national origin, the latest Census updates show U.S. Mexican-origin population numbering 12.6 million, persons from Central and South America now at 2.5 million, 2.3 million from Puerto Rico, 1.1 million from Cuba, plus 1.6 million listed as "other Hispanic." Jorge Del Pinal, chief of the Census Bureau's Ethnic & Spanish Statistics Branch, explains that "other Hispanics" means persons from Spain and those who describe themselves as "Hispanic," "Spanish," or "Latino."

The new Census tabulations also show that since 1982 the nation's Central and South American-origin population has grown by 67%, U.S. Mexican-origin population is up 30%, Puerto Rican population here is 14% ahead of 1982, and the Cuban-derived population has grown 12%. "Other Hispanics" have increased 31%.

Three states alone have about two thirds of U.S. Hispanics. California alone has 34%, Texas is home to 21% and New York State has 10%.

Persons of Mexican origin are concentrated primarily in California and Texas, Cubans in Florida, Central and South Americans in California and New York, and Puerto Ricans in New York.

But regardless of how tricky such diversity makes their task, Olguin, his boss, Raoul Rodriguez, senior vice president, director of Hispanic services at GSD&M, and their creative team have apparently mastered it. They won a Clio for their Coors Light spot, a client Olguin says "uses a lot of both television and radio. Generally, we rely on Spanish broadcast to reach Spanish-speaking consumers and community-related print in both Spanish and English to reach English-speaking Hispanics. Both *Vista* and *Hispanic Business*, for instance, are edited for English-speaking Hispanics and printed in

Emilio Nicolas, Jr., KMEX-TV Los Angeles





English.”

In another case, Lewis reports Uniworld client Drackett enjoyed such success marketing its high-energy drink, Nutrament, to Hispanics via a combination of radio, outdoor and transit posters and high-visibility event marketing and promotion, that Drackett is investigating the prospects for some of its other brands, now being tested regionally in high-density Hispanic markets in the Northeast and Southeast.

Targeting the young

Both experience and research have suggested that young Hispanics, from high school age through their mid-20s may be among the most elusive targets for Spanish language media. For instance, a study of Hispanics in San Antonio, where assimilation is farther along than in many other heavily Hispanic markets, was conducted by Hispanic Marketing Research & Communication Inc. The research firm's president, Dr. Naghi Namakforoosh, reports that as a whole, among respondents averaging 35 years, most Hispanic females listen to Spanish radio throughout the entire day, while Hispanic males mostly listen to Spanish stations early in the morning while dressing and while driving to and from work.

Average listening to Spanish radio among females was eight hours

a day, and it was four hours among males.

Asked about frequency of watching Spanish language television, the females reported “almost every day and males said “sometimes.”

On the other hand, HMR&C found that among the high-school-

age-to-24 group Hispanics watch “some Spanish television, but more English language television. And this younger group also spends more time with English language radio than it does with Spanish language stations.”

But despite such age differences

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in media use, two other case histories point to the effectiveness of Spanish language broadcasting even among the young.

Older generation influence

Arline M. Lowenthal, president of San Diego based Analysis/Research Limited, observes that, while younger Hispanics are starting to adopt many U.S. habits and customs, "Older generations remain a strong influence."

She says that in a recent U.S. Army recruiting campaign, it was found that, while younger Hispanics watch English language television, their parents remain loyal to Spanish television. When the Army's TV spots in English failed to attract a significant number of Hispanic recruits in the targeted 18 to 24 age bracket, research indicated that over 60% of young Hispanics heed parental advice in making important decisions. Then the Army tried promoting enlistments on Spanish language television and "increased enlistments considerably." Lowenthal also reports Hispanic enlistment in the Peace Corps climbed 50% following spots on Spanish television.

But Spanish television produces even when the stakes are not a key career move. Gary Patrick, senior vice president and head of the new Los Angeles office of Vitt Media International, told his audience at *Se Habla Espanol*, the annual trade show sponsored by *Hispanic Business* magazine, about L.A. Gear's success.

Patrick reported that L.A.

Gear's 1987 test of Spanish language advertising, promoting its sports footwear to Hispanic youth, was so successful it was rolled out into more markets. Then this year "The campaign was expanded to include every Hispanic market with a viable Spanish language television station.

"And the results? We feel L.A. Gear has soared to become the No. 3 footwear company in the United States, in part thanks to marketing to Hispanic youth. They have responded well to L.A. Gear's advertising in large part because there were no competitors advertising to them. But now it will be a different story. L.A. Gear's competitors have started to follow suit. Reebok recently hired a Hispanic advertising agency and broke a new television campaign. Nike is reported to be considering marketing to Hispanics, too."

Minority business

Meanwhile *The Wall Street Journal* reports that Ford plans to increase its number of Hispanic-owned Ford and Lincoln-Mercury dealerships to more than 80 by the mid '90s. It calls the move part of Ford's effort to attract more minority customers and broaden its market appeal. The paper says Ford currently has 316 minority-run dealerships, 40 of them Hispanic owned and the rest primarily owned by blacks.

In the research field, Nielsen's new television audience measurement for Univision and Telemundo is only one kind of research there

will soon be more of. Right now there are already the steadily climbing Census projections starting from the 1980 Census as a base. Next year comes the new 1990 Census. And this time Spanish language radio and television are joining with Hispanic community leaders and political figures, from Los Angeles to New York and Miami to Chicago, to urge their listeners, viewers and constituents to come forward and be counted.

Emilio Nicolas, Jr., general manager of Univision's KMEX-TV Los Angeles and co-chairman of MALDEF, the Mexican American Legal Defense and Educational Fund, says the chief purpose of MALDEF's nationwide public service campaign in Spanish language media is "to impress upon Hispanics the Constitutional requirement of coming forward to be counted by the Census and the benefits that flow to our communities from being counted.

"We also want to put across the key point to our undocumented residents, first that the Census is required by law to maintain confidentiality, and second, that it lives up to this law. Historically, to date, the Census Bureau has never violated the confidentiality of undocumented residents who did come forward. Thus, it is safe to be counted. The Census people are not going to turn their records over to Immigration."

Nicolas adds that the benefits that flow from a more accurate count "are primarily social: Federal and state money for schools, hospitals and sewer lines is allocated according to population density. Our population is made up of job-holding tax payers who are already paying for such services and should get them."

Educational progress

He also notes, "As broadcasters contributing public service air time to the Be Counted campaign, we and our advertisers and their agencies enjoy a marketing benefit when the obvious is converted into official numbers—numbers that show our retail clients in particular how many Hispanics are moving out of the central cities and following jobs to the suburbs and moving

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U.S. Hispanic market buying power by market region—1985, 1987, 1989

(In billions of dollars)

Market Region	1985	1987	1989
Total U.S. Hispanic	\$94.1	\$134.1	\$171.1
Northeast	\$14.7	\$20.0	\$25.4
Southeast	11.3	16.1	20.7
Central	8.0	11.4	13.9
Southwest	23.4	33.4	40.3
Northwest	4.0	5.6	7.0
Pacific	32.7	46.7	63.8

Source: Strategy Research Corp.

into many of these stores' trading areas."

Meanwhile, pending the upcoming 1990 count, last year's Census projections indicate that although the proportion of Hispanics 25 years and up who completed four years of high school or more did not move up from 51% between 1987 and '88, this was the highest percentage ever recorded since the Census Bureau began to collect data on Hispanics in the 1970 Census, using a self-identification question. Despite this improvement, the proportion of Hispanics who had completed four years of high school or more remained lower than the 78% for non-Hispanics.

However, the Census Bureau found that the educational levels of young Hispanic adults 25 to 34 portend a more educated Hispanic population down the road. By 1988

the proportion of younger Hispanics who had completed at least four years of high school was 62%, against 44% among older Hispanics 35 years and up. Similarly, the proportion of younger Hispanics who had completed four years or more of college was 12%, compared with 9% among older Hispanics.

Improvement for younger Hispanics also was evident at lower grade levels. Only 6% of younger Hispanics had completed less than five years of school, against 16% of their older counterparts.

The Census Bureau's *The Hispanic Population in the United States: March 1988* also reports that the civilian labor force participation rate of both Hispanic and non-Hispanic women 16 years or older, at 52% and 56% respectively, unsurprisingly was lower than that of their male counterparts. But

substantial increases in the labor force participation rates of women show up since 1982. Participation rate of Hispanic women rose from 48% in 1982. For non-Hispanic women, it was up from 52%.

The gender gap in labor force participation is narrowing. By March '88 the labor force participation rate of Hispanic males was 79%, or a two percentage point drop from 81% in March 1982. For non-Hispanics the labor force participation rate of males dropped from 75% to 74% between 1982 and 1988.

Turning to family income, the Census report says that after adjusting for the 3.7% increase in consumer prices between 1986 and '87, there was no significant change in the income of Hispanic families, but since 1982, the bottom of the last economic recession, real median family income of Hispanics has increased 6.9%, compared to a 12.3% climb for non-Hispanic families.

Besides the government's data, there's Strategy Research Corp. Besides its population estimates of 23.7 million Hispanics with their total estimated buying power of \$171 billion, already reported, SRC's *1989 U.S. Hispanic Market* summarizes this country's long history and tradition of immigration, leading up to today's Hispanic diaspora. It also breaks out Hispanic population by country of origin and current residence by U.S. region and state, length of residence in the U.S., family size, educational levels, occupation, and employment.

'Assimilation segments'

SRC covers language patterns, social attitudes of Hispanics, their patterns of assimilation and explains how to reach each of three "assimilation segments." As SRC points out, "Assimilation is a multifaceted phenomenon relying not just on language ability, but also on such things as educational attainment, place of residence, lifestyle preferences and one's aspirational image."

SRC postulates an assimilation pyramid, with the top 13% accounting for the proportion of U.S. Hispanic population that is fully assimilated. The middle 49% represent the partially assimilated

Susan Korbelt, KENS-TV San Antonio





Howard Kamin, MRI

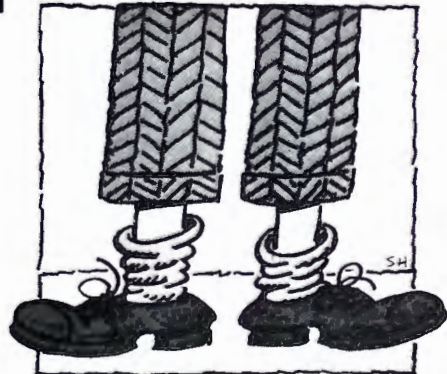
segment of over 11 million Hispanics, and the bottom 38% or about 9 million people, says SRC "are those who are totally unassimilated" relative to today's U.S. culture.

SRC president Richard Tobin says that, unlike the case with so many other waves of newcomers to U.S. shores, there are now so many Hispanics concentrated in this country's high-density Hispanic population centers they form a "critical mass" large enough to permit them to choose not to follow the traditional path to assimilation, and that "There is far less pressure put on them by the rest of American society to do so. Many Hispanics opt not to become fully assimilated, preferring to hold on to those elements of their Hispanic culture they hold dearest." SRC describes each of these three segments of its pyramid and suggests the most effective ways to advertise to them.

Sara Sunshine, senior vice president, creative director of Siboney Advertising, observes, "I'm constantly surprised at the number of marketing people who keep using the word assimilation when I think perhaps the more accurate word should be 'acculturation.'"

"To me," says Sunshine, "assimilation means an Hispanic who acts and speaks 90% of the time like most Anglos. The small percentage of Hispanics who do this are some of those with the education to open the doors to jobs that put them in daily contact with upscale Anglos most of the time. So far, not that many of us have reached that position yet. So it is no disaster that I cannot reach this small number of Hispanics with Spanish-language

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Source: Arbitron, May 1989, sign-on to sign-off.
Lee Slurzberg Research, Inc.
New York Retail Study, January 1989.

U.S. Hispanic market mean household income by market region—1979, 1985, 1989

Market Region	Mean income		
	1979	1985	1989
Total U.S. Hispanic	\$16,019	\$25,837	\$30,243
Northeast	\$13,891	\$22,400	\$26,040
Southeast	17,739	28,600	33,300
Central	16,623	26,800	31,140
Southwest	14,959	24,100	28,020
Northwest	14,562	23,500	27,300
Pacific	17,742	28,600	33,250

Source: U.S. Department of Commerce, Bureau of the Census, Strategy Research Corp.

media.”

On the other hand, she continues, “A growing number of us are acculturated. To me this means we accept and adopt those general market values and attitudes that work for us and that fit in with our own values and that we feel don’t clash with the attitudes ingrained in us. For instance even though acculturated, we still reject those practices we feel are inappropriate and that do clash with our values.”

Accepting what works

Sunshine explains, for instance, that “It goes against the grain of the great majority of Hispanics to go out looking for a nursing home just because our mother or father is getting along in years and getting a little difficult to care for. We just couldn’t bring ourselves to do it.”

Sunshine adds, “And when we’re up against it, we look for help from our families before we go against our pride to look for public assistance. But there are other attitudes that do change among many acculturated Hispanics. For instance, when Cubans first came here in large numbers, most women wouldn’t use coupons. They had too much of a connotation of food stamps. We were too proud not to be able to pull out real dollars at the checkout counter.

“But those of us here long enough to see that Anglo shoppers see no shame in using coupons to get a bargain now feel maybe it’s not too smart for us to pass up the chance at a bargain either. Now most of us do accept the idea of using coupons when we shop.”

Similarly, Sunshine notes, “Acculturated Hispanics will also be

glad to pick up the more practical aspects of Anglo lifestyles and adopt technical advances that make life easier. And we pick up the same desire for a better education for our children.”

Sunshine adds, “The acculturated Hispanic is no longer so brand loyal as many people may think. Where the average Anglo may have a set of four or five brands in a given category that’s acceptable, the average acculturated Hispanic will probably have three. But she by no means feels there’s only one brand she trusts.”

Brand preference

Another research firm, San Antonio based Hispanic Marketing Research & Communications, is putting together its *1990s Hispanic Market Report*. This will cover Hispanic brand preference in each of nine markets for some 25 different product categories, Hispanic media habits, language use, shopping habits by mall and store, banking services used and such Hispanic lifestyle activities as sports, entertainment, eating out and church attendance.

Advertisers and broadcasters also can and do commission tailor-made surveys of Hispanic consumers from a wide variety of research companies. Mediamark Research Inc. and Simmons, for instance, survey ethnic consumers as well as general market respondents.

Says Howard Kamin, senior vice president, electronic media at MRI, “Hispanic consumers show easily discernable preferences for a variety of products, services and brands.”

For instance, MRI breaks its

Hispanic sample into three segments: those for whom Spanish is their primary language, those who habitually speak some Spanish, and those who speak English most of the time. MRI found that almost 28% of the Spanish speaking individuals have taken a foreign trip, 31% of those to destinations where Spanish is the primary language. On the other hand, only 19% of the English-speaking Hispanics have taken such a trip. The conclusion, explains Kamin, is that “Hispanics whose language preference is Spanish are 45% more likely to be receptive to foreign travel advertising.”

In the case of shampoo, one brand stands head and shoulders above the others in Hispanic households. But it’s not Head & Shoulders. It’s Finesse. Much the same applies to use of perfume and cologne by Hispanic women, with Charlie the standout.

These are only three of many products and services where wide differences show up. MRI lists 367 standard product categories that index 120 or higher among Spanish speaking Hispanics living in the U.S.

Productive households

And Kamin notes, “Some advertisers may feel Hispanics represent only a small proportion of the market, and therefore it’s probably unproductive to allocate a special additional budget to advertise to this segment. In markets like Los Angeles and Miami, and in many southern California and Texas markets this is certainly not the case. But even in other markets where there aren’t necessarily overwhelming numbers of Spanish speaking households, remember that because Hispanics tend to have more children, it takes fewer households than is the case in the general market to consume more product and move more cases at retail.”

Kamin also points to MRI findings indicating that Monday through Friday, television viewing patterns of Spanish speaking Hispanics differ little from the average time spent with television by general market viewers during weekdays and evenings. On the other hand, he says, “An unusual viewing peak occurs starting from 4:30 p.m.

Saturday afternoons, through the rest of Saturday evening. And when we looked at Hispanic viewing in Los Angeles, we found that when they do watch, they show a strong preference for Spanish language television."

There are other companies like Marshall Marketing & Communications and Leigh Stowell who research individual markets for broadcasters. In the July 1989 Hispanic Market issue of TV/RADIO AGE, results from Marshall Marketing's survey of Miami consumers and their shopping and media habits for WTVJ(TV) were reported.

Now KENS-TV San Antonio has commissioned the company to do a similar study. Says KENS-TV marketing director Susan Korbel, "Marshall Marketing is one research tool we use at KENS to learn more about our market. Since San Antonio is a majority minority market, over 50% Hispanic, we track Hispanic language preferences closely.

"We found only 13% of the Hispanics contacted preferred to be interviewed in Spanish. This is consistent with other research, which shows that in San Antonio, the vast majority of Hispanics prefer to speak English. This concurs with television viewing too: Only 38% of Hispanics said they watch any Spanish television in a typical week. However, this research was done in the spring, prior to major news changes at KWEX-TV, and KVEA-TV, a second Spanish television station, hitting the air."

Korbel adds, "San Antonio is an active, youthful market. The top two VALS 2 groups here are experiencers and strivers, and well over half of both groups are under 35. An even greater percentage of Hispanics fall into these two psychographic groups: 20% are experiencers and 18% are strivers. These two groups are avid consumers and heavy television viewers."

Formulating values

SRI International describes its VALS Experiencers in San Antonio as "young, vital, enthusiastic, impulsive and rebellious. They seek experiences, savoring the new, the offbeat and the risky. They are

Place of birth Among Hispanics—1989

	Total	Children/teenagers (Under 18)	Adults (18+)
United States	32.4%	62.2%	15.6%
Other Country	67.6	37.8	84.4
TOTAL	100.0%	100.0%	100.0%

Source: Strategy Research Corp.

Toy dealers who ignore New York's Hispanic consumers are just kidding themselves.



In 1988, New York's Hispanics spent more than \$35 million on toys and games.

Want to reach these buyers?

Advertise on WNJU 47—New York's #1 Spanish-language television station. It's as simple as that!



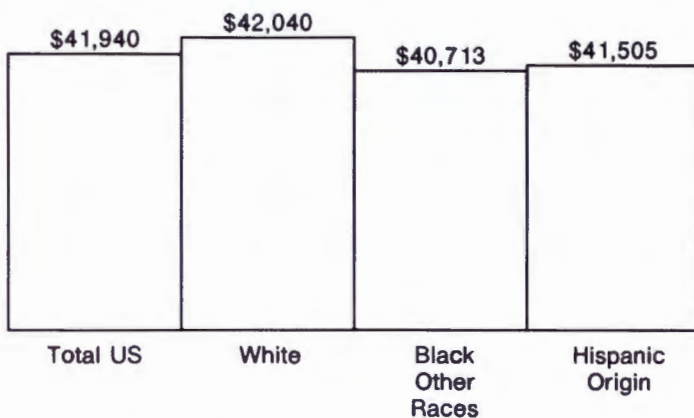
WNJU 47
Telemundo in New York

For more information, call
Rosemarie Lieberman (212) 492-5603

Source: Arbitron, May 1989, sign-on to sign-off.
AGB 1988 Telemundo Product Usage Study,
New York ADI.

Discretionary income among Hispanics on par with general market

% of Hispanics who completed 4 years of college or more



¹ U.S. Bureau of the Census, 1980 Census of Population, Vol. 1, Chapter C (PC80-1-C1).
² U.S. Bureau of the Census, Census of Population: 1970, Vol. 1, Chapter C and Subject Reports, Final Report PC(2)-1C, "Persons of Spanish Origin."

still in the process of formulating life values and patterns of behavior. Their energy finds an outlet in exercise, sports, outdoor recreation and social activities. Experiencers are avid consumers of clothing, beer, fast food, music, film and video. They tend to be impulse buyers, avid rock music fans, and also enjoy television and movies."

VALS Strivers "seek motivation, self-definition and approval from the world around them. Many are fascinated with status and power. Money defines success for many Strivers, who never feel they have enough of it. Strivers are easily

bored and have difficulty controlling their impulses. Strivers are trend and fad conscious and are attracted to products that impress others. They are people who want to be big spenders and who are purchasers of clothes and personal care products who keep credit card balances high. And they watch Nielsen's top 10 TV shows."

The interviewers surveyed a 1,000-respondent sample using random digit dialing telephone interviews by bilingual operators. The differences turned up between those Hispanics who replied in Spanish and those who replied in

English included:

■ Twenty-two per cent of the English-speaking Hispanics held white collar jobs, against 2% of those who replied in Spanish. And 39% of those replying in Spanish were homemakers, compared to only 13% of those replying in English.

■ Asked about grocery shopping, Hispanics proved to be more price-oriented, while non-Hispanics tended to look more for convenience from grocery stores.

And when it comes to television viewing, 59% of Hispanics replying in English watch *Eyewitness News at 10 p.m.* on CBS affiliate KENS-TV San Antonio, compared to 16% of those who replied in Spanish. On the other hand, 66% of the latter watch *Noticias Centro 41* on Spanish-language KWEX-TV at 6 p.m. Other shows popular among all San Antonio Hispanics include *Cheers*, *The Cosby Show*, *Geraldo* and *Family Ties*.

The study also charted shopping preferences in respect to both food stores and department and discount stores and investigated the levels of respondents' radio listening and newspaper reading.

Fiscal attitudes

In another attitude and value segmentation study, Hispanic Monitor, a joint venture of San Diego based Market Development, Inc. and Yankelovich Clancy Shulman, finds that in their attitudes toward money, which reflect traditional middle class values, Hispanics living in the U.S. voice a stronger commitment to both earning and saving than their general market counterparts.

This study identifies four core attitude clusters, formed on the basis of nine attitudinal dimensions "that play out in U.S. Hispanic consumer behavior and response to advertising. The four clusters are called "Hopeful Loyalists" and "Recent Seekers," found mostly among foreign-born Hispanics, and "Young Strivers" and "Established Adapters," found largely among Hispanics born in the U.S.

MDI senior vice president Dr. Henry Esquivel-Adams says that despite significant differences across the attitude and value clus-

Dr. Henry Adams-Esquivel, MDI





Richard Tobin, SRC

ters, "Each cluster responds uniformly high in their drive to earn as much as they can and their commitment to saving."

Adams notes that the U.S. Hispanic market shows occupational and income growth five times that of the general market, and calls this "an important socioeconomic trend." He adds, "When this trend is looked at in combination with Hispanics' very positive attitude toward making and saving money, a potential boom emerges for marketers—especially those interested in consumer segments characterized by rapid population growth, increased disposable income and a penchant for saving that would make the marketer's products and services such as a home, mortgages, insurance, automobiles and other high ticket items more attainable by such consumers."

Replying to the survey, more than nine of every 10 Hispanic respondents agreed with the attitude statement, "Saving a portion of one's income is the best way to plan for the future," and agreed that "It is essential for a man with a family to have life insurance, because in the event of his death, his family will not be taken care of otherwise."

Belief in more traditional, conservative attitudes toward money were also reflected in Hispanics' beliefs that cash, not credit cards, is the best way to make purchases. Hispanic Monitor reports, "Three out of four Hispanics share this belief, while non-Hispanics show generally weaker agreement with this statement."

Says Adams: "This finding shows commonalities, not only across all Hispanic groups, but more implicitly with middle-class America, representing a major op-

Electronic dealers who ignore New York's Hispanic consumers are in for a shock.



In 1988, New York's Hispanics spent more than \$200 million on electronics, including \$40 million on TV sets, \$16 million on VCRs and \$17 million on camcorders.

Want to reach these buyers?

Advertise on WNJU 47—New York's #1 Spanish-language television station. It's as simple as that!



WNJU 47
Telemundo in New York

For more information, call
Rosemarie Lieberman (212) 492-5603
Source: Arbitron, May 1989, sign-on to sign-off
Lee Slurzberg Research, Inc.
New York Retail Study, January 1989

portunity for cross marketers. As a more conservative middle-class America comes back into its own in the '90s, attitudes that Hispanics share with middle-class America may lead to increased attention from advertisers who see the opportunity for rebuilding their declining franchises by capitalizing on the attitudes and values that drive Spanish-speaking Hispanics and that they hold in common with English-speaking Americans."

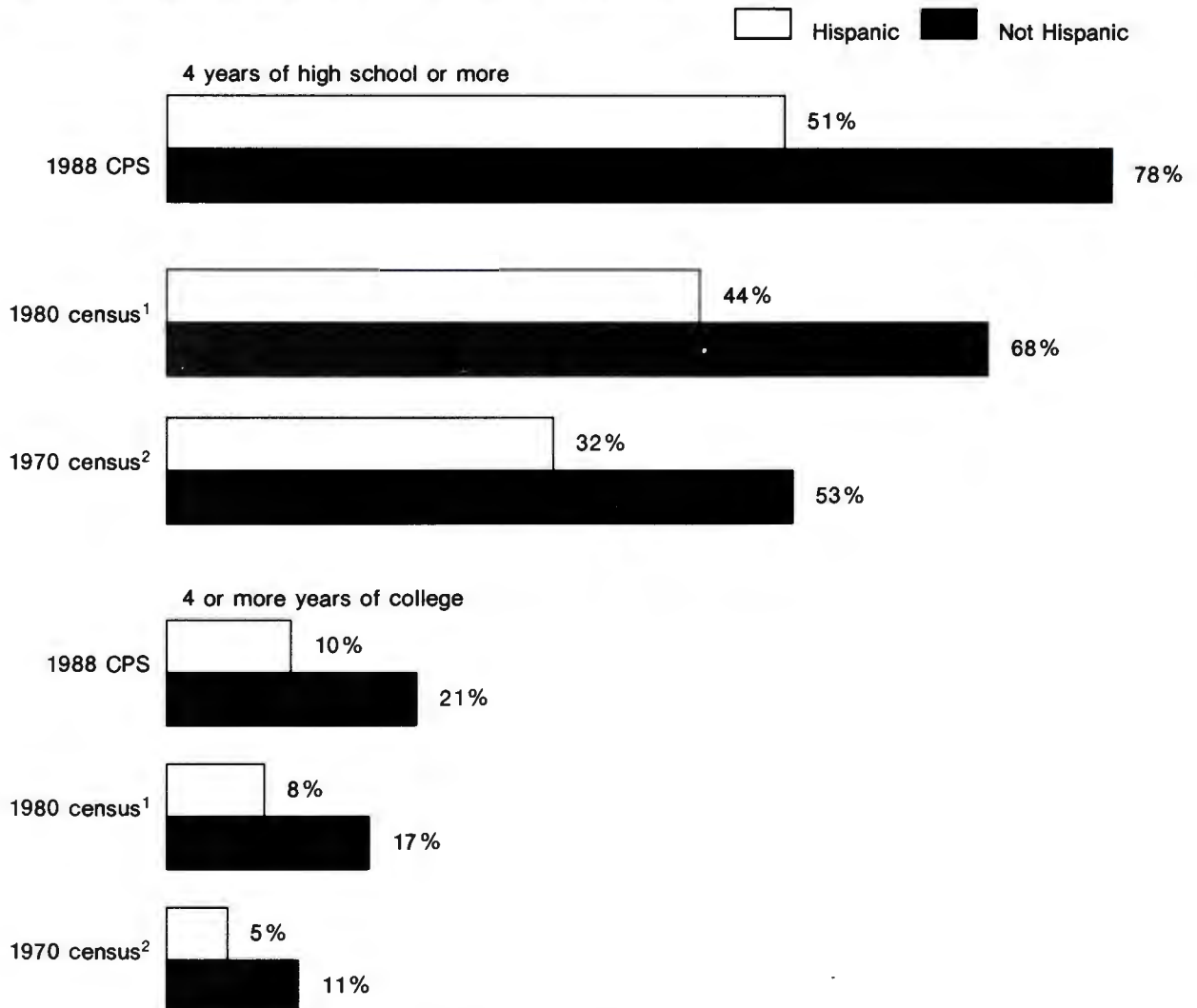
Purchasing patterns

At Analysis/Research Ltd., Lowenthal notes that a major reason for the value of the Hispanic consumer is her purchasing tendencies. "Because the Hispanic



**Richard E. Dillon
Mendoza Dillon**

**Years of school completed by persons 25 years old and over:
March 1988 CPS and 1970 and 1980 Censuses**



¹ U.S. Bureau of the Census. 1980 Census of Population, Vol. 1, Chapter C (PC80-1-C1).
² U.S. Bureau of the Census. Census of Population: 1970, Vol. 1, Chapter C and Subject Reports, Final Report PC(2)-1C. "Persons of Spanish Origin."

Castor Fernandez, Castor



culture is family centered and Hispanics tend to rear larger families, Hispanic families spend more on food and package and household goods than families in the general market. Although the median Hispanic family income is lower than that of the general public, a larger proportion of their disposable income is spent on household goods. And Hispanics generally pay for their purchases with cash. Also, being a 'feeling' culture, Hispanics tend to be moved by advertising stressing family, community involvement and personal attention."

Meanwhile, SRC's Tobin illustrates why so many Hispanics keep pouring into the U.S., and their contribution to the economy once they get here, but quoting from an eyewitness narrative by a *Miami Herald* reporter who made the trip from Nicaragua to Brownsville, Texas with one group of job seekers:

"Migrants tend to be aggressive, driven people, irritated at the course their lives are taking in their own country. They are so convinced they can do better elsewhere

Language spoken at various times among U.S. Hispanic adults—1989

Language spoken	At home	At work	On social occasions
Spanish	78.3%	41.8%	63.8%
English	4.5	21.2	7.8
Both	17.2	37.0	28.4

Source: Strategy Research Corp.

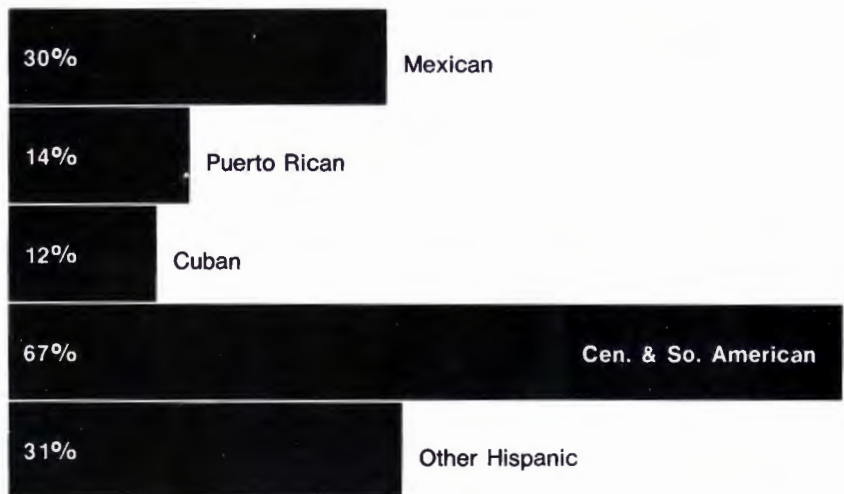
that they are willing to leave—to abandon the familiar for an uncertain future in a foreign country with foreign laws and a foreign language.

"This was true 100 years ago, and it is just as true today. Every adult among the 42 people who traveled with me to Brownsville had a skill, and some had two or three. Many

had not used these skills for years, because they could no longer find a job in Nicaragua.

"And so they come north. And when they get here, they go to work. Immediately. Sometimes two or three jobs—16 to 20 hours a day—just like your grandfather did, as soon as he could, after coming through Ellis Island." □

Percent change in the Hispanic Origin Population by Type: March 1982-1989



Source: U.S. Bureau of the Census

LO MAS CALIENTE!

LA NUEVA COMPAÑIA

A Division of Tallman Music
919 Third Avenue, New York, NY 10022 212/688.5120

Radio formats hit targets

Minority medium not so minor in its world

With 40% of the major advertisers targeting their sales messages specifically to Hispanics, according to his own survey this spring, Hal Katz, executive vice president of Vitt Media International, pronounces Hispanic media "efficient because they deliver an exclusively Hispanic audience. Of all black media, black radio often has a strong crossover audience, due to the cross-cultural appeal of the music. This dilutes the impact of black radio in the black market and drives up its cost. Hispanic radio on the other hand does not yet attract such a diluting crossover Anglo audience."

This factor adds Katz, combined with the increases in Hispanic population and their rise in disposable income, "makes the Hispanic market that much more attractive for most advertisers."

Help from RAB

Meanwhile, to sell the other 60% of the country's top advertisers who do not yet budget specifically

to reach their Spanish-speaking prospects, the Spanish-language radio reps for the first time are now starting to get help from the Radio Advertising Bureau.

David Lykes, senior vice president of Spanish language radio group owner Tichenor Media System, Inc. and one of the key members of RAB's recently formed committee on Spanish-language radio, says he'd like to see "an RAB Hispanic," working to increase awareness among more advertisers and agencies "of the already large and still fast-growing potential of Hispanic consumer income."

He observes, "Major players have already made strong commitments in this direction. More advertising agencies have either established their own or acquired existing Spanish language specialist agencies as subsidiaries. Katz Radio and CBS Radio have joined Caballero and Lotus in their long-term efforts to spread the word. Now we'd like to see the RAB demonstrate the same level of commitment and recognition to the His-

panic market."

Lykes also stresses, "This is by no means an effort to compete for existing radio dollars with general market stations. Our objective is to add dollars—to develop new radio dollars to target Hispanic consumers. This will make radio's total pie larger, not cut it up into more but thinner slices."

And at the Spanish language radio reps, Eduardo Caballero, president of Caballero Spanish Media, reports sales ahead of last year and optimism for next "because we've added some new stations. Also, second half has picked up and is ahead of what we had anticipated. That compensates for first half, which was slower than expected. Since midyear our problems have been limited primarily to Texas, where many companies still struggle with a slow regional economy."

Caballero adds, "What we are trying to do now is show advertisers that what's happening to Texas' general economy is not happening to Hispanics there. Per capita Hispanic income may be less than the

Eduardo Caballero of Caballero Spanish Media greets President Bush at Hispanic Chamber of Commerce convention.



national average, but there is a growing number of Hispanics—more of them with somewhat smaller incomes, but incomes nevertheless. That makes our market in Texas healthier than some segments of the Texas general economy.”

Radio vs. TV

Rick Kraushaar, president of Lotus Hispanic Reps, points out that Spanish radio “has always done better vis a vis Spanish television in getting a decent share of ad budgets than English language radio does against general market TV. Right now we’re doing this in the face of more competition than ever, not only from more radio stations switching to Spanish, but even Galavision, on cable in most markets, getting itself on over-the-air television in Los Angeles (see separate story). There are also more new magazines, some Spanish language, and others targeting English speaking Hispanics.”

Kraushaar adds that Spanish radio also does this “even though in many cases each of us in the rep business is concentrating so hard on selling our own stations we too often neglect to sell the sales impact, flexibility and targetability of all Spanish radio, regardless of who the rep is. If the five reps now selling our own stations so hard could once get together to show the real power of Spanish radio, we’d be awesome.”

Kraushaar adds, “United we’d stand even stronger. Divided only makes it easier for Spanish television to chop up our budgets. And not only united with all the rest of Spanish radio, but united with the Spanish language specialist agencies, too. It’s only radio that enables them to change copy on a dime and reach more consumers in markets like Los Angeles, where people spend so much time in their cars getting to and from work.”

At Katz Hispanic Radio sales, Gene Bryan, vice president, national sales manager, concedes, “Both Univision and Telemundo have done a good job marketing themselves, but in spite of that, compared to general market, radio, which gets less than 10% of the national broadcast dollar to televi-



Gene Bryan, Katz Hispanic Radio

sion’s 90-plus per cent, Spanish radio still earns close to 40% of the national Spanish broadcast dollar. We do even better locally, where radio gets about 55% of local Spanish broadcast dollars.”

Research assistance

Bryan also believes that “having Univision and Telemundo out there with research showing the value of advertising in Spanish helps us, just like having a prestigious company like CBS Radio now helping us show more people the value of Spanish radio—particularly at the general market agencies where more education still needs to take place.”

Bryan reports, “We’re still in a growth phase. So while our like-to-like stations that we worked for both this year and last are up 25 to 30%, depending on market, our total revenues are 45% ahead because of the new stations we’ve added.”

At Spanish Broadcasting System, Julio Omana, general manager of its rep division, also reports business has been very good: “Particularly in New York, our new FM, WSKQ-FM, has been a tremendous success. For the past three weeks it’s been virtually sold out, and high demand situations like this present the opportunity to raise rates.”

Omana reports more advertisers this year, “although not to the degree we had hoped. However, we believe that part of the caution shown by some companies initially could turn into a plus for Spanish radio in the long run. Part of this caution is because more advertisers

recognize we’re no longer the little kid on the block. So now they’re taking the time to make sure that when they do come in, they’ll be doing it with the right copy for the right products. That means when they do come in, radio will do a real job for them. That’s the key to a satisfied radio user who will come back to us for repeat schedules.”

Yvonne Ruiz, New York manager for CBS Hispanic Marketing, reports “Good increases in the eight months ‘I’ve been here. We represent Spanish Information Service, which has added a half dozen new affiliates including stations in states besides Texas. We’ve seen new advertisers like *The Action Guide to Government Auctions*. And we’ve seen activity from the movie companies promoting their new films. And now it looks like Procter & Gamble, with some brands already on Spanish radio, and McDonald’s, also already a substantial advertiser, will continue with us in 1990, and in P&G’s case bring more brands into our market. So from where we stand, it looks like the impressive increases the Radio Network Assn. has been reporting month after month for the general market radio networks are being duplicated by our Spanish language network fed by SIS.”

Retail activity

Caballero says his stations’ most active category has been retail, with Sears leading the way, followed by J. C. Penney, Montgomery Ward and Mervyn’s in the Southwest, with “a token effort” by K mart. Altogether, he says, “Re-



Julio Omana, Spanish Broadcasting System

tailers have become our second largest category following the beers.

“The most disappointing category has been the automobiles. Some had announced they would come in, but we haven’t seen anything substantial. This is doubly disappointing because even makes that are strong users of general market radio have done nothing significant in Spanish radio—even though ra-

dio in our market is so much stronger in relation to television than national radio in the general market.”

Caballero says the reason Spanish radio doesn’t do even better “seems to be that so many of our own Spanish language specialist agencies apparently feel the need to make beautiful TV commercials. This is true even in cases where their automotvie client’s Spanish

budget is too small to do very much in television, and could go much farther in radio.”

Caballero says he “continues to work at the client level. Too often, those who limit their calls to agency buyers only end up asking ‘What’s left over for us?’ in the budget, after every other medium, English and Spanish, has been bought.

“We’re also active with the 4 A’s and with the Assn. of National Advertisers. I was invited to the recent ANA national convention and took the opportunity to suggest establishment of an ANA ethnic marketing committee. ANA board members expressed interest, so it’s quite possible we may see the formation of such a group.”

Direct to the client

Lotus’ Kraushaar points out, “When we can go direct to the client with his agency’s blessing, it’s a great opportunity for us to help the agency as well as the client by showing the client what Spanish



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Los Angeles

www.americanradiohistory.com

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radio has already done for other advertisers. The agency can only benefit by recommending something that's going to extend its client's market by adding a whole new group of previously untapped consumers." Katz's Bryan asserts, "Advertisers are in a marketing war. So if our stations are going to get their share of the business, we have to supply advertisers with the ammunition to win."

But he adds, "The fact is that in Spanish radio, with a very few small market exceptions, it's only one or two top Spanish stations in the top 20 Hispanic markets that have the ammunition—the marketing information to show these advertisers and their agencies why these stations can move more product out of the stores."

Bryan also says, "One more thing going for us is that more agencies are giving reps more lead time. This is so they can give us a chance to get more information to them—especially some of the general market agencies who aren't too familiar with Spanish. These agencies real-

ize they need time to analyze all the straight information we can get to them, because a lot of the clients aren't too sure themselves, and they're asking their agencies a lot of questions before they try something that to them is still an unknown quantity.

"Because there's a lot of conflicting misinformation out there about the Hispanic market along with the straight facts, we've had to build a feeling of trust among the people we call on. This is another reason I'll recommend adding other Spanish stations to mine. If I tell them my station can do the job by itself, or I tell them it can do the job with too small a schedule to really do anything, just to get that one-time piece of business, once it doesn't do the job, they won't want to see my face again, ever.

"So the other thing we have to do if Spanish radio wants to keep growing is not to try to keep everything to ourselves. The last thing we need is a short term piece of business at the expense of long term repeat business. This means

Spanish radio has to work the first time an advertiser new to the market tries us. So I'll recommend addition of a second or third station, sometimes even addition of Spanish TV, if that's what it's going to take to make doubly sure my station is going to move product."

Effective ad messages

CBS' Ruiz points out, "There are special factors in the Hispanic market that advertisers can tie into to increase the effectiveness of their ad messages. For instance the government's own census figures show that 70% of Hispanic households are formed by married couples and over half the families have four or more persons. Over a quarter have five or more. More of these families are younger, so more of their children are babies.

And that, she continues, "means baby food and other baby care products can help new parents by sponsoring the baby care tips on our Spanish Information Service. These talk about everything from



BERTO DELIVERS



Isaac Lasky, W. B. Doner

burping the baby to toilet training.”

And at SIS headquarters in Dallas, Hispanic marketing specialist Doris Ponce Aguirre adds that the baby care tips are just one example. She says, “More of our advertising is taking the form of sponsored infomercials, PSAs and short features. For instance a food advertiser includes recipe tips using his brand. A car dealer offers car care tips. AT&T sponsors 26 weeks of inspirational Hispanic heritage messages under our umbrella banner, *Nuestra Herencia*. And our SIS reminders of the importance of coming forward to be counted for the 1990 Census are sponsored.”

Ponce says SIS took “a leap forward” this January by going national. She says SIS jumped from 32 affiliates in 1988 to 42 in January, now in 24 of the top 30 Hispanic ADIs including Miami, San Francisco, New York, Tampa and Washington, D.C.

News and sports

Programming is still basically news and sports, including the Dallas Cowboys play by play in Spanish for SIS’ Texas affiliates.

Ponce says three more things that happened when SIS went national included a tripling of rates for full national coverage (a lower rate remains for those advertisers whose distribution is limited to Texas only).

The second thing is that CBS Hispanic Marketing now handles national representation and a growing list of first time national advertisers now includes Ford,

Toyota, AT&T, McDonald’s and Tylenol.

Also, says Ponce, “SIS is now a subscriber to Nationwide Arbitron. This means *all* our coverage is now measured—our smaller markets that would otherwise go unreported, along with the audiences of our major market stations.”

At Lotus, Kraushaar reports Lotus’ Spanish language *USA Today* news reports produced with Gannett were launched in May and “are doing very well. We started with three reports daily and are now up to four a day, five days a week, carried by about 30 stations.” He says the advertisers include Tide, and McDonald’s and observes, “Gannett fields a tremendous news organization. The way it’s going now, we could well quadruple our revenue on this next year. It’s been well received by both the stations and by advertisers. Now that it’s established, we’ve had time to improve it and make it

Hal Katz, Vitt Media



even better than it was the day we launched it.”

Last fall Cadena Radio Centro was heard on 19 U.S. affiliates with its 24 hour a day, seven day a week service that includes music and features as well as news.

Today Cadena’s new president, Barrett Alley, says Cadena has added a U.S. affiliate relations manager, “which facilitates consistently smooth service operations,” and is now carried by 24 affiliates. And he says CRC is in negotiation with at least seven or eight more prospects for affiliation.

Alley reports fourth quarter ad revenue 22% ahead of last year’s adding, “As of Oct. 30 we still weren’t finished selling fourth quarter. We may get more before it’s over.”

Alley reports some stations “air our entire 24 hour package. Others use only parts of it. Either way, affiliates pay a flat \$1,000 a month, whether they use all of it or only the news. And we get inquiries from stations considering switching from general market to Spanish: They can use us to test it out—to see how it flies in their market first, before going out and hiring a whole new staff.”

Mexican ownership

Alley explains that CRC is owned by Mexico City-based Cadena Radio Centro and that besides their correspondents all over Latin America, “We have our own staff of six news people in Dallas, plus six other correspondents scattered across the rest of Spanish U.S.A. Besides the stories our domestic staff brings in, we also air



SPANIC CONSUMER

PROFILE:

sús Fernández

34

Occupation: **Engineer**

Annual Income: **\$ 31,000**

Hobbies: **Hunting & Gardening**

I REALLY LIKE...

**Sunday lunch with the family after church,
Four wheeling in my truck,
Cumbias and Salsa Music,
Mama's churros,
A chocolate bar (or two)
at the movies.**

Preferred Language: **SPANISH**
Preferred Media: **SPANISH RADIO**

**SPANISH
RADIO
SPEAKS HIS
LANGUAGE**



**Katz Hispanic
Radio Sales**

Gene Bryan (212) 572-5263

Cadena's Mexican news twice a day."

He stresses that CRC is not a barter operation: "We sell our national commercials only in the news, in our features like *Front a Front* (Face to Face), and in *En Concierto*, our six day a week evening hour concert. The stations sell their commercials in or around our other music and entertainment features. Also, the way our news is formatted leaves an opening for local sale in addition to our national spot."

Dave Haymore, vice president, radio sales for United Press International reports addition of KTNQ/KLVE(FM) Los Angeles, bringing the number of affiliates for its new syndicated news service to 26. He adds that UPI is talking to several other prospective affiliates "as part of our increased efforts to sell all four of the Spanish language news services we now offer. UPI is also in the process of hiring an additional salesperson to sell our Spanish language news products full time, because the market continues to grow, and with it the number of Spanish language radio and TV stations and Spanish language newspapers."

Besides *Radio Noticias*, Haymore says UPI now offers three wire services: an international Spanish wire, a second out of Mexico and a third from Puerto Rico.

When Lotus' Kraushaar talks about the growing targetability of Spanish radio he says he means that "In markets like Los Angeles, Miami, New York and Chicago, where more stations have already switched to Spanish or are in the process of doing so, we're developing more varied formats to target specific segments of Hispanic consumers, just as general market radio does."

Focusing the format

For instance in Los Angeles, where Lieberman Broadcasting recently paid out a whopping \$23 million to acquire KRTH from Beasley Broadcasting to turn it into Los Angeles' seventh Spanish format, general manager Ken Wolt describes how, when Heftel took over KTNQ/KLVE(FM) four years ago, "They were Spanish, but

trying to be all things to all Hispanics—men, women and teenagers, regardless of age and programming preference. The sound was similar on both the AM and FM."

Wolt says the new management focused the FM to reach "a younger, more feminine listener, with more upbeat, contemporary music on CDs. The tempo is like a hip, upbeat AC. We include some crossover, but adult Spanish music today does have that upbeat tempo with an international flavor and a very well-produced sound, most of it produced here in Los Angeles and some in Miami."

Wolt explains that at the same time the AM was reformatted more for male appeal, continuing to offer news as the previous owners did, and sports, "But we changed the sports from standard U.S. sports like the Rams to more exclusively Hispanic sports like soccer, which we now produce and originate for a network of 30 other Spanish language stations. We also have radio rights to World Cup Soccer which we'll feed to our network, and our AM carries a two hour sports talk show."

Wolt says that in the music department, the AM offers "traditional ranchera, which is Hispanics' country music. And we brought in some funny personalities to liven up morning and afternoon drive."

Wolt adds that both stations also introduced on-air contests, "which at the time, in 1986, was unusual for Spanish language radio. But it turned out our listeners reacted exactly the way general market listeners reacted on the English language stations we came from. Any-

way, with all our changes, even though both stations were Spanish before and are still Spanish now, our ratings growth was phenomenal and revenues went up with the ratings."

More competition

Back on the East Coast Frank Flores, stations manager at WJIT New York, explains, "What happened to AM stations in the general market a few years ago is now starting to happen to Spanish language AMs. Our market is growing fast, but the number of radio stations broadcasting in Spanish is growing faster. The competition has forced all of us to program better. Today, with five stations broadcasting to New York's Hispanics, an AM has to do something different."

In WJIT's case Flores says the station had been getting such good listener response to its morning and mid-morning shows which had added listener call-in, "We did some research to see if people wanted us to extend our interactive segments to more dayparts. The response was heavily 'Yes.' Our response was to start this spring to program what is becoming more and more New York's first talk show in Spanish with a lot of controversy. In fact the English translation of what we call our early afternoon program with former *El Diario* editor Manuel DeDios Unanue is *What Others Dare Not Say*."

Then from 4 to 7 p.m. WJIT's host is *Daily News* columnist Miguel Perez, also fielding listener calls. And the station also switched

David Lykes, Tichenor



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There is so much more to a radio station than just audience numbers . . .

When you want to reach the **El Paso Hispanic** with real buying power, you want your radio station to give you outstanding service; quality production; innovative merchandising; helpful, friendly personnel who deliver what they promise . . . in other words, you want RESULTS!

KAMA has been delivering great results longer than any **El Paso** Spanish station. For SEVENTEEN YEARS **KAMA** has been programming the best music, news, information, entertainment, promotion and community involvement.

KAMA has been, is and always will be, **El Paso's** full service radio station delivering the **El Paso** Spanish speaker like nobody else . . . because nobody does it better.

And just in case numbers do interest you . . . nobody does that better either*.

WOMEN 18-24

KAMA	8.3
KBNA-FM	3.9
KBNA	2.2
XROK	1.3
KVIV	0.4

WOMEN 25+

KAMA	11.1
KBNA-FM	7.1
KBNA	3.2
KVIV	1.8
XROK	1.6



LA PRIMERA . . . LA MEJOR!



Represented Nationally by:
Caballero Spanish Media

* Arbitron General Market Book, Summer '89, El Paso Metro, AQH Share, Mon-Fri 6am-7pm, Spanish Stations Only



Barrett Alley, Cadena Radio Centro

one of its popular morning ladies to hostess of what Flores describes as "our Sally Jessy Raphael type of show, listening to callers' troubles and offering advice."

The next step was to change the WJIT logo. Flores explains, "Our old logo, *Radio Hits*, was too strongly associated with music, so we asked listeners to call in suggestions. Our first thought was *Radio Voz*, or Voice of Radio. But more listeners asked for *Radio America*. That's associated both with this America we now live in with freedom of expression that allows any caller to express any opinion, and also with the three Americas all our listeners originally came from—either North America, Central America or South America."

Meanwhile, Caballero observes that the market is "still strong for station acquisition. There are perhaps not so many deals as last year, but acquisition of WQBA Miami and of KLOC Modesto and KBRG(FM) in the Fremont-San Francisco market, plus WOPA coming on stream in Chicago, plus acquisition of KRTH and its conversion to Spanish in Los Angeles, all point to a continuing appetite for Spanish language radio stations."

Audience measurements

At Katz Hispanic, Bryan expects Nielsen's new TV ratings "to help Spanish radio, too. That's because I assume once Univision and Tele-mundo can start showing their new Nielsen numbers, they'll raise rates. Then Spanish radio can raise rates, too."

He says his station's rates "are

higher than they used to be. But they aren't yet on a par with their general market counterparts with the same numbers of listeners. But rates are on the way up, particularly for the big Spanish language properties that promote and produce case movement like the top general market radio stations."

He says one approach Katz uses is to ask those general market agencies that do it, why they buy Spanish TV but not Spanish radio: "They'll say 'Because this client buys only TV in the general market. We want to buy Spanish radio. Give us some information we can use to show the client why he should be on Spanish radio.' So there's been an increase in the willingness of general market agencies to look at our research."

At Lotus, Kraushaar reports continuing to sell the regional Los Angeles Dodgers baseball network on 10 stations, most of them in the Southern California area from Los

Angeles to San Diego. Lotus also offers *Cocina*, a cooking show in close to 20 markets. He calls such programs "an ideal vehicle to introduce food products to the Hispanic market. Then once the advertiser sees how well Spanish radio moves his brand, he's ready to add some of our news and entertainment inventory to his schedule."

CBS' Ruiz says CBS Hispanic Marketing will be representing CBS' Spanish language play-by-play broadcasts of major baseball events next year, including the All Star Game, the playoffs for the league championships in both the American and National Leagues, and the World Series. Her CBS unit will also be representing SIS Spanish language play-by-play of Dallas Cowboys NFL Football beamed to affiliates in 13 markets.

A sore spot

Ratings continue to be a sore spot. Says Caballero: "After our disappointment with Arbitron we turned to Birch. Now we're disappointed again."

Caballero says he had expected "a better dispersal of Birch's sample. And the varying results put the credibility of the data into question. For instance Birch's general market book does not show KAZA San Jose at all, but it's No. 1 in Birch's Hispanic report. People will wonder about the difference. At the same time, Arbitron has produced some higher numbers for some Spanish stations, but again, the lack of stability from one report to the next causes people to wonder." □

Rick Kraushaar, Lotus



Programming expected to target assimilated Latinos to greater extent

Hispanic networks building up steam; ad rates seen rising

Last year both Univision and Telemundo increased sales and revenues, and this year they report even higher revenues. Even outside observers, from Spanish language agency chiefs like Castor Fernandez, chairman of Castor GS&B, to Wall Street outfits like C L Global Partners Securities Corp., expect the two Spanish language television networks to do still better next year, pulling in higher prices per spot when Nielsen starts producing results from the new people meter-based Hispanic rating service it's readying

for the two networks.

Today, Univision Holdings president J. William Grimes calls 1989 "a year in which we've enjoyed significant revenue growth for our network, in excess of 20%, but at the same time, significantly less revenue growth than we had anticipated for our local stations. We'd expected something in the area of 15 to 16% increases locally, but so far we're only about 7% ahead."

Intense competition

Grimes concedes part of the local slowdown is due to competition

from Telemundo's stations, "and part is because of the general decline in local revenues. The most recent [Television Bureau of Advertising/Broadcast Advertisers Reports] estimates for general market local revenue increases are only in the 3% to 7% range, depending on market. At the same time, roughly half our network gains come from rate increases and about half comes from more companies doing more advertising in Spanish."

Henry R. Silverman, president of Telemundo Group, reports sales in the Continental U.S. 50% ahead of last year and says he expects "this pace to continue as our audience keeps growing."

Silverman points out that Telemundo's Puerto Rican station, WKAQ-TV "was also enjoying another record year, selling ahead of schedule until the end of September when Hurricane Hugo hit. But now, if a company is advertising refrigerators, it can't sell too many to all those families who just had a hurricane blow their houses away. So I expect our Puerto Rican oper-

National OTI

Univision



"Rebelde"



"Rubi"



ations to perform significantly below original expectations in fourth quarter."

Pointing to specific advertisers, Grimes says Univision has been doing well in the retail vineyards, with increases from K mart and Sears and spot investments from Wal-Mart. Coming in big for third quarter was Honda, which will be a sponsor next year for Univision's World Cup Soccer.

Grimes also reports Univision's "first order from Reebok," and "some nice increases from major advertisers who were with us last year, like Procter & Gamble and Polaroid. We're also expecting increases from Burger King, and when that happens, it's likely to bring corresponding increases from McDonald's."

Among trends in the fast growing Hispanic market and media scene pointed out by Byron Lewis, chairman of Uniworld Group, Inc. and Uniworld Hispanic, is "recognition by both Spanish language television networks that they need programming to target our more assimilated second and third generation Hispanics. They're now working steadily toward producing more of the kind of programs that will do that."

But in the process of producing more shows on U.S. soil, some Mexican-American groups have complained that too much of it is "made by Cubans, for Cubans. We Mexican-Americans make up the vast majority of your audience, yet Cubans are getting the good jobs at your networks."

Says Telemundo's Silverman: "This is a bogus issue raised by a

very small group who appear to be looking for publicity. It's bogus because it just isn't true. Over half our movies and novelas come from Mexico, and our sports includes Mexican soccer.

"Of the 40% of our programming made in the U.S., our game shows are produced in Los Angeles with Mexican-American talent and staff. But the strange thing about this small group that complains about the programming on both Spanish language networks is that they say Hispanics in Los Angeles don't like our shows. Yet ratings on both Los Angeles Spanish language stations keep going up. Meanwhile, the First Amendment guarantees us the right to program what we feel is appropriate and the right of these few complainers to tune to another channel when they don't like what we're showing."

Increased U.S. production

Univision's Grimes recalls, "Only a few years ago we were criticized because only 10% of our programming was U.S.-produced. Now that we're up to a little over 30% produced here, most of the complaints arise from the fact that Cristina (hostess of Univision's daytime show of the same name) was born in Cuba. We did do her initial episodes in Miami. But since then we've been moving the show around because we are sensitive to the concerns of our West Coast and Texas audiences. So Cristina has done some of her shows in Los Angeles, some in San Antonio and some in Chicago. But whatever the complaints, one of the interesting things is that *Cristina* often enjoys

even higher ratings in Los Angeles than she does in Miami."

Meanwhile, adds Grimes, "Looking ahead, the fact is we've outgrown our Los Angeles facilities at KMEX. We're in the process of negotiating for either larger production and business facilities or for a site to build them on in the Los Angeles area. When these are in place we'll be able to address some of the concerns of our West Coast friends and do a show or two a week from Los Angeles at the same time that we'll be raising our proportion of U.S.-made programming still higher."

In other steps already taken to spread the production activity around, producers of Univision's *TV Mujer*, the weekday one-hour magazine for women, named a new producer in Los Angeles and opened a new bureau in San Antonio. *TV Mujer* producer Cynthia Hudson says San Antonio gives the show its fifth bureau and "Addition of Sara Gariby as our producer in Los Angeles will make it possible to enhance our content by providing more coverage of West Coast events."

At Telemundo, Carlos Barba, senior vice president for programming and promotion, says, "In both the 65 hours a week of programming Telemundo produces in the U.S., and in the programming we import, our primary goal is quality production and diversity, with a good balance and variety, regardless of where it's made."

Variety of locations

Barba adds, "In the 45% of our programming produced in the U.S. we have the additional goal of creating programs that identify with the lifestyles and goals of Hispanics living here. And like those Hispanics who live here, our programming is produced in a wide variety of locations."

Barba reports two game shows daily, *Uno Nunca Sabe* (One Never Knows) and *Adivienlo con Senas* (Guess It with Signs) produced in Los Angeles. And *Deportes Telemundo*, the network's weekly sports roundup, featuring highlights of soccer, boxing, baseball and other sports, is produced in Miami. He notes that news stories on Telemundo CNN "are taped

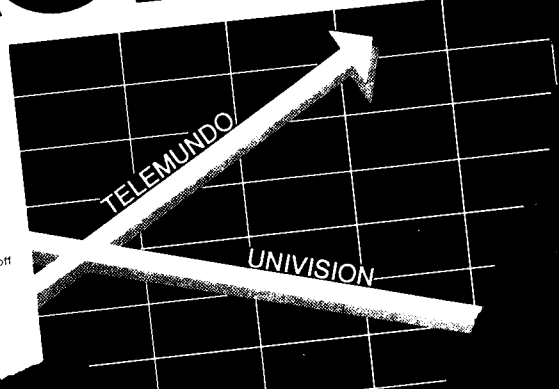
J. William Grimes, Univision



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"Abigail"

Telemundo

wherever the news is happening. Similarly, *Boxeo Mundial*, sponsored by Budweiser, is produced from wherever the fight takes place. One week it was from Atlantic City. The next week it came from Phoenix, and the fight after that was in California. Sports are like news. Events take place all over the country.

"When *Noticiero Telemundo-CNN* did its series, *Perspectiva Hispana*, on the issues affecting Hispanics living here, and the topic was the identity culture clash facing our young people, some segments were shot in Washington, some in Los Angeles, some in Mi-



"En Concierto—Pandora"



"Noticiero Telemundo—CNN"

ami and some in New York. Wherever the news happens, that's where the camera crews catch it."

Barba adds, "We produce *Cara a Cara* (Face to Face) in Los Angeles because this controversial talk show was originally a local show produced there by KVEA. It became so popular, now we do it on the whole network. And we do MTV Internacional from New York. This is the first made-in-the-U.S. music video show in Spanish."

Turning to Telemundo's foreign program sources, Barba asserts, "We import the finest movies from Mexico and Venezuela."

Coming up early next year from

Venezuela for Telemundo viewers will be the novela, *Paraiso*, currently playing on Venevision, Venezuela's largest commercial network. It's one of the Venevision produced shows distributed outside Venezuela by Television Latina, and Cesar Diaz, head of the distributor's Miami office, reports top ratings for *Paraiso* in Venezuela.

At Univision Rosita Peru, vice president, director of programming, says, "We always keep in mind that our job is to produce programming that will appeal to the diverse audience of Spanish-speaking USA, made up as it is of a number of

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John Cuddihy, Katz Hispanic

different nationalities. That said, our experience is that the quality of cast and production are more important determinants of rating success than where a program is produced. For instance, we ran one show made in Argentina that pulled bigger ratings than many of the programs made either here in the U.S. or in Mexico."

Peru adds, "Our programming has earned us consistently good ratings over the years, and when I emphasize the importance of good casting, it's because our stars like Carlos Mata in the novela *Senora* enjoy the same kind of avid and loyal following many of Hollywood's brightest stars enjoy among the general audience."

She says that while one of her goals is rating success, another is "a balance of the best programming produced in a variety of countries. We offer Univision-produced news and information programming, plus independently produced programs all made domestically, here in the U.S. With this we also offer programs produced in various Latin American countries."

Peru says roughly two thirds of Univision's imported programs come from Mexico, "And meanwhile, every year more of our programs are produced here in the U.S. Our U.S.-made programming is divided almost equally between that produced on the West Coast and that made in the East. Some of our shows travel, originating at times from such locations as our affiliates in San Antonio and Chicago."

Univision's West Coast facilities originate news, a good deal of sports and *Hablemos de Cine*, a talk show following the motion pic-

ture scene.

Peru observes, "It's not easy to program for an audience that includes viewers from so many different nations, even when they do share the common bond of our same language. But the other common bond working to our advantage is that no matter whether a viewer's original background may be Mexican, Central American, Venezuelan or Caribbean, they all recognize and appreciate quality of production and the talent of a fine cast. These are the two factors that determine our continuing rating success, regardless of where the program is produced."

She says one Univision movie coming up is "of particular historical significance." This is *La Prodigia*, the story of Evita Peron: not the Hollywood version with Faye Dunaway, but a version made in Argentina in 1945 but prohibited from public showing all these years by a succession of military-dominated Argentine governments. Then, when the current democratic government won the most recent

election, the ban was finally lifted.

Other new Univision programs scheduled for 1990 include:

Fama y Fortuna, similar to *Lifestyles of the Rich and Famous*, scheduled for Thursdays, 10 to 10:30 p.m.

Cita con El Amor, similar to *The Dating Game*, and scheduled for Wednesdays at 10 to 10:30 p.m.

Brigada Especial, a police story similar to *Miami Vice*, produced by Radio Caracas in Venezuela.

La Pasion de Teresa, a novela starring Carlos Mata produced by Radio Caracas in both the U.S. and Venezuela.

Amandote II, a novela featuring Lupita Ferre and Arnaldo Andre, produced in the U.S. and Argentina. And,

La Casa al Final de la Calle, a novela with Angelica Aragon produced in Mexico.

Back in the audience measurement arena besides Nielsen's new people meter ratings, Strategy Research Corp. head Richard Tobin reports starting field work Nov. 1 on SRC's expanded television measurement service.

For the first time, says Tobin, "We'll be reporting viewing, program-by-program, with door-to-door personal interviewing, using the new set of questions designed by a group representing agency media directors, and Univision and Telemundo, as well as our own people from SRC. This is the first time we've changed our viewing questionnaire in 12 years, and the new information on viewing of individual programs will expand our report quite a bit."

On the agency side, Doner's

Carlos Barba, Telemundo



Lasky agrees with Castor's Fernandez that rates will climb on Spanish stations. "But not only on TV stations" says Lasky, "and not only because of their new ratings. I think even Univision and Telemundo were surprised at the preliminary results from Nielsen, the 'gold standard' of all rating services, that indicates surprisingly larger numbers than expected. These initial Nielsen results confirm SRC's television numbers that some people have been saying overestimate Hispanic viewing."

But Lasky adds, "On top of the new viewing data, there's one more factor driving prices for air time higher in both television and radio. That's the debt service on the inflated prices paid in these leveraged buyouts of networks and stations. This debt service is so horrendous that charging what a station's viewers or listeners are really worth, comparable to what general market stations and networks charge for their audiences, is the only way Spanish language broadcasters will be able to pay back the banks."

Besides the growing numbers of over-the-air affiliates of Univision and Telemundo, there are also some predominantly English-language television stations along the southern border that carry some Spanish programs. One such program is *La Musica de Tejas*. John Cuddihy, director of Katz Hispanic Television Sales, reports "This syndicated show is on a lineup that in effect is a Southwest unwired network. Advertisers like AT&T, Procter & Gamble, Lever and Colgate are interested in it because it can make up for the networks' un-



Henry R. Silverman, Telemundo

derdelivery in much of Texas, Arizona and New Mexico."

Cuddihy says *La Musica de Tejas* is "similar to a *PM Magazine* format that keeps the flavor local by combining local guest musical talent along with regional and international musical videos. And each show is hosted in its own market by a locally known video jock."

He says the stations that carry it are all general market network affiliates and most carry *La Musica* on weekends. And NBC affiliate KGNS-TV in Laredo also carries a Spanish novela middays, Monday through Friday, from 11:30 to noon.

La Musica's other stations include KMID-TV, the ABC affiliate for Midland, Texas; CBS affiliate KGBT-TV Harlingen; KVIA-TV, the ABC affiliate in El Paso; and KIII-TV, ABC for Corpus Christi.

Need for a mix

Cuddihy says Spanish language programs on some of these otherwise English language stations started two-and-a-half years ago,

and that "It's worked well, so we've expanded it, and revenues are well ahead of last year. The Southwest is an area with a high level of assimilation. As Lionel Sosa [president of ad agency Sosa & Associates in San Antonio] says, it's an area where advertisers need a good mix of both Spanish- and English-language media to do the job."

Such a mix, adds Cuddihy, "is what participating advertisers will have" with Katz Hispanic's joint promotion with the Sunday newspaper supplement *Vista*: "Some of the broadcast will be in Spanish, some in English, and *Vista* itself, though edited for Hispanics, is printed in English."

Cuddihy says the promotion, called USA, the Vista Way, combines television and print in a campaign in which entrants can win trips to scenic attractions throughout the U.S. He says the Katz represented stations participating reach over 4.8 million Hispanics and *Vista* reaches over 3 million each week, and that by using the combination of television, print and promotion, participating advertisers "will achieve far greater impact than they would using only one of these vehicles standing alone."

He says another example of Katz Hispanic's expansion projects is the two-and-a-half-hour sports block on KGBT Harlingen, sponsored by the local Budweiser distributor, among others. This show features Motor Traxx auto racing, and Cuddihy says it's "similar to Univision's Grand Prix, except ours is regional. It's run in Edinburg, Texas as a major local attraction for people from all over south Texas." □

Rosita Peru, Univision



Galavision adapts to the world of free TV

Galavision was born eight years ago as a pay cable operation, it later switched to basic cable, and since April has also been carried by over-the-air television in Los Angeles on KWHY-TV. As things stand now, its executives expect next year to be a good one.

Starrett Berry, vice president, general manager, reports his cable service reaches over 2 million Hispanic households via some 300 cable systems plus KWHY in Los Angeles. And since adding KWHY, Berry says "The one solid result we've seen so far in Los Angeles has been the impressive ratings Arbitron reports for us there. Galavision on KWHY has raised HUT levels among Hispanic households in Los Angeles and in some Sunday dayparts, Arbitron reports us ahead of the competition."

Advertising results

On the business side, Berry concedes "It's been a slow start, and advertising is still a tough battle. But every month we generate more business than the month before. And that applies to all sources, national, regional and local."

John Pero, former Univision sales manager and now president of his own Pero Communications, which represents Galavision, sees

things beginning to move: "It's taken a while for the agencies to get used to the idea of a third Spanish over-the-air station in Los Angeles, but now Channel 22 is doing well in the Arbitron overnights because of the way we counterprogram, and we're starting to crack more new accounts."

When Pero points to counterprogramming, he's talking about placing Galavision's novelas and comedy against the competition's news, and Galavision news opposite the competition's movies and novelas. He adds, "We do particularly well on weekends, with a lot of sports."

Monday through Friday KWHY starts Galavision's Spanish programming at 3 p.m., and it continues until 1 a.m. On weekends, the Spanish programming starts at 10 a.m. and runs until 1 a.m. And Pero says that in addition to KWHY's "own strong signal, it's also carried by many of the Los Angeles cable systems."

News reports

On its 300-plus cable systems, Galavision carries the ECO news reports, originated from Mexico, during the day, until the entertainment programming cuts in at 3 p.m. in California, 5 p.m. in Texas and 6 p.m. in the East. The first 20

minutes of each hour of ECO news is the day's hard news, followed by 40 minutes of "the specialty of the anchor"—in some cases politics and government affairs, in others financial and business news, and in other cases what's going on in the world of music and entertainment.

Pero adds that Galavision "also does well because our strength is in the Southwest, in California and Texas, where most of our viewers are of Mexican origin. Those of them born in Mexico were weaned on exactly the kind of programming we show. So all in all, things look good for 1990 when we'll be measured by Strategy Research Corp."

The marketing assistance Galavision offers its cable affiliates includes two commercial minutes an hour for local system sale, premiums to help promote the Galavision name and print ads designed to system specifications.

The cable network can also supply banners and sales tapes and will work with systems to develop co-op dollars from their retail customers' suppliers.

Meanwhile, although Berry says Galavision has no plans at this time to add another over-the-air television station to its lineup, he doesn't rule out the possibility down the road. □

Hispanic movie on Galavision



"El Chavo"



TV stations add promo 'salsa'

Pitches geared to youth, newcomers, ad prospects

By EDMOND M. ROSENTHAL

If Hispanic TV stations are doing a better job of opening the public eye it's because their promotional activities are becoming as bouncy as a Mexican jumping bean. Overcoming a UHF channel position, the interest of U.S.-born Hispanics in Anglo media, and the influx of new immigrants not yet acquainted with the stations is presenting a special challenge.

Additionally, feeling they are being shortchanged by the rating services, stations are striving to imprint their call letters and channel numbers firmly in the minds of viewers. This is particularly true when a station is the newer of two Hispanic stations in the market, competing hard not only for viewing but also to get the credit for that viewing during rating periods.

Hispanic stations are moving forward with media strategies aimed at younger viewers, contests and—the traditional backbone of Latin-style promotion—community events. It's their hope that their promotional activities will also open up the eyes of potential advertisers, but some special programs are also being developed for that purpose alone, ranging from printed analysis of audiences to gatherings with media buyers that sometimes involve as much fun as enlightenment.

Targeting youth

Maintaining the continuum of Hispanic viewers has been a particular concern to stations as U.S.-born Latinos become more assimilated. Many stations are finding that the place to reach these youngsters is on Anglo rock stations.

For WNJU-TV New York this recently took the form of a cross-promotion with WQHT(FM), a station known as "Hot 97." The two media have banded together for special party nights at the Palladium, a New York disco, with WNJU bringing in talent from Telemundo's *MTV Internacional*,

top magnet for young viewers.

For cosponsoring the event, says WNJU senior vice president, general manager Donald Parsons, "They get additional Hispanic listeners and we build up ours through MTV. We cover it in the news and promote it on-air."

Also finding compatibility with a rock station is WLTV Miami, which considers it a good tool for reaching the 18-34 market, according to Jose Cancela, general manager. As with all TV, he points out, Hispanic TV's strongest demographic is 25-34, so the station is making a special effort to reach the under-25 segment.

"If you want young viewers," Cancela asserts, "you have to reach them on radio." The station is using a musically upbeat jingle that translates, "Channel 23 is ours." He says WLTV has been improving its younger viewership over the last two years with Univision programs such as *Sabado Gigante* (Super Saturday) and *Cristina*, labeled "the Hispanic Oprah Winfrey." Cancela says novelas continue to do well with young adults.

The station's Telemundo competitor in Miami also claims improvement in young viewership. Alfredo Duran, general manager of WSCV-TV, says the most significantly youth-oriented approach in the station's promotion is the style and feel of it. He elaborates, "Our promotions look very sophisticat-

ed, modern and high-tech. We want the station to look young and energetic."

The station advertises with both radio and print and attributes its most youthful audience to *MTV Internacional*. But a recent movie, *Nobody Listened*, was a big youth draw, says Duran, because it was programmed in English to attract young viewers. The film about Cuban dissidents was promoted on English-language radio. Duran comments, "A lot of people thanked us because they could sit down with their children and watch it."

Countering misperceptions

Herberto Gutierrez, general manager of KWEX-TV San Antonio, recently engaged Sosa & Associates, ad agency based in its market, to strengthen its image among both viewers and the advertising community. He notes, "I told them I felt there were some perceptions of us that are not entirely accurate—particularly that we are skewed to an older audience."

The station is now using billboards and Hispanic radio to promote some of its newer, younger-skewed programming, such as Univision's *Cristina* and *TV Mujer* (TV Woman), the latter a magazine show directed at professional women 25-40. It also promotes its own *Video Estelar* (Starlit Videos) as

"MTV Internacional" VJ Daisy Fuentes assists KTMD-TV Houston.





OTI finalists on WCIU-TV Chicago

well as *Tu Musica* (Your Music), which includes both Anglo and Hispanic rock stars.

"We've been promoting this type of programming," Gutierrez explains, "to show that we're not just a novela station. We're down to 30% novelas."

The station's slogan, "Miranos hoy!", has the double connotation of "Watch us now" and "Watch us grow," Gutierrez points out.

Like most Hispanic stations in the U.S., KWEX makes heavy use of special events to remain visible in the community: "It's the real closer for us. We have to walk the extra mile because we're selling a special niche in the market."

KWEX is the only business in the community allowed to put on special events at Sea World "because they see our commitment to the Hispanic community." Twice a year, on Cinco de Mayo and Independence Day, Sept. 16, the station promotes a half-price admission day to its viewers. It works with a multi-outlet retailer and tells its viewers only on its own air where they can pick up coupons. Gutierrez says the amusement facility typically doubles or triples its usual attendance for that time of the year, packing more than 20,000 people into the park.

Varied special events

KTMD-TV Houston is following the special event trail for both younger viewers and the audience in general, according to Mauricio Mendez, vice president, general manager. For the younger crowd, it has worked together with an Anglo

rock station to sponsor an evening at a local night club. Part of the bargain has been bringing in *MTV Internacional* VJ Daisy Fuentes and artists tied with the program, and featuring them with local talent.

For next summer, KTMD is planning a beach concert for the general market, having lined up a location at a beach restaurant on Galveston Island.

But a particular concern in Houston is reaching newcomers. In the past five years, Mendez points out, Houston has had one of the highest immigration rates from Mexico and Central America. He finds the chief vehicle for reaching this new audience is the *Tele-mundo* movie slot from 9-11 p.m. Monday-Friday. The station uses the three major Hispanic radio stations, billboards and its own air to promote the movies.

During the sweeps, KTMD has run prize promotions backed up by radio and billboard advertising.

For the November sweeps, viewers are asked to watch the station's pulsating logo and count the number of times it appears, with six winners a night getting holiday baskets built around turkeys.

One of the station's most unique promotions is for its newscast. In a paid commercial KTMD's news director daily calls the top Hispanic radio station in the market and says, "Your Newsteam 48 is currently working on the following stories." He then describes the forthcoming news and tells listeners when to watch it. Mendez reports that, since this promotion has been in effect, the newscast has gone from a 2 to a 3 share of the total TV audience in Arbitron overnights.

Interactive game breaks

While KTMD's Channel 48 pulsates on the screen, the 48 channel designation takes on another meaning in San Francisco, where viewers play Jackpot 48 in an "interactive game break." According to Paul Niedermeyer, general manager, the channel number is further kept top-of-the-mind by the fact that the 48th caller gets to play the game.

The game seen on the screen is similar to a slot machine, but the viewer controls the spin through a touch-tone phone. The grand prize is, unsurprisingly, \$4,800. Niedermeyer says, "We did one last spring, and our phone lines were swamped, and we'll be doing it again in the fall."

He's not concerned that many viewers will be eliminated for lack of touch-tone phones because, he

KWEX-TV San Antonio takes over Sea World.



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FIRST
PLACE.



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*Total week Prime Time.
Mediafax, August 1989

WKAQ-TV•2, WORA-TV•5

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says, they're pretty much all that are being installed lately and his market rivals Miami as the most affluent Hispanic market in the nation. He says this type of promotion builds both tune-in and loyalty because viewers are not told when the game break will appear.

Among KSTS' array of community events has been Fiesta Internacional, a food fair in the San Jose Convention center with prizes and giveaways. With all the food included, some of it donated by advertisers, attendees are charged a nominal admission, part of which goes to a Hispanic scholarship fund. With the last such event attracting about 25,000, the one planned for next February is targeted at about 60,000, according to Niedermeyer, because of the new, larger convention center.

KSTS expects to fill in with the Fiesta en la Mercado (fiesta in a shopping area)—possibly several of them in the course of a year. The station just did its first one, involving food sampling with the help of the host supermarket whose lot is used and of vendors. The station's jackpot game is played on the spot at this event. Having just run the first such fiesta, the station featured various items for sale—and the proceeds went to the Red Cross, earmarked for Hispanics suffering from the recent earthquake.

Credit where credit's due

In Los Angeles, KVEA has the same problem as many Telemundo stations that have come along after the competing Univision affiliates



WLTV Miami promotes its news team.

were already well entrenched. According to Stephen J. Levin, vice president, general manager, "We found our programming was popular but was not being reported as KVEA or Channel 52 to the rating services."

So KVEA is hitting Los Angeles over the head with its call letters and channel number via slogans on bus sides, in newspapers and in Spanish-language television guides. The most point-blank approach to the recall problem is seen on the station itself, where viewers are told by station employees, celebrities, community leaders and people on the street, "You are watching your favorite [novela, news program, etc.] on Channel 52, KVEA. Remember it; write it down."

Levin likes to compare his campaign to another that he feels has been very effective—the "11 Alive" promotion by WPIX(TV) New York.

Community events are still im-

portant in the market, Levin notes, and the station's best known is Fiesta en la Playa (beach party). The last one took place last July near the ship Queen Mary in Long Beach. The salsa festival included art displays and free food from Latin American nations. It attracted some 65,000 people, Levin reports, compared with about 18,000 a year earlier. He attributes this to the fact that major salsa star Johnny Ventura was featured and to the rising popularity of his station's programs.

As part of the event, KVEA built an inflatable booth that it can bring to represent its flag at other events. It inflates to 22 ft. high by 15 ft. wide and 15 ft. deep, making it suitable for use in weekend remotes from parking lots and stores.

Broadcast promotion is the key at WCIU-TV Chicago. Howard Shapiro, president and general manager, says, "It's pretty hard to reach Hispanic community when you get away from broadcast media, but we've done some billboards."

A special event for the station, which, by coincidence of timing, became the station's sixth special for Independence Day week last September, was a local production for the OTI Spanish-language singing and songwriting competition. Created by the Iberoamerican Television Organization, it is known as the "Grammies" of Spanish- and Portuguese-speaking countries. Singers and songwriters submitted tapes to the station, and the finalists formed the program on the station.

"The winners in our competition

At the Palladium in New York with WNJU-TV and WQHT(FM)



Galavision.

The Channel of the Stars.



Classic Mexican films, first-rate novelas, international sports, breaking news. Galavision, the Channel of the Stars, is fast becoming the channel of choice for U.S. Hispanics.

With a combination of excellence in programming and dedication to its audience, Galavision has emerged as a broadcast and basic cable network with one of the most interesting and varied programming menus in Spanish-language television.

After 10 years of providing programming to U.S. Hispanics, we know what viewers like. Galavision.

Galavisión

2121 Avenue of the Stars, Suite 2300
Los Angeles, CA 90067

went on to the national competition in Miami," he notes, "and our singer took second, while the song took first." The station's production was in a local theater with an audience of about 1,100. Although the competition cost the station about \$75,000 to produce, the advertising sales for the program allowed for a small profit, Shapiro reports.

Independence Day

Independence Day was also a major event for KMEX-TV Los Angeles. Craig Kinney, general sales manager, says the station's last series of events started Sept. 15 with *El Grito*, the day-before holiday whose name translates "The cry of freedom." KMEX televised activities live from the steps of City Hall—dancers, singers, ceremony and local politicians. Then the station went live to Mexico City for events there, and it televised the Independence Day parade there on Sept. 16.

The station itself added a concert in Belvedere Park on the 16th and 17th.

WXTV New York lifts viewership during the May sweeps each year with a game called *Juegue e Gani* (Play and Win). Between 6–9 p.m. each night for the four weeks, different words are given as clues to make up a complete sentence. Prizes include an automobile, furniture and trips to the Caribbean, according to Mara Rankin, vice president, general manager.

Rankin also reports that a four-week campaign was done recently for the station's reformatted noon

KMEX-TV Los Angeles celebrates Independence Day.



KVEA(TV) Los Angeles gets visibility at its event.

news. The newscast has new anchors, a new set and focuses more on in-depth reporting, Rankin elaborates. The campaign used three Spanish radio stations, four Hispanic newspapers and the station's own air to talk about the changes. Although a number of slogans were used, the final grabber was "One for all, and all for The One—because only The One [Channel 41] is the best."

News promotion

Also promoting its news has been WLTV Miami. Cancela notes the station has a news staff of 60, and the station has been promoting its team concept. It calls its news organization "The Eyes of the Community," and its on-air promotions show its news staff in action behind the scenes and during major events. One promotion showed the station's crew covering the bombing of a restaurant in Colombia.

Also in Miami, WSCV-TV fol-

lows through on a slogan for its general entertainment programming in separate promotion for its newscasts. In general entertainment, Duran notes, the slogan is "Setting the Trends." Here it promotes that Telemundo was the first Hispanic network to produce programming in the U.S.: "We want to reflect that we're ahead of times in our programming."

For newscasts, the slogan is "Where the Experts Set the Trend." With a news staff of 42, the station has been hiring "high-profile" reporters and highlighting them in promotions, Duran says.

Promotion to advertisers

In addition to keeping their call letters, channel numbers and program offerings before the viewing public, Hispanic stations are finding they have to work extra hard to gain the awareness of Anglo advertisers. Gutierrez of KWEX-TV San Antonio explains, "The majority of our clients are non-Hispanic, so they're not viewers. We have to make our own opportunity to let them judge the quality of our programming."

The station recently did this by hosting a media party at San Antonio's Hyatt Regency. With about 500 advertiser and agency people present, Gutierrez reports, the station unveiled its new news set and introduced its new programs. Univision Holdings president Bill Grimes was guest speaker.

Gutierrez also reports KWEX is coming out with a new brochure called "The KWEX Story." He elaborates, "We don't talk ratings,



NOW WE'VE DONE IT.

Four years ago we weren't even on the air. Now **51%** of all adults who watch Hispanic television are watching us.* And that's just for starters.

TELEMUNDO

52 

KVEA LOS ANGELES

*Based on combined viewing of KVEA and KMEX, average quarter-hour adults 18+, Sun-Sat, 9AM-Midnight. Source: Los Angeles Arbitron—Oct 1989.

Recovery from Hurricane Hugo in Puerto Rico gets assist from TV

Stations in Puerto Rico have been playing a major role in facilitating the island's recovery from the devastation of Hurricane Hugo. The efforts of TV stations have been both on the air and out in the various communities they serve.

In addition to individual efforts, all of the island's TV stations cooperated in a half-day telethon that raised some \$14 million in the two weeks following the telethon to help hurricane victims. John Bennett, president and general manager of WAPA-TV San Juan, reports he found out his station was not the only one with a plan in mind when he went to for Fortelasa authority, a body like a U.S. chamber of commerce, with an offer to sponsor a project.

Bennett was told other stations also were interested in helping, so the whole project was coordinated by a nonpartisan committee headed by the governor's wife.

Individual efforts. Since the Sept. 30 telethon, stations have been following through with individual efforts. For example, WKAQ-TV San Juan has instituted a plant-the-tree campaign, according to David Murphy, vice chairman of Telemundo and CEO of the station. After conceiving the idea, the station took it to the Department of Natural Resources in Puerto Rico, which assisted in bringing in contributions from the U.S.

WKAQ also has followed through with a "Rejuvenate Puerto Rico" campaign, Murphy notes. On each Saturday and Sunday, the Station has sent a caravan of employees and local stars to various towns to coordinate cleanup campaigns with the towns' mayors. Attracted by the celebrities, 200-300 people came out in each town to work on cleanup, Murphy says.

Meanwhile, WAPA supplemented the telethon effort with a caravan of its own, done in conjunction with three clients—a dairy, Burger King and Michelob. The three-day caravan offered the public an opportunity to meet station talent, and station personnel solicited additional donations in conjunction with the telethon.

As for efforts during the hurricane, Bennett reports WAPA was the only TV station able to remain on the air after the power company shut down all electricity on its side of the island. "All the others were knocked off the air," he notes, "but we have a strong tower, and our generator is in good working order. Our staff stayed here and slept here, and they were out in the street, broadcasting live."

During the hurricane and immediately after it, the station reported what relief efforts were in progress and told viewers where they could go for clothing and other donations, Bennett states. He says the station also assisted U.S. networks in transmitting to the mainland: "Everything that went to the U.S. came through our facilities." The station provided editing facilities, tapes and power supply, while AT&T provided transmission facilities.

Fast recovery. Wayne Casa, vice president and general manager of WSTE-TV Ponce-San Juan, says, "The stations on the island recovered quite rapidly considering the extent of the hurricane. On the day after, everybody was on in terms of emergency power. And 72 hours after Hugo passed through, they were back on regular programming."

While on emergency power, Casa notes, WSTE was running only preproduced programming. But he adds that it was one of the first stations able to originate live programming—in its own case, 48 hours after the hurricane passed through. As other stations on the island subsequently did, WSTE went out of its regular format to inform viewers what emergency measures were being taken, advising them on such matters as where to get fresh water and how to locate relatives.

"We were converted into a message center," Casa notes. Crawls across the screen carried information of importance to individuals, such as the location and condition of relatives. The station's entire midday variety show, a two-hour program, was converted into a communications center for two weeks.

but we show how we reach the Hispanic viewer in terms of language preference and TV viewing hours in Spanish vs. English, along with data on household incomes and so forth."

KVEA Los Angeles also avoids a ratings sell, according to Levin. He elaborates, "We utilize the Hispanic marketing continuum. In the Anglo market, an advertiser buys 100 rating points and expects sales to reach a certain number. But, because of the problems of Hispanic rating services, we can't predict results by media weight alone."

What he means by "Hispanic marketing continuum" is follow-through that can involve putting the name of the product in front of the audience's eyes somewhere beyond the TV screen, or a sample or coupon in his hand. This may involve the advertiser sponsoring an event. Levin adds, "We go in when budgets are being discussed and market to the advertiser how we can provide this full service over and above the media weight. We say, 'We do not look at you as a client but as a partner.'"

For example, KVEA approached the California Lottery by offering to merchandise its symbol to the Hispanic community, a character called El Gordo (The Fat). The station volunteered to set up a number of events in supermarket parking lots to introduce this character, giving out El Gordo T-shirts. Commercials were done as remotes and were run on the Saturday movie matinees, but the Lottery also ran a heavy schedule elsewhere on the station, Levin reports.

Earlier this month, KMEX-TV Los Angeles threw a party for advertisers and agencies at MGM Filmland Center, starting at 6 p.m. The presentation portion of the evening included Bill Grimes and other top executives from Univision. Kinney reports, "We discussed our new programming, our new angle on news and how to come up with a Hispanic media budget." A central theme was "the 12% solution." It was pointed out that Spanish TV averages a 12% share of the total Los Angeles market in all the key demographics: adults 18-49, 18-34, 25-49 and 25-54 Monday through Sunday, 9 a.m. to midnight. □

Broadcasters speak retailese

Innovative promotions pack 'em into the stores

Local retail business could present Spanish language broadcasters with their brightest opportunities for revenue growth, aided and abetted by plenty of promotions plus manufacturer co-op dollars.

At W. B. Doner & Co. Isaac Lasky, vice president, Hispanic marketing, observes, "There aren't that many more giant, million dollar accounts left that aren't already advertising on Spanish language stations. I think the major source of future revenue growth for these broadcasters will be from the hundreds of local retailers right there in each station's home market. Spanish language stations will be in the business of helping convert small retailers into bigger ones. The large sums of currently underutilized but available manufacturer co-op dollars will be tapped to feed part of station revenue growth. So will creative promotions in which Spanish stations play a key role."

Mother's appeal

Lasky himself reports setting up "a highly successful promotion" for Highland Superstores, an electronic and appliance chain, "revolving around the special esteem and reverence in which Hispanics hold their mothers. It also shows the flexibility of Spanish language broadcasters, TV as well as radio, in being open to all-out cooperation when we present them with creative ideas."

In this case, KWEX-TV San Antonio ran Highland announcements inviting viewers to visit the store where a KWEX camera crew would tape their Mother's Day salute to mom. Lasky describes it as similar to what general market stations do at Christmas time when they run holiday greetings to the family from local sons and daughters in the service stationed in Germany and Korea. "But our Mother's Day tapings built a lot of traffic for a specific client, Highland. People flocked to Highland for the

chance to be on TV and have mom and all their family and friends see them on TV. The store experienced a huge turnout and the camera crew taped two hours a day for five consecutive days, then took it back to the station and edited everyone down to 'This Mothers Day Greeting is brought to you by Highland Superstores.' Then the son or daughter, and sometimes the grandchildren too, would say, 'Best Wishes, Mom.' Then leading up to Mothers Day, everyone on tape told all their family and friends and neighbors to be sure and watch KWEX. So at the same time it generated additional viewing for the station it was wonderful good will for Highland."

Chairman Dick Dillon reports his agency, Mendoza, Dillon & Asociados, Newport Beach, Calif., combined radio advertising on KSKQ Los Angeles for clients Tylenol, Oscar Mayer, Imodium A-D and Zee paper napkins and paper towels, plus the products' participation in La Casita (Little House). This is a high-visibility in-store display with merchandising handled by SBS Promotions, also a subsidiary of KSKQ parent company, Spanish Broadcasting System.

The people manning La Casita, which is about the size of a Fotomat Kiosk, offer supermarket shoppers samples of the participating brands and coupons for more of it. And

because this builds brand demand, the stores order additional cases and set up end aisle displays to support the featured brands.

Generating mailing list

Shoppers visiting La Casita also get a chance at a drawing to win a new car. And since she fills in her name and address on the entry blank, she also becomes one more name on a mailing list of Hispanic consumers that participating brands can use for their own direct marketing programs. And of course the whole package is supported by all those spots on KSKQ.

La Casitas were set up in a total of 92 stores belonging to six different Los Angeles area food chains in the case of Tylenol and the other Mendoza, Dillon clients. The grand finale was Los Angeles' big Fiestas Patrias parade, part of two days of entertainment and more merchandising at Belvedere Park. Along with the concert stages at the park were the sponsors' booths with more coupon distribution, more product sampling, and finally, the big drawing for that shiny new 1989 Ford Escort.

Little wonder that Raynaldo T. Garza, president of ad agency Hispanic America in Irvine, Calif., can say, "The biggest trend I see in Spanish broadcasting going into the '90s is that if people are calling





KAMA El Paso shows its oats in parking lot.

the '80s the Decade of the Hispanic, the next 10 years should be called 'The Decade of Promotions, Merchandising, Music Marketing and Sports Marketing to Hispanics.' "

Garza adds, "This has always been a big part of Spanish radio, but today more TV stations are also running contests giving away cars and even houses, and sponsoring stadium concerts and parking lot fiestas at the big shopping malls. A lot of district managers and brand managers want that added excitement on top of straight reach and frequency. They know it's the kind of excitement that gives added incentive to retailers to work harder for clients' brands. The store managers know the fiestas and concerts and soccer games, on top of the broadcast schedules, are going to draw huge crowds, build traffic in the stores tied into these events, and move more of the sponsors' brands off their shelves."

Garza says his agency has worked with retail chains across the U.S. on these kinds of grass roots events, price giveaways and contests: "We've done them for Procter & Gamble brands, General Foods brands, for Beatrice Foods, Sprite, Post Cereals and for McDonald's."

Registering impact

He also reports arranging for championship soccer teams "not only to come up here from Latin America, but from European countries, too. We've drawn crowds from 5,000 in a mall parking lot to

20,000 to 30,000 at a concert. We'll be arranging 10 to 15 concerts next year and 20 international soccer matches, all sponsored by clients, and often with the involvement of a local radio or TV station. We and our clients and the broadcasters have found that when we can tie in a benefit for the community like some scholarships or an antidrug message connected with the event, the event registers even more impact. This way we can build a win-win situation for everyone involved."

Garza adds, "When we offer discounts on concert tickets or tickets to a soccer match to everyone who brings in a label or box top from a client's brand, we've seen redemptions on this kind of offer run as high as 50% to 90%."

In El Paso, KAMA works a double promotion in which its \$10,000 Button game in conjunction with area 7-Eleven stores is combined with the station's Lucky Card pro-

motion.

As explained by vice president, general manager Buddy Howell, KAMA personalities tell listeners to go to their nearest 7-Eleven to pick up their free KAMA Me Ama (KAMA Loves Me) Button. He says, "If they do that and listen carefully to us throughout the day, they'll hear hints about what parts of town we'll be in that day to look for people wearing our button. If they are, they're eligible to get \$100.

"The closer it gets to giveaway time, the more specific our on-air hints get. And if we stop someone who's wearing our button and find they're also carrying our KAMA Lucky Card, they're eligible for 10 times \$100: He gets \$1,000. We ended up in a hospital last week and found a nurse with both her button and our card. 7-Elevens are the only stores where listeners can pick up our button, but they can get their Lucky Cards at a number of participating stores. These are different stores every day."

Building traffic

Howell explains that KAMA sells a store a remote for one day, "We show up in their parking lot, do our broadcast from there, and hand out our Lucky Cards. That makes it a great traffic builder for the store."

And when KAMA's double promotion ends up next month, he says it's finished off in grand style by finding someone with both a button and a card and awarding that person \$10,000. And the card is like a movie ticket with a stub.

Soccer tie-in a natural for Hispanic America.



Both the ticket and the stub bear the same serial number and KAMA's air personalities call out the numbers during the day for various small prizes, from tickets to station-sponsored concerts to free dinner passes to a client restaurant, circus tickets, or "whatever we have going at the time. There's always something to keep the pot boiling and more listeners listening."

At Mendoza Dillon, Dillon says promotions have grown "to the point that we and many other Spanish-language specialist agencies have set up a separate promotion department to handle them. It works closely with stations that sponsor events and with the local distributors and retail outlets tied into the event who stock our clients' brands."

Lotus' Kraushaar also reports his stations doing more promotions: "It's a way to recapture some of the dollars advertisers today set aside for merchandising—dollars that used to go to brand advertising but today go for promotion instead."

He says some of this involves remote broadcasts from shopping malls and some goes into contests with the advertiser's participation.

At Spanish Broadcasting System, Omana agrees that "Promotions have become as big in our market as they are in the general market. Our in-store 'Little House' merchandising is doing extremely well on the West Coast and we're looking forward to bringing it to New York and Miami in 1990."

And Omana describes a promo-



WIND Chicago at Pan American festival.

tion for Kibbles & Bits, a pet food using Spanish radio for the first time. He says the station's air personalities invited listeners to send in their puppies' photo for Kibbles & Bits' Pet of the Month contest. Those who had no picture of their pet could bring it to the station's remote location at a shopping mall, and the station crew would snap a photo for the contest and also develop a small print to laminate in plastic with the owner's name, address and phone number to attach to the pet's collar in case it gets lost. Says Omana: "We were amazed at the number of listeners who turned out to be pet owners."

Julio Castellanos, Sr., chairman and president of Castellanos Latina Advertising in Hollywood reports almost 95% of his \$7.5 million in broadcast and describes a promotion for Festin Foods, whose Herdez line includes chile, snack foods, sauces and other cooking ingredients. In conjunction with su-

permarkets in each of the eight to 10 markets where the listener callback promotion ran, "Popular air personalities on the Spanish stations invited listeners to call in to describe their favorite recipe using Herdez ingredients. The winner in each market won a \$100 shopping spree at the participating food chain. This way Herdez, along with the local food store and radio stations involved, all shared in the high-visibility fun and heightened listener interest generated."

Castellanos Latina is an independent affiliate of HDM with which it has a revenue sharing arrangement on HDM clients advertising in Spanish. Castellanos says, "We recommend each other to clients needing both Spanish and English language marketing expertise. That's a plus for both agencies because it's one more service both of us can provide our clients."

And Los Angeles-based Ferrer/Ad America Advertising came up with a discount promotion for McDonald's papas fritas (french fries) that it says "introduced a technical innovation" in coupon distribution. Ferrer/Ad America president Carl Kravetz says the coupon was directly on the featured product box, "which adds to customer convenience."

The campaign ran in early October on Spanish language radio and television in the Los Angeles, Bakersfield and Palm Springs markets. The papas fritas boxes carried a 50 cent discount coupon good toward purchase of any of the selected McDonald's sandwiches and large Coca-Cola or other soft drink. □

Mendoza Dillon puts on the dog.



Broadcast direct marketing proves itself in Spanish

By **JESSE G. WILSON**
and **ELAINE HARTONG**

Executive vice president and account supervisor, respectively, of San Jose & Associates, Chicago advertising agency

As Spanish-language broadcast develops and progresses, advertisers can take advantage of proven general market strategies by testing their effectiveness against the Hispanic market. One such strategy would be the use of broadcast direct marketing.

A recent case in point involved the use of broadcast direct marketing to introduce a new health care network to Chicago's Hispanic community.

Research, program development.

Market research has indicated the underutilization of health care services among Hispanics due, in large part, to education, income, and language barriers. With this background knowledge and two years of planning and evaluation, two highly reputable, marketing-oriented hospitals in Chicago—Illinois Masonic Medical Center and Mercy Hospital & Medical Center—developed the concept of Hispanocare. This unique program's overall objective is to create a geographically broadbased health care system that provides a full range of continuous, high quality, and cost-effective health care services accessible to the Hispanic market.

The Hispanocare program has grown to provide its members with access to a network of over 150 primary care physicians and specialists who either speak Spanish themselves or employ Spanish-speaking professionals. All of these physicians are affiliated with the provider hospitals in the program.

Additionally, the program offers its members a 20% discount on all of their out-of-pocket medical expenses, regardless of insurance coverage status, and related services. Periodic informational mailings are provided as well. All of these benefits are available for a nominal annual membership fee for individuals or families.

These services help to allay the economic and language barriers,

while the convenient locations of physicians' offices, many of which are already located in Hispanic neighborhoods, is an added benefit. The advantage to the hospitals sponsoring this program is the probability of increased admissions via referrals from participating physicians.

The marketing challenge. With the Hispanocare system in place, the next step was to develop a marketing plan to introduce the program to the Hispanic population. This presented a dual challenge: A very technical program had to be clearly and accurately communicated to the target market while simultaneously reaching as many people as possible, with a first year membership goal of 5,000.

It was determined that a unique combination of broadcast direct marketing and personal sales tactics would be the most effective approach. The entire selling process would take place in two steps. Broadcast advertising would reach the maximum amount of people but would not allow enough time for the necessary technical information to be adequately communicated. Therefore, the broadcast advertising message was designed with the single goal of gaining the awareness and interest sufficient to motivate the audience to call for more information. The number was repeated and shown several times throughout the commercials. Hispanocare representatives would then be standing by to answer the phones, explain the program in more detail and sign up new members.

Measurement opportunity. An additional benefit of this program design including broadcast direct marketing has been the ease of measuring vehicle effectiveness and impact. Due to the nature of the direct response vehicle, sales tracking can be almost directly tied to advertising response. During broadcast flights, incoming calls to Hispanocare offices have been higher, and they have peaked when both radio and television flights are run simultaneously.

It was soon discovered that the flow of incoming calls could be regulated, to an extent, by the broadcast flight lengths and schedule weights/pressure levels.

Big results. While the Hispanocare program is still in its first year of operation, its overall success has attracted additional area hospitals and their physicians to join, thus making the program even more accessible to Chicago's Hispanic population. And, because of the uniqueness of this targeted program, national coverage through health care publications has generated inquiries from similar institutions in other areas of the country having significant Hispanic populations. □



Hispanocare spot

The Magnificent

7

**Puerto Rico's
#2 TV station with
the #1 commitment...
to its viewers and
advertisers.**



Stability, growth and commitment.

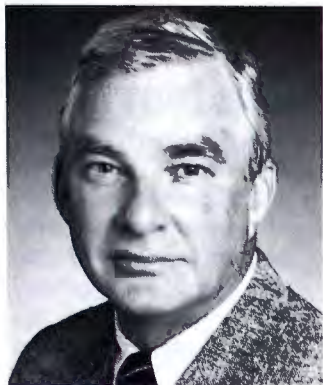
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Viewpoints

Charles Warner



Leonard H. Goldenson professor of local broadcasting, University of Missouri—Columbia School of Journalism. Former vice president, general manager of WNBC(AM) New York and WMAQ(AM) Chicago and vice president, general manager of CBS Radio Spot Sales.

Advertising case studies great station sales tools when written properly

Most success letters published by radio and television stations give vague claims about how advertising on a station gets results, but there is rarely any useful information about how this wonderful situation came about.

Case studies are much more effective selling tools than advertiser testimonials. Case studies can give specific details on how a station helped solve marketing and advertising problems. Case studies can be used by salespeople to demonstrate how a station can marshal its resources and expertise to help customers achieve their specific marketing objectives. Case studies can be used by salespeople to position themselves as problem solvers.

Case studies are also excellent tools for teaching salespeople the important elements of marketing and advertising.

Elements of a case study

1. The marketing environment: A good case study describes the marketing environment: short-term and long-term developments and trends in the advertiser's external environment such as changes in regulation, technology, culture, economics or demographics.

2. The competition: Define the advertiser's main direct and indirect competitors, both current and potential. Competitors should be described in terms of size, growth rate, market share, and primary strategies. Competitors' major strengths and weaknesses should be noted. Competitors' positioning statements and advertising strategies should be outlined.

3. The marketing objectives: State the advertiser's marketing goals such as "to increase market share by two points" or "to increase weekday traffic by 20%" or "to attain a 30% share of mind (recall of stated benefits)," for example. Marketing objectives should be stated in hierarchical order and quantified so that

progress toward them can be measured.

4. The marketing strategy: Outline the advertiser's primary marketing strategy (segmentation, differentiation or low-cost producer) and the critical success factors in the execution of the strategy.

5. The advertising objectives: Delineate the advertiser's advertising objectives, such as "create awareness" or "reinforce brand loyalty" or "increase store traffic for next weekend's sale by 15% over last year" or "increase usage of canned dog food," for example. Some of the advertising objectives can be similar to the marketing objectives, but they should also be more short-term and media and campaign specific. Advertising objectives should be stated in hierarchical order and quantified so that progress toward them can be measured.

6. The advertiser's competitive positioning statement (advertising objectives put into the plain words of a consumer promise): Express the advertiser's positioning statement, not just the current slogan, but a positioning theme that makes a definite promise to customers. A positioning statement clearly defines "who we are."

7. The problems that advertising can solve: Lay out the advertising problems from the advertiser's point of view. The problems must be stated in a manner that is objective and not biased to a particular point of view or does not imply an obvious answer.

8. The solutions to the advertising problems: Give details about the specific solutions a station and its salesperson provided for the client:

- a. *Creative:* Ideas, strategy; and execution.
- b. *Media:* Strategy, plans, and execution, including merchandising, promotion, vendor support, co-op coordination, research, and copy testing, for example. Be sure to include details of the exact schedules purchased, including reach and frequency estimates.

9. The results: Summarize the results of an advertising campaign in specific, measurable terms. The results section answers the questions: "Did the campaign work?" "Were the marketing and advertising objectives achieved?" "Were the results attributable to the advertising campaign?" "Were the results attributable to the medium used?" Graphs and other visual presentations of results greatly increases their impact.

Getting permission

Make sure to secure the client's and agency's permission to show the case to other advertisers. In some situations clients are reluctant to give permission to use their names. They are afraid their competition will get wind of and try to duplicate their success. In such circumstances, write a case study using fictitious names and organizations and change the conditions slightly in order to mask the identity of the advertiser. The principles, strategy, and approximate results should remain the same. When salespeople use the fictional case, they should tell prospects: "This case is based on an actual situation, but the real client doesn't want us to use his name. His results were so terrific that he doesn't want his competitors to know about it."

Programming

WXON Detroit to produce syndie series; rep company is formed for station

WXON-TV Detroit has joined a growing list of station and station groups preparing programs for possible syndication. The indie has formed TV Network, a company that is designed to develop and produce syndicated program alternatives for broadcasters, according to Doug Johnson, station co-owner and general manager and program director of WXON.

In an unrelated move, WXON has exited MMT Sales and Johnson has formed a rep company, TV Rep, to handle the station's sales exclusively. TV Rep becomes the first rep company to represent only one station, believes Johnson.

Johnson, the architect of TV Network, expects to be supported by other stations and station groups in the new venture. Plans call for a board of broadcasters to review the projects being considered for development, notes Johnson.

At this point, TV Network is in "heavy negotiations" with some major studios on production plans. Johnson didn't give specifics but added that two initial programs are a soap opera and a game show.

Johnson says he's not a newcomer to producing programs, recalling that in 1983, Johnson Productions, formed by his father, produced some 50 hours of a soap opera strip, *Generations*, for the Detroit station, plus three sitcom pilots for network. The pilots never made the network airwaves, "although they said they were some of the best sitcom pilots they had seen."

Johnson expects a rollout of two planned properties, looking for enough clearances to get advertiser interest. Pilots for both series will be produced over the next month or so, regardless of other station participation. Regarding the game series, Johnson says, "It's along the lines of skewing 18-49 year olds and will deal with dating, but not a *Dating Game* or a *Love Connection*."

Soaps. On the soap end, Johnson

believes the series will do best in early fringe. "Independents are looking for something they can run in the 5:30 p.m. time period. It's an area that they can sell easily and be a bridge from cartoons to more adult programming."

On the rep side, the vice president of TV Rep, company formed July 24 by Johnson, is Mike Berman, who is also general sales manager at WXON. The company, which reps only WXON, has offices not only in Detroit but also in New York, Beverly Hills and Chicago. And, according to Berman, the move for WXON to rep itself was primarily dictated by a rep business that "is changing dramatically, and we felt we could offer the ad agencies market specialists who really understand the Detroit market better than anyone else."

To Berman, the new company harks back to the old days when MMT Sales and TeleRep were first formulated. "They both marketed as a short-list rep. And we have taken that to the extreme. We are the short-list rep of all time." It's his feeling that TV Rep can deal more effectively on behalf of WXON than the major reps, which are saddled with selling advertisers for many stations.

Reception good. While Berman didn't go into specifics on TV Rep's sales activity, he says the reception has been very good from the ad community "because of what we offer. Basically, a direct line of communication from the station because all our people are functioning as regional sales manager. They are able to make a decision right at the desk, not like other reps who have to go back to the station where decisions on sales are made."

By dramatic changes on the rep level, Berman says he means there fewer reps and it has become increasingly difficult for reps to maintain services other than to be sales agent for a station. "Some of these services are being maintained at the expense of the better sales-

people. As the better salespeople are leaving the rep companies for station jobs, more and more reps are being replaced by trainees. Most of the reps are operating with too many trainees. What we did was to hire the best sales people."

Padden to leave INTV for Fox

In line with Fox Broadcasting looking to get into an entire week of primetime programming over the next few years, Fox has appointed Preston Padden, president of the Assn. of Independent Stations, as senior vice president, affiliate relations.

Among Padden's key duties will be to act as the principal liaison between Fox and its 110 affiliates, as Fox moves toward a full primetime schedule.



Preston Padden

Padden will continue as president of the INTV until after its 17th annual confab, set for Los Angeles in January. He'll continue to be based in Washington, headquarters of INTV, but will work from Fox offices there.

He became president of INTV about four years ago, and has been an outspoken supporter of indies against the networks in the web's bid to secure syndication rights. Recently, he spearheaded a drive by the INTV to seek rulemaking restraints on the cable industry.

In a prepared statement, Jamie Kellner, FBC president, termed the Padden appointment as a completion of FBC's management team. "We now have the talent in place to deal with our programming needs . . . to meet our continued expansion."

More TV/cable 'alliances' are seen as sports executives look to future

At a recent International Radio & Television Society panel, "The Future of Televised Sports," Barry Frank, senior group vice president, Transworld International, said he foresees "network/cable alliances" as "a rapidly growing trend."

In fact, he continued, the trend already has begun. He cited CBS and Turner Network Television joining forces on a 1992 Winter Olympics package and NBC and SportsChannel on 1992 Summer Olympics coverage—although he wonders whether NBC "may have painted itself into a corner," given SportsChannel's limited penetration.

Seth Abraham, senior vice president, programming, operations and sports at Home Box Office, also expects "a lot of blending . . . , marriages or amalgamations" in the years ahead. These would include more linkups involving early rounds on cable and finals on network TV, similar to what CBS and USA Network have long been doing with U.S. Open tennis coverage, he added.

Terry McGuirk, Turner Sports' president, disclosed that Turner "had the opportunity this time to partner with a [TV] network" on the 1990 Goodwill Games. Even though such a deal would have "cut our costs a great deal," Turner's board opted to stick to the cable-only route it had outlined from the outset, he noted.

Bigger cable role. Neal Pilson, CBS Sports president, predicted, "I don't see any radical changes in the immediate future" as far as distribution of sports coverage—meaning the next five years or so. However, McGuirk asserted that "in the 1990s no doubt cable will be an ever increasing player at the table" when it comes to bidding for sports rights. He felt that basic cable would be particularly aggressive, bolstered by "a dual revenue stream"—advertiser and subscriber dollars—as opposed to free TV's single stream.

Abraham conceded that the World Series and Super Bowl were highly unlikely to leave free TV—

"Never, not in our lifetimes," he said, echoing a remark made recently by Pete Rozelle, the outgoing National Football League commissioner. The HBO exec also doubted that HBO has a chance at unseating ESPN in the upcoming NFL coverage contract negotiations. He recalled that during the last NFL cable negotiations won by ESPN, Paul Tagliabue, then an NFL attorney and now NFL commissioner, had said that putting the NFL on the HBO pay service "would bring the wrath of Congress." Given that, Abraham added, HBO would have to be seen as "a very, very, very dark horse" in the future bidding.

"A wild card." Still, as Abraham observed, "There's always, like poker, a wild card . . . in sports economics. . . . Every once in a while, there's a sports earthquake," meaning a company willing to spend "a lot of money" to keep or start "franchise sports." Thus, he noted, the Olympics had long been "a passion and a franchise" for ABC, until CBS went all out and paid more than ABC was willing for the 1992 and 1994 winter games. Shortly after this panel, NBC did much the same thing in snatching National Basketball Assn. coverage

from CBS, as of fall 1990.

Pay-per-view could be such a wild card in the future, Abraham hinted. Today, PPV is not yet "a legitimate business," he contended, but college football games and the Triple Crown horse races are future PPV possibilities as "single events that'll generate big, big dollars."

While limited to boxing and wrestling, PPV may be eyed as a possibility by various local sports teams, said Robert Gutkowski, executive vice president, MSG Communications Corp. Despite some ribbing by other panelists, Gutkowski cited truck and tractor pulls as having "a good future" in PPV "in a year or two."

New Sports Potential. Turning to other new sports packages, Jerry Solomon, vice president, general manager, Busch Media Group, Anheuser-Busch's media buying service, doubted that the fledgling Senior Baseball League has network TV potential. He also wondered how strong ad support would be since "there isn't enough [money] to spread around." He did add that A-B is "looking at it" as a potential vehicle, but has made "no judgment yet."

"Crash sports" like the syndicated *American Gladiators* and *RollerGames* "have not taken off," according to TWI's Frank. Turning



"The Future of Televised Sports" was addressed at an IRTS panel by (l. to r.): Terry McGuirk, Turner Sports; Neal Pilson, CBS Sports; Seth Abraham, HBO; Barry Frank, Transworld International; and Robert Gutkowski, MSG Communications Group.

to more established events, he doubted that there would be much potential for equestrian events, "even for cable," despite ad support by A-B's Michelob, Cadillac and other sponsors. Solomon agreed that there is an "obviously limited audience, but a quality audience." Although the equestrian event gets its major exposure at the Olympics, Frank cautioned that it may be shortchanged in 1992. Because of an equine virus in Spain, "there may not even be an equestrian event" at the Barcelona Olympics, he stated.

The IRTS panel also touched on the subjects of sponsor exclusivities, commercial clutter and the future of beer advertising on sportscasts. It has become increasingly difficult to afford category exclusivities in network sports, Solomon said. "Ours and Miller's have dwindled down" in recent years, he said, predicting "more sharing" rather than exclusives. Related to that, other sources note, CBS so far has been unable to sign brewers to longterm exclusivities in its Major League Baseball package, along the lines of its automotive deals with General Motors and Toyota.

Beer woes ahead? The panelists defended the on-site signage at sports events and logos on cars and uniforms at auto races as "enhancements" that help offset rising costs of sports sponsorship. Solomon felt that Budweiser's buy of the ring mat at title fights also is a way around clutter and he dismissed concerns by saying, "I don't think the viewer minds."

The NCAA is considering whether to sharply restrict beer commercials in its post-season basketball tournaments to before and after such telecasts, as well as to limit in-game beer spots to the "Know when to say when" type. One panel attendee, Robert Perlstein, senior vice president, SFM Media, questioned whether beer advertising could eventually follow cigarettes off the air, or at least off sports coverage.

Solomon asserted, "I doubt very much that [beer] will be off television." Pilson said, "I think the loss of beer would have an immeasurable impact on sports rights."

Touted syndicated early news lead-in programs showing mixed performance

Because access has become an increasingly difficult time period to crack, many syndicators have been pitching their products for early fringe and touting them as potential builders for early news. But, according to Mitchell Prayer, Katz Continental vice president, programming director, only some are living up to those promises.

Based on information provided by Nielsen and Arbitron on flow of audiences, a Katz report indicates that in numerous markets around the country the percentage of audience delivered into the news doesn't vary from market to market but rather from program type to program type. For example, Prayer notes, *Jeopardy* is the No. 1 news lead-in in syndication. "This means it has the strongest ability to deliver an audience into news. On average, it delivers 60-70% of its audience into news, regardless of where the show is seen."

Next on the top side, are things such as *Family Feud*, according to Prayer, which brings in 60-65%, followed by *A Current Affair*, with 55-65%. *People's Court* delivers 50-65%. *The Bill Cosby Show* is in the fifth spot with 50%, says Prayer. After that are other adult sitcoms such as *Cheers*, *M*A*S*H* and *Night Court*, with a delivery of 45-55%, followed by *Geraldo* and *Donahue*, with 45-55%.

If *Geraldo* does a huge ratings number but only delivers 45% of its audience into news, it will still deliver a sizeable proportion, says Prayer. However, "it will have to perform even much better than a *Jeopardy* to accomplish the same goal."

Off-network hours. Off-network hours, such as *Magnum P.I.*, *Simon and Simon* and *The A Team*, deliver the least number of news viewers—35-40%—says Prayer. That's one of the reasons many have wound up on cable, he continues. "Where else can they be sold? They originally were sold to the broadcast community for early fringe on affiliates. And if they are not soap-compatible and not effective in delivering a news audience, they serve

very little purpose for affiliates."

Prayer stresses that the findings are especially important to affiliated stations because the goal of most is to build an audience leading into news. "They can see which shows are the most compatible to news. Stations that bought *Cosby* with the intention of improving their newscast must be disappointed. It is not as effective as the four shows preceding it in the report."

Also, there's no indication that the highly-touted future off-network sitcoms are going to perform any differently from past sitcoms, believes Prayer. While he admits that the jury is still out on sitcoms introduced this fall, such as *Who's the Boss?* pitched as program builders for a station's news, "there's little evidence at this time to indicate it will break the prevailing trend."

Syndication shorts

G2 Entertainment has sold *The Krypton Factor*, first-run syndicated series coproduced by Granada Television and Mac III Productions, to five NBC-owned stations for a fall 1990 debut. The five stations are WNBC-TV New York, KNBC-TV Los Angeles, WMAQ-TV Chicago, WKYC-TV Cleveland and WRC-TV Washington. *Factor* is a weekly half-hour series which is based on the game show in the U.K. The show is targeted for late afternoon/access dayparts.

Worldvision Enterprises will launch Hanna-Barbera's *Wake, Rattle & Roll*, kids' show, for fall 1990. The half-hour strip features live-action, animatronics and original animation, hosted by "Sam," played by R. J. Williams, and his robotic sidekick, "Rewind."

Quick Shtick, 15-second comedy vignettes, moves into its third year this month. Principals of *Shtick* are **Man in the Moon Productions**.

New World will distribute domestically *Crosstown*, reality-based strip police show produced by **Ventura Entertainment Group**,

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for an April 1990 debut. *Crosstown* is sold via cash, and Ventura will produce all 65 half-hour episodes for the first season.

Buena Vista and Camelot Entertainment Sales have renewed their sales agreement for two years. Camelot will continue to sell the ad time for all BV first-run programming including the two fall 1990 shows, *Gummi Bears* and *TaleSpin*, which will round out The Disney Afternoon. Also Camelot will represent *The Challengers*, game show set for the 1990 season.

Select Media Communications will introduce the *Horror Hall of Fame*, two-hour special, for an October 1990 window. Special, which is being sold via barter, honors the top films, actors, directors, writers and others.

Turner Program Services will produce *Kids Still Say the Darndest Things*, a pilot in association with Facets/Phillips Entertainment. The proposed weekly-half-hour syndicated series is projected as a fall 1990 entry and is based on a segment from Art Linkletter's *House Party*. Pilot is expected to be completed prior to the Christmas holidays and to be showcased at the 1990 INTV and NATPE conventions, for distribution by TPS.

Republic Pictures Corp., Los Angeles, has now sold *Beauty and the Beast* to 89 countries. Though currently off the CBS primetime schedule, *Beauty* has been ordered as a backup series for later in the 1989-90 season.

Multimedia Entertainment has sold the movie *Good Old Boy* in 17 countries. A coproduction with The Disney Channel/Wonderworks, the movie has run in the U.S. on Disney and on PBS' *Wonderworks* series.

Multimedia will distribute a music/variety show, *Big Break*, to be hosted by Natalie Cole. The weekly one-hour show will be available beginning next fall on a straight barter basis.

King World will distribute *Monopoly*, game show for next fall. A pilot has been produced.

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Action Media sales rep for new projects including Hallmark package

Action Media Group is keeping ahead of the uncertain marketplace being experienced by several of the small syndicators with a number of new projects. In fact, for the first time, the company will have its own booth at the upcoming NATPE convention, having shared space the past confab with Casablanca IV and, before that, with the Wrestling Network.

One of the reasons that AMC continues to stay ahead of the pack is that its deals are basically as sales rep for distributors. In some cases, points out Rick Pack, president and COO of AMC, the company owns distribution rights, but even in these instances, AMC uses "subdistributors."

As to new shows, Pack says it recently racked up a sales deal with Quintex Entertainment on *Tuff Trax*, weekly one-hour program on monster truck and pulling races. The barter show has cleared 88% of the country on 90 stations, he says, in a period of 60 days. From Quintex, too, AMC is repping the colorized *It's a Wonderful Life*, and from Koch Communications, it has *The Man in the Santa Claus Suit*, plus from Motown, *Motown Merry Christmas*. In the latter instance, AMC is sales rep, and Blair Entertainment clears stations.

Also, AMC, according to Pack, has begun offering what he calls a "coup," the Hall of Fame Collection, which consists of eight network titles to which AMC has the second-run rights. The titles, which were originally shown under the Hallmark Hall of Fame umbrella, include *Resting Place*, *The Room Upstairs*, *The Tenth Man* and *Home Fires Burning*.

Pack notes that the Collection gives him an opportunity to compete with the big studio packages. "I don't have major titles, but I do have high-quality titles, which are perfect for any advertiser." In this case, too, Blair Entertainment is distributor. The package is sold via barter, with windows starting in January through September 1990.

Blair will also distribute a barter movie for AMC, an authorized biography of Ian Fleming, "the real James Bond". Called *Golden Eye*,

stars Charles Dance and Phyllis Logan. Barter split for the two-hour movie is 12/12. For April, AMC will introduce a two-hour special, *The World's Greatest Stunts*, which is a tribute to Hollywood's stuntmen. It previously played on network as two separate one-hours.

In addition, Pack says the company is selling commercial time on a cable network, Country Music Television, which he says has gone from 6 million homes to 12 million homes in the past two years.

Zooming in on People

Tony Dwyer has been named vice president, midwest sales, and **Mike Russo** has been appointed vice president, northeast sales, at **ITC Entertainment**. Dwyer joins ITC from Group W Productions, where he was vice president/domestic sales manager. Russo was at Quintex Entertainment, where he was manager, eastern sales.

Katherine Hogan has been named senior vice president, general counsel, entertainment, in the law department at **Viacom Interna-**



Katherine Hogan

tional. Since joining Viacom in 1984, Hogan was vice president and counsel, entertainment, as well as senior attorney.

Martha Burke-Hennessy has joined **MCA Television Group** as vice president, international coproduction. She comes to MCA from London Weekend Television, where she set up LWT International and held posts as director of international sales and controller, international program development.



R. Kevin Tannehill

R. Kevin Tannehill has been named president, **MTM Television Distribution**. He joins MTM from Group W Productions, where for the past four years he was vice president, sales and marketing. Before that, Tannehill spent six years with Paramount, most recently as vice president, central regional manager of television distribution.

Cable Programming

The USA Network will telecast *The Kissing Place*, two-hour psychological thriller, as one of its World Premiere movies. Featured are Merdith Baxter-Birney and David Ogden Stiers. The film, a Cynthia Cherbak production for Wilshire Court Productions, was done in Canada.

HBO Showcase has set its first film in its trilogy, *Men & Women*. The movie, *Hills Like White Elephants*, will star James Woods and Melanie Griffith. *Elephants* is based on a short story written by Ernest Hemingway. The other movies in the trilogy are *Dusk Before Fireworks* and *The Man in the Brooks Brothers Suit*.

Ha! the TV Comedy Network, has signed a development deal with Castle Rock Entertainment, calling for Castle Rock to develop three original comedy projects. The deal marks the production company's initial entry into cable TV production.

The Discovery Channel is coproducing 13 half-hour episodes of a science and technology series in association with the Smithsonian Institution's National Museum of American History. The series is targeted for an October 1990 bow.

TELEVISION/RADIO AGE

Station Report

November 27, 1989

GETTING ORIENTED

Los Angeles residents from the Far East are far from inscrutable where KSCI-TV is concerned. Armed with data on those derived from China, Japan and Korea, it's extending its reach via cable./95

FOR FUN AND CHARITY

Serious business and lighthearted fun were blended by WBCN(FM) Boston when a car dealer contributing to multiple sclerosis worked with the station to "smash" the disease with a pumpkin./96

SELLER'S OPINION

WHB/KUDL(FM) Kansas City calls it its Signature Service. It includes "agency quality" creativity and production and beeper-equipped account executives./97

SPOTLIGHT ON...

Increased market segmentation and the greater variety of specialized media were made for each other, says Barbara Calvo, media director, Quirk & Kramer./99

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KSCI-TV researches Asian viewers, extends its reach via area cable

Extension of KSCI-TV's signal from Los Angeles by cable "is very much a key sales point here," says Rosemary Fincher Danon, the station's general manager. "This is why we created the new position of cable relations manager and appointed Steve Israelsky to do it. Steve's job will be to keep the cable systems that carry us informed of our upcoming program schedules and also about our nonprogramming activities. He'll also keep reminding the cable systems of the uniqueness of our Asian audiences."

KSCI 18
INTERNATIONAL

Danon describes cable as "very important to television stations here. There are over 85 systems in the Los Angeles ADI—the exact number keeps changing—and cable is also important in extending our reach into the San Diego area. But Los Angeles is so saturated with over-the-air television stations that not every station is picked up by every cable system. That makes our presence on so many systems a key factor for our advertisers."

Multilingual programming. Danon says KSCI has 85% penetration of her market's 500,000 Koreans, 52% of the area's 350,000 Japanese, "and the Chinese are in excess of 500,000 here." She also reports that an SRI Research Center survey commissioned by KSCI of the market's Asians "shows they watch a lot of television, are upscale, very family-oriented, and very interested in technical things. As a result they buy the premium cable services, and many Asian households have more than one VCR."

She says KSCI "markets all this information back to the cable com-

panies as well as to our current advertisers and prospective advertisers. Our research shows Asians buy the best: brand name merchandise and top of the line cars. And they do their share of moviegoing. So much moviegoing that we do a lot of extra merchandising tie-ins with Columbia Pictures, running ticket giveaways, featuring their premieres and the like."

Getting down to the specifics of SRI's findings, the survey reports that 70% of all Southern California Japanese and Korean American heads of household have attended college, or nearly twice our national average of 37%. And 60% of all Japanese and Korean American households earn \$30,000 or more. And that's six times the U.S. national average of around 10%.

The survey found that in general, both Japanese Americans and Korean Americans living in southern California are upscale shoppers with rapidly expanding purchasing power. But while both groups share similar levels of education and income, significant differences between the two groups were also turned up.

For instance Danon reports that almost two-thirds of Japanese American heads of household have lived in the U.S. all their lives, against only 1% of Korean Americans.

Also, indications are that immigration into this country of relatives of local Koreans during the next five years will be more than three times greater than that of relatives of local Japanese. The Koreans are predicted to bring in almost five times as many relatives as their Japanese counterparts.

Other findings are:

- Korean is the preferred language in two-thirds of Korean homes, while Japanese is the preferred language in only 28% of Japanese American homes.
- More Japanese Americans—74%—own their own homes, against 57% of the Koreans.
- Almost all of the Koreans say they plan to teach their children to speak Korean, but that goes for fewer than two-thirds of the Japanese.



Rosemary Danon

- Both groups "much prefer advertising that includes their own language." Half of the Korean heads of household and a third of the Japanese heads of household indicated they would be more likely to purchase from a business that advertises in their native language.
- Toyota is the car most owned or leased by both groups. Nissan ranks second with the Japanese while Chevrolet comes in second among Koreans.
- Three-quarters of Koreans and one-third of the Japanese call overseas at least once a month.
- Thirty per cent of Japanese households and 16% of Korean American households are equipped with personal computers. IBM is the preferred brand, with Apple second.

Danon reports the survey also found 88% penetration by KSCI of Korean American homes and 72% penetration of Japanese American homes. The Koreans were reported watching KSCI an average of nine hours a week, and the Japanese averaged five hours a week.

Danon recalls, "Three years ago, when our company took over KSCI, it carried Spanish language programs. At the time it had some typically ethnic local advertisers but very little national business. We repositioned the station, started to do research to prove what an upscale audience our Asians are, and each year brings us new revenue records. Our national spot for first-half '89 was 40% ahead of last year, and our retail business is up about 32%."

WBCN and advertisers fight the good fight against multiple sclerosis

12 o'clock high and pumpkin away! This is how Infinity Broadcasting's WBCN(FM) Boston and its allies, Ernie Boch Oldsmobile and Coors Beer, fought back against multiple sclerosis for Halloween.

The 329-pound pumpkin, the largest that could be found in all Massachusetts, was hoisted by helicopter 100 feet over two target vehicles marked "M" and "S" as a crowd of more than 3,000 Halloween rockers watched in eager anticipation for the bomb run, the big drop and "the smashing of M.S." Stan Freberg couldn't have done it better.

Not to let this valiant action pass unrecorded, WBCN air personalities Mark Parenteau, Tank and Larry "Cha-Chi" LoPrete were on the scene at Ernie Boch Oldsmobile in Norwood to do their best Ed Murrow-as-war-correspondent bit and provide live, on-air commentary of the big air strike.

Many WBCN listeners showed up in Halloween getups, and the



three best costumes won cash prizes for their proud owners while the rest of the several hundred spectators in costume received CDs. Meanwhile, the Multiple Sclerosis Society did even better: It received a sizeable cash contribu-

tion from Good Olds Guy Ernie Boch who was also good enough to let his parking area be turned into an aerial target range in honor of the occasion.

Also present was the WBCN station van, whose crew passed out hundreds of T-shirts, WBCN mugs and WBCN frisbees. And Coors Beer, which also works to raise money for the Multiple Sclerosis Society, contributed premiums.

When it was all over, and the two target cars lay crushed and dripping, the costumed crowd rushed in to get a closer look at the damage. WBCN afternoon disk jockey Mark Parenteau was in there with the best of them, making squash, live on the air, from broken pieces of the once great pumpkin, as hordes of hungry WBCN fans looked on in horror.

Many walked away with seeds, and others carried away large pumpkin chunks, perhaps with pie in mind. But Loprete relates that all left the battlefield in great Halloween spirits after WBCN's heroic contribution to the destruction of multiple sclerosis.

Rate strategy seen from inside in study for NAB

"I think getting high rates are a very important part of radio sales. High rates are a function of establishing value. If you pay a nickel for something, it's worth a nickel. If you paid \$280 for it, in your own mind it's worth \$280. And when you're selling something as intrinsic as time, it's very difficult. That air can be worth a lot, or it can be worth little. Psychologically, I think high rates are extremely important because they establish the value of what you're selling. You have to be professional enough to establish that value. But once you do, the rates will follow."

The source is anonymous. But it's one of the 40 top radio sales people promised anonymity by Bill Moyes, CEO of Seattle-based The Research Group, when he interviewed them for *MegaSales: How America's Most Successful Radio Salespeople Do It*.

The report, commissioned by the National Association of Broadcast-

ers, covers five areas of investigation: methods of developing value-added advertisers, getting more dollars from clients year after year, the role of high rates, use of rate cards, and the tools provided by management to maximize the salesperson's performance.

Basic strategies. Moyes turned up five basic strategies to develop relationships with "value-added" customers that are not just price-oriented, but results-oriented. One is matching the right customer to the kind of listeners a station generates. Next, it is critical to focus on the client's business from the very first meeting. To do this well, the salesperson must continue to gain and use a lot of knowledge about the client's business. Fourth, he must be a constant source of good ideas, both creative and in terms of marketing knowledge, even beyond dealing exclusively with radio solutions. And radio salespeople must

"stay close to their clients at all times."

And here's some more advice from Moyes' star closers:

"When you're trying to justify high rates you need more than Arbitron rankers. A lot of it is qualitative. A lot of it is testimonial. There is nothing better than talking about a client who has had a tremendous success story. I've got clients who don't care what they're paying. They know it works. They give me a budget, that's it: 'Here, make a schedule. Let me know when I'm running and call me for copy.'"

Beyond radio. And another: "I go through a lot of work beyond just radio. I go through creative, research, and really studying a client's business so I can help them in the best possible way. It all comes down to *their* success and *their* results. They have to see that. They have to be able to see the val-

ue in me and my radio station and be willing to pay for that. It comes down to being an investment instead of an expense."

Says another: "We always come in a little higher. We've gotten to that point because we deal directly with account supervisors, broadcast supervisors and the client, who is represented by the agency. A lot of salespeople blame the buyer, but it's not really the buyer's fault. The buyer has a job to do. She is hired in that position because she's good at getting cost-per-point. So if you're dealing with the account people, you really have a huge advantage. They give you information that the buyer's not going to give you as far as what they plan on doing and what their advertising campaign is going to be for the upcoming year."

And this: "We walk away from some business. Another station came in, and it's a good station, but they absolutely just gave it away. I guess their management panics. Maybe they look too short term. My management looks long term. That's why I'm really fortunate. It gives you the strength to say 'I'm sorry, I just can't sell to you at that rate.' High rates gave me an income last year that I never thought I'd ever make."

WPHL-TV breaks in kid news teams

Two area schools are participating in the pilot program launched by WPHL-TV Philadelphia to present newsbreaks written by and starring kids to Delaware Valley children. The program kicked off Oct. 2 and will run throughout the school year. Five newsbreaks are produced each week to appear in 11 positions in WPHL's children's programming. The participating schools are Episcopal Academy's Middle School in Merion and Philadelphia's Overbrook High School. At Overbrook some 25 kids participate as writers, producers and on-air anchors and reporters, and the young news staffers receive cultural credit points based on their level of participation.

Episcopal Academy put together a 15 member news club for seventh and eighth graders, and script topics are selected in advance.

One Seller's Opinion



Stations' quality creative creates repeat clients

Terry

The idea behind our stations' Signature Service to our advertisers goes beyond merely filling our time with commercials for the short term. The idea is to create clients: repeat customers who will come back and renew their schedules because we make sure radio works for them the first time they try us.

We set up our Signature Service because when you're only two of the 25 stations in a \$40 million radio market and 20 of those stations are going after the same 25-54 demo, you can see how competitive things can get. So we looked for a way we could make the most of our strengths. One of those strengths is our long-term stability in a market that averages about eight changes in station ownership and eight format switches a year.

Signature Service includes creative services, research and our account executive service. For instance, each of our account executives is equipped with a beeper because we guarantee fast return of client calls.

We see creative services as offering a leg up for radio at the same time that we provide each new-to-radio client—particularly the small ones—a double benefit: a commercial several cuts above what the average account executive can be expected to create. In other words, agency quality without having to add an agency's 15% to our price to the advertiser. The leg up for radio is that that agency-quality creative is more likely to attract more listeners to the store to buy the product than account executive quality—meaning no offense to account executives.

In one case our new client was a large Kansas City auto dealership that had always been a heavy print user, but had had little experience with radio. We did one spot for him and he liked it. So we planned a campaign, he scheduled \$35,000 with us for first quarter and we'd converted a one-time non-radio user into a steady, stable account. On top of that, his commercials won an award and now he has a trophy in his office he can point to with pride for everyone who comes to see him.

We put together another spot for a bottled water distributor during the Alar scare with apples, and around the same time cyanide was found in two grapes out of the tons of grapes shipped in from South America. Our commercial played off the fact that even if consumers can't trust anything as benign and otherwise healthy as fresh fruit, the only thing left they can trust is our all-natural spring water.

We thought we'd gone too far on that one when the FDA jumped on the client and wanted him to pull the spot. But instead of getting us in trouble, the client laughed. He thought it was great. He figured, if the FDA found out about it, it showed people were listening, and even more important, paying attention. So much so that the client got a call from the Hyatt Regency Hotel because its restaurant patrons were asking for his water.

We've found that such agency quality creativity and production, plus our beeper-equipped account executives and their faster service, plus our research and the fact that we let buyers from the smaller agencies come in and use our computer, all adds up to create the value-added edge our Signature Service gives us in developing new dollars for Kansas City radio.—**Paul C. Terry**, creative director, WHB/KUDL(FM) Kansas City

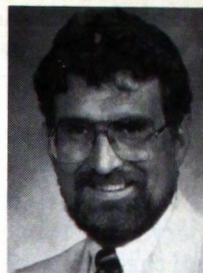
Appointments

Stations

John Bennett has been named president and general manager of WAPA-TV San Juan, Puerto Rico. He transferred from Augusta, Ga. in 1988, where he had been operations and station manager of Pegasus Broadcasting's WJBF-TV, to become station manager of WAPA before his current promotion.

Donald Epstein is now vice president, director of finance at Fox Television's WNYW(TV) New York. He moves in from WCBS Radio New York where he had been director of finance and administration.

Randy Rice has joined Narragansett Radio Inc. as vice president of programming and research. He had held the twin posts of operations manager of WJBO/WFMF(FM) Baton Rouge and radio group programmer for the Manship group.



Joe Lentz, general manager of WHO-TV Des Moines, has been elected a vice president of parent company Palmer Communications Inc. Lentz headed Palmer's KWQC-TV Davenport before joining WHO as general manager in February.



Augustine Martinez has been appointed vice president/business and station manager of Telemundo's KVEA-TV Los Angeles. He had been vice president/finance and administration at Fox Television's KTTV(TV) Los Angeles.

George Toulas has been named regional vice president of American Media Inc. and vice president, general manager of WJJO/WUBE(FM) Cincinnati. He continues his responsibility for operation of WOCL Orlando where he has been president and general manager.

Dennis Murphy has been appointed vice president, general manager of WMFX(FM) Columbia, S.C. He comes to the Baum Broadcast Group from WJFK(FM) Washington, where he has been general sales manager.

Dave Thomas has been tapped as general manager for WPTN/WGSQ(FM) Cookeville, Tenn., recently acquired by The American Network Group from Drue Hufines and Bob Gallaher. Thomas had been general manager of WZEZ(FM) in Nashville.

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Spotlight On...

Barbara Calvo



*Vice president
Media director
Quirk & Kramer
Advertising
Farmington, Conn.*

Barbara Calvo observes that the result of increased competition within radio and television markets has been a significant shift from general to more specialized formats that enable both stations and advertisers to more effectively address each market segment. For instance she says, "While public television does not offer traditional advertising as such, it does offer an alternative in an uncluttered environment. At the same time, dollars spent on cable and independent stations continue to rise because they, too, offer alternatives."

Looking back at the audience, Calvo notes that "Lifestyle has been a key buzzword in the '80s and it will continue to become even more influential in the '90s. Consumers are commuting more, becoming more selective about how they spend nonworking hours and generally returning to basic values."

She points out, "Twenty years ago people married younger. Newlyweds were less experienced, not yet established in a career and even a bit more naive. Today more couples are marrying in their late 20s and 30s, to add fuel to the buying power of the 25 to 49 age group. There are also more single heads of household and the majority of them are women. Consequently, women are making the financial decisions that men have traditionally made. The results reflect the female perspective and the need to appeal to it."

Calvo points out that to accommodate such changes, "Media buyers and planners have to be more selective. Gross rating points are no longer the primary consideration. Because of this, the broadcast sales force is becoming an integral part of the planning process. Sales people are not only more sensitive to the needs of clients and agencies; they have also assumed a new role as a critical source of information on changes in the marketplace. The approach is scientific and provides buyers and planners with facts on key budgetary issues for advertisers and changes in the marketplace that can affect programming. The result is that media professionals today are able to make smarter decisions that yield higher success rates for clients."

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KAER and KFBK (AM), Sacramento KFWB, Los Angeles KJQY, San Diego

Westinghouse Broadcasting Company



Robert McGann has been promoted to vice president, general manager of Midwest Communications' WCCO-TV Minneapolis-St. Paul. He joined the station as national sales manager in 1978 and now moves up from station manager. He was recently elected president of the Minnesota Broadcasters Association after serving on its board for five years.

John D. Quinlan has been appointed general sales manager at WCVX-TV Hyannis, Mass. He had been general manager of WLNE-TV Providence and before that he had been with WBZ-TV and WNAC-TV (now WNEV-TV), both Boston.



Klein



Alexander

Jonathan Klein has been named vice president and general manager of Group W's KYW-TV Philadelphia. He is succeeded as vice president and general manager of WJZ-TV Baltimore by **Marcellus Alexander** who had been station manager at KYW-TV.



Pete Anderson has been promoted to general sales manager at KTHI-TV Fargo, N. Dak. He came to the station in 1986 and now moves up from local sales manager.

William J. Katsafanas, general manager of KTVY(TV) Oklahoma City, has been elected vice president of KTVY Inc. The station was recently acquired by Des Moines-based Palmer Communications Inc.

Bob Galle has been named general sales manager for WLFL-TV Raleigh-Durham, N.C. He moves in from Salt Lake City where he had been general sales manager at KTVX-TV.

William F. Turner will join KTIV-TV Sioux City, Iowa upon FCC approval of the station's transfer from American Family Broadcast Group to The New Jersey Herald, Inc., a subsidiary of Quincy Newspapers, Inc. of Quincy, Ill. The past president of the Iowa Broadcasters Assn. had been special assistant to the president of Citadel Communications Co., owner of KCAU-TV Sioux City.

Representatives



Eileen Martinez-Holmes has been named vice president, sales manager of the New York office of Caballero Spanish Media. The former Univision sales manager has most recently been vice president, sales manager of Spanish-language WXTV(TV) New York.



Andrew Capone has been promoted to manager, Eastern spot television sales for NBC. Before joining NBC Spot Sales as an account executive in April he had been national sales manager for WFLA-TV Tampa and before that was director of sales training at MMT Sales.

Ron Garfield has been appointed San Francisco sales manager for TeleRep. He moves in from MMT Sales where he had been a team sales manager in both San Francisco and Los Angeles.

Phil Melchers has been promoted to sales manager of Katz American Television's White Team in Los Angeles. Before coming to Katz American in 1983 Melchers had been a sales executive with WBFF-TV Baltimore and before that he had been selling for Adam Young.

Frank Cicha has been appointed associate program director at Seltel in New York. He has been with the program department for four and a half years developing programming strategies for Seltel's client stations.

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Wall Street Report

CapCities/ABC stock: mixed, generally positive reviews by analysts

Capital Cities/ABC is getting mixed, but generally positive grades on Wall Street. Most positive on the stock is Brown Brothers Harriman & Co. With CapCities turning in earnings of \$22.31 per share in 1988, analyst Jay Nelson estimates \$27.25 for '89 and \$32 for '90. Coming in lower for the stock is Shearson Lehman Hutton, which sees the stock outperforming the market but is not making a solid buy recommendation, as is Brown. Analyst Alan Kassan places EPS at \$30.60 for '90.

Nelson points out the shares are selling at a 34% premium to the multiple of the Standard & Poors 500 based on the \$32 per share estimate for 1990 and \$26.75 for the 500. He contends a 1.34 relative P/E undervalues CapCities' prospects for about 18% average annual growth in earnings per share for the next three to five years. Viewed another way, he adds, CapCities "sells for a reasonable 69% of our \$779 per share estimate for its private market value."

The analyst also estimates the eight owned TV stations will increase their profits by 10% over the long term, even in a lackluster industry environment. He estimates the TV network will earn over \$200 million next year, even before the benefits of purchase price accounting adjustments—and that "considerably higher earnings levels are possible in the following years."

In addition, he says, the company's free cash flow per share "probably will exceed its reported earnings per share in 1990. The application of free cash flow will contribute five to seven percentage points to annual growth in earnings per share on an ongoing basis."

At Shearson Lehman, the \$30.60 estimate for 1990 is an improvement from an earlier estimate of \$27. Kassan bases the reevaluation on improved primetime ratings for ABC-TV and "continuing strength in network advertising demand." He states the company reported third quarter EPS of \$4.56 vs. \$3.60 a year earlier but that this was below Shearson's estimate of \$5.49. He notes the shortfall in third quarter profits was at the TV network, where higher programming and news costs held down profits.

Concurrence on Belo

Both Shearson Lehman and Merrill Lynch are projecting 1989 earnings per share of \$1.20 for A. H. Belo Corp. In the case of Shearson, that's a raised estimate from \$1.10. Last year, Belo earned 71 cents per share from operations, with actual EPS at 50 cents after a 21-cent programming writeoff.

Shearson's Kassan says third quarter EPS of 15 cents, vs. 3 cents a year earlier, were better than expected—with its estimate having been 10 cents. He elaborates, "The positive surprise was in the broad-

casting group, where revenues, after increasing 2.2% in first quarter and 7.8% in second quarter, advanced 16% in third quarter.

Although comparisons were somewhat easier, because TV billings last year were down 3% in third quarter owing to programming disruptions from the writers' strike, there was a significant improvement at Belo's Dallas and Houston stations. Newspaper revenues were also strong (up 8.2%), stemming from gains in retail and help-wanted lineage."

At Merrill Lynch, Peter A. Falco, first vice president, says Belo is "well situated to benefit from a turn in the Texas economy as more than 75% of its operating profits are derived from major media properties in Dallas and Houston. The company's most valuable asset is *The Morning News*, the leading Dallas newspaper."

Falco adds, "Good growth in the Texas economy over the next three years should translate into sharp increases in newspaper earnings and good growth in broadcast profits. We estimate 1989 pretax cash flow at \$4.45 per share. By 1991, pretax cash flow could be \$6-7 per share. We believe a normal public valuation might be six to eight times pretax cash flow, implying a price range of 36-56 in the next 12 months." The 52-week range has been 22³/₈ to 41.

Cautious on ATC stock

Analyzing the stock of American Television & Communications, Oppenheimer & Co. is recommending avoidance, except for speculative investors who expect majority owner Time Warner to buy back the publicly held shares. And analyst Dennis B. McAlpine holds, "We continue to view this as unlikely since the economics don't work. Without a buy-back, the upside is limited. The private market value would have to be 62¹/₂ to justify the current price."

He notes the PMV is continuing to increase. Using a 12 times multiple of estimated 1990 operating cash flow and a net value of \$600 million for unconsolidated subscribers, he estimates a current PMV of \$55 per share.

"Buyout of minority public shares still doesn't make economic sense," McAlpine asserts. "If Time paid \$55 per share for 19.7 million shares, interest expense at 11% equals \$119 million, but 18% of OCF is equal to only \$90 million. If we use free cash flow (OCF interest capital expenditures), Time would receive only \$30-35 million in cash flow for \$119 million in interest expense; worse if the PMV is higher."

But he also points to strong operating results for the company, even though his earnings per share estimates have been revised downward. With 1988 EPS at 65 cents, he's projecting '89 at 80-85 cents, down from his prior 90 cent estimate. For 1990, he calls for \$1 to \$1.05, as opposed to his prior projection of \$1.20. With ATC having acquired 100,000 subscribers from Centel Communications, McAlpine says the reduction for '89 reflects the goodwill and interest associated with the acquisitions.

He calls for revenues of \$1.08 billion and operating cash flow of about \$500 million in 1990 on subscriber growth of about 4.5%.

FEEDBACK

With movie packages now being sold to ad-supported cable networks prior to syndication, how do you feel this will affect their desirability if they are subsequently offered to your station?



"It will certainly make me negotiate harder to get a fair price, and you can be sure that my price will be much lower than [the distributor's] price. And I expect other independents feel the same way. But I wouldn't reject such a package out of hand. As an over-the-air, free broadcaster, I obviously don't like the idea of Orion selling to Lifetime [before me]. I'd like to be a fly on the wall to see how that sale works out financially for Lifetime. Over the years I've heard syndicators say, 'It's only a short cable window,' and phrases like that. In the past we didn't make a big enough stink. Now I get incensed about these sales to cable."

*Dick Williams
Vice president
WDCA-TV Washington*



"No question that these packages are less desirable. Every exposure decreases the value of a TV program. I wouldn't turn down such a package, but, as for the price, it's a matter of what the traffic will bear. But the marketplace will take into account all the factors. The syndicators feel it is found money, so it's up to them to find out what the value of the package is. I don't think that in the longrun the sale of movie packages to cable will affect the way independents program their stations. Movies are still important to independents. They get good numbers and good demos."

*Jim Major
General manager
WFTS(TV) Tampa*



"The proliferation of programming outlets has not necessarily diminished program desirability; rather, it has reduced the value and the availability to broadcasters. Now and in the future, broadcasters will adapt by relying on their own resources and becoming more self-sufficient. In anticipation of increased demand, we have entered into the area of program production by forming "TV Network." This company will fulfill our own needs as well as those of other broadcasters."

*Doug Johnson
Vice president, general manager
WXON(TV) Detroit*



"Although a few feature packages have been released to the cable networks, the best ones have not. Current economics dictate that the major distributors realize their greatest return on top features by following the traditional release pattern of broadcast first. We expect this will continue to be the marketing plan our station will support in the foreseeable future."

*Leavitt J. Pope
President
WPIX(TV) New York*



"It will certainly denigrate their value to us. When they took theatricals out of the movie houses and put them on ABC or CBS for a couple of runs before we got them, that wasn't too bad. But when it comes out of the movie houses, then cable gets it, and it goes from there on videocassettes before we get our hands on it, that has to impact on its desirability. That's reflected in the prices paid for packages that go this route. A feature that came off its theatrical run in 1988, and we won't have it on the air until 1993, can't expect to command the prices asked for fresher product. As a matter of fact, repeats of some of the made-for TV movies have been doing about as well in the ratings as some of the so-called 'smash hits' that finished their theatrical runs too long ago."

*Peter Schruth
General sales manager
WLVI-TV Boston*



"My understanding is that in both the Disney and Orion packages there are long-term deals involving six to 10 runs, and they may not go into syndication. But if they do, we would have great reservations about buying a package that had that many plays on a cable window. Cable had to pay outrageous prices for the titles, and even if we could get them much cheaper eventually, it would depend on our need. My guess is that we would have some need possibly in our fringe areas only because of their exposure previously. I can't see them as being viable primetime movies."

*Caroline Chang
Program manager
KTVU(TV) San Francisco*

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In the Picture

Lynne M. Grasz



New executive director of BPME describes the promotion group's goals and projects in an era of growing cost pressures on station management and of constant change that affects every format on the air.

Works for maximum service to members to 'help strengthen profession'

Lynne M. Grasz, new executive director of the Broadcast Promotion & Marketing Executives, says BPME "continues to look at every potential area of service to our members." In fact she sees the organization's job as "giving as much as we can back to the membership in terms of ideas and continuing education."

This she points out, is a particularly urgent need "in the face of the cost pressures on stations that, in many cases, result in promotion being only one of several jobs some of our members are trying to juggle simultaneously. They need all the help they can get. Particularly in radio, we find many stations without a fulltime promotion director. Promotion at these stations is often one more job for someone who's already wearing two or three other hats."

As Grasz sees it, "This gives BPME a tremendous opportunity to make a real contribution to strengthening our profession."

She says one growth area BPME is looking at is international: "We have members not only in Canada and Mexico, but in Brazil, in Europe and in Australia. And with the European Common Market countries planning to drop all trade barriers in 1992, I expect to see an expansion of commercial broadcasting as a key part of the coming 'global village.'"

Domestically, Grasz points to the growing numbers of radio and television stations broadcasting in Spanish. She notes "Many are already tremendously inventive with the kinds of merchandising and the big outdoor festivals they sponsor with advertiser participation. Some of them can show the rest of us a thing or two. But there are other stations that are relatively new to Spanish language broadcasting. Their people can use the combined experience of our membership to give them a boost in the right direction."

But Grasz adds that switching from English to Spanish is only one of the many elements of broadcasting undergoing change: "Change is affecting every format," she says. "Another fast growing area in radio is

business news. For many all news and talk stations, business news is only part of what they do, like sports and weather. But for a growing number of stations, business news is their prime specialty. Every hour of their broadcast day features business news or advice on personal financial management.

"But whatever the format, our members can play a key role in audience building and in generating events that can provide extra value added exposure for their stations' advertisers."

Grasz says BPME also has a job to do at the pre-entry level: "at the colleges and universities that do not yet include a broadcast promotion course in their communications or journalism curricula." One step BPME is taking in this area is updating the college text in use now: "It was good enough when it first came out," she says, "but that was before cable penetration was anywhere nearly as extensive as it is today, before every other household with a TV set had a VCR, and when there were fewer than half the number of radio networks that are in business today." Meanwhile, BPME continues to work with more colleges to get courses in broadcast promotion started on campus.

TV's critics come and go

Grasz observes that periods of increased criticism by television's detractors rise and fall like a swinging pendulum. She says, "Some of the critics, like Peggy Charren serve a useful purpose by keeping the spotlight on the quality of children's programming. But I don't hear anyone pointing out that children and teenagers watch a lot of what they see outside of the children's program blocks. I don't hear people pointing out that, for one thing, everything in primetime isn't all good clean fun like *Bill Cosby* or *Alf*, and that parents might exercise some responsibility in choosing what their children watch. Or that, when it comes to violence and sex, increasingly what's coming through more and more 'television sets' is not only what's broadcast by free, over-the-air television broadcasters. Much of it is movies brought in by cable—the same versions shown in the theaters and unedited for television. Free commercial television too often takes a bad rap for that because, to a viewer, and especially to young viewers, it's all "television." Often, the only time even many adults stop and realize the difference is the once a month they get the bill from the cable company."

Grasz recalls that in her previous post as executive director of the Television Information Office, one of the questions asked by the TIO Roper poll was "what is watching television?" That is, does watching television to the average viewer include watching a rented movie cassette? Is watching movies on pay cable watching TV? She says, "Generally there was little distinction in most people's minds between what is actually coming to them through the cable, and what is broadcast to them over the air."

When Grasz points to all the wholesome programming on free television, she says "I know sometimes I sound like a commercial, and when I was at TIO, yes, I was paid to say it. But the fact is, especially after traveling all over the country and talking about TV to middle America for the TIO, I'd say it whether they paid me or not."

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Children's bill amendment no child's play for cable TV

Sometimes in the nation's capital, early acceptance of compromise offers can be a dangerous thing. The cable industry offered no objections when broadcasters wanting to kill children's television legislation without seeming to oppose it got a senator to offer an amendment to apply the bill equally to cable. Having failed with that tack, the broadcasters and the senator are back with a new, tougher proposal.

Sen. John Danforth (D-Mo.), who offered the earlier amendment for the broadcasting industry, offered the second after the cable industry failed to blink. The new one is a longer, more comprehensive bill aimed essentially at reregulating cable, which was relieved from most regulation by the 1984 Cable Act.

Bad timing. And the bill was introduced just in time for the start of oversight hearings by the Senate Communications Subcommittee into the post-1984 cable industry. It couldn't have come at a worse time for cable. The industry already was on the hook with the committee, whose members must field inquiries from their colleagues when they receive a lot of mail complaining about cable.

The movie and broadcasting industries have been attacking cable ever since it won relief from regulation, and their attacks have included calls for reregulation. At the opening hearing, Chairman Daniel Inouye (D-Hawaii) told the cable representatives point blank: "This Congress will act on some measure that will bring about some reregulation."

Inouye noted that the medical community fought Medicare when it was a foregone conclusion instead of helping to fashion less-onerous legislation, and suffered in the end. "A flat-out negative response really will not fly with this committee."

Jim Mooney, president and CEO of the National Cable Television Assn., had suggested during his testimony that instead of reregulating

the cable industry, Congress should instead "go to significant jawboning first, and if that doesn't produce a result, then maybe think about something else."

Inouye rejected the jawboning idea, repeating that it was time for reregulation. Congress planned to leave town after Thanksgiving, not to return until January, when the subject is likely to be put on the subcommittee's front burner.

Backfire. But if the new Danforth bill was intended to get the cable industry to oppose the children's television bill, that may have backfired. His bill, as one introduced earlier with Sen. Al Gore (D-Tenn.), amounts to legislation so significant, it has become the dog wagging the tail of children's television instead of the other way around. Where the two appeared to be inevitably linked, along with the must-carry issue added earlier by Inouye, cable reregulation may now be dealt with separately.

As onerous as the Danforth and Gore bills may be to the cable industry, a suggestion that neither of them had made in their proposals cropped up at the hearing when several senators suggested that whatever bill is passed should include a provision requiring purchasers of a cable system to hold onto the property for at least five years. Broadcast stations once were required to be held for three years, and there have been calls to restore that old FCC rule.

John Malone, head of Tele-Communications, Inc. (TCI), the nation's largest multiple-system operator, said such a provision probably would hurt the liquidity of purchased systems and suggested that if Congress has to take action in that area, that it do so by providing a tax disincentive for reselling within a certain period.

Mooney and Malone played "good-cop, bad-cop" with the committee, and it appeared to be effective. Mooney took his usual tough line against any restrictions on the cable industry. Malone presented a

reasonable mien and suggested he could live with much of the Danforth bill, even though his would be the only MSO affected by the proposal that MSOs be limited to no more than 15% of the nation's subscribers.

Conciliatory. TCI alone has less than 10%, but it has enough interests in other cable MSOs that Malone estimated the company's share of subscribers was as much as 21½ to 22%. Diplomatically, he said there probably should be a cap but that it should be as high as 25%, or maybe even 21½ percent. Malone's conciliatory stance so impressed Gore that he withdrew the "Darth Vader" label he once had applied to Malone.

In addition to putting a cap on MSO dominance of the industry, the Danforth bill would allow cities to once again regulate basic cable rates, enable the cities to cut off the operator's franchise in certain instances, and tighten the term "effective competition" enough that the FCC uses to determine whether rates can be deregulated. The proposal also would bar cable programmers affiliated with a cable operator from discriminating against other program carriers.

More importantly to broadcasters, however, would be the must-carry provision that would guarantee channel positioning. The cable system would have to give a station its on-air channel number or the number the station had on the system before the cable act went into effect. The Senate Communications Subcommittee already had agreed to allow Danforth's earlier proposed amendment to the children's TV bill, and Inouye had promised to add must-carry to the same legislation if a compromise on the channel positioning issue could be worked out.

If Danforth were to get his latest effort attached to the children's TV bill, cable would be forced to unite with broadcasting to create an almost undeniable force against the children's TV bill. The attachment would at least assure that no action would be taken on that legislation until well into next year.

*(Washington Roundup
continued next page)*

Cable vertical integration or foreign ownership?

The head of one of the leading cable companies used the threat posed by foreign ownership of U.S. communications to make a case in defense of vertical integration within his industry.

Frank Biondi, president and CEO of Viacom International, which also has large interests in broadcasting, TV production and syndication, and movies, told the House Telecommunications Sub-

committee that the global marketplace already is here and that "continued concentration is inevitable and may be essential to remaining competitive."

Biondi addressed the subcommittee during the first of a series of hearings designed to delve into the "globalization of media industries," meaning a fear that foreign interests may soon control the U.S. media because U.S. companies al-

ready lack the necessary funds possessed by their foreign counterparts to buy out U.S. movie makers, programmers, cable companies, and other entities. FCC rules limit broadcasting ownership to U.S. citizens.

Under fire. The cable industry, now considered more dominant than broadcasting on the communications scene, has come under fire in Congress and elsewhere for the vertical integration and concentration of ownership within the industry and its suppliers.

the marketplace

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Biondi argued that there are adequate government remedies in place to deal with any concentration that threatens to remove competition from the communications businesses. "Foreign ownership of American companies is acceptable so long as American companies can compete fairly," he said. In fact, he said, Black Entertainment Television, C-Span, Cable News Network, Nickelodeon, and The Discovery Channel were made possible by the financial support of cable systems that he suggests could not have been as effective in the ab-

sence of vertical integration."

Biondi concluded, "So long as everyone is playing by roughly the same rules, I am confident that the U.S. entertainment industry will continue to evolve and thrive as a dynamic mix of foreign and domestically owned firms."

Subcommittee Chairman Ed Markey (D-Mass.) persisted, "As we see U.S. media companies swallowed by global media giants, I question whether American consumers and workers will be as well-served by the media in the year 2000 as they are today."

More antismoking ads funded?

Sen. Edward M. Kennedy (D-Mass.) is drafting a bill aimed at controlling the advertising of tobacco products but has done so in a way that could help the broadcasting industry. Kennedy said his measure would call for a \$185 million federal antismoking campaign, including advertising.

The bill Kennedy is proposing would allow each state to regulate tobacco advertising as it saw fit.

the marketplace

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Washington Report

Sports siphoning by cable interests eyed by Senate unit

The communications industry is becoming so complex, internecine, and ever-changing it is hard to guess in advance the stance the industry's practitioners will take on some issues. Representatives of broadcasters seem to have fewer simple positions to take.

This conundrum emerged just a few years ago when the broadcasting industry had to defend the beer industry against charges its commercials were intended to appeal to minors, at the same time they were running PSAs against drunk driving. It took the lead on PSAs for the same reason it defended beer commercials—it wanted to preserve those advertising dollars.

The cable industry finds itself countering some of the same arguments it used years ago when it tried to break the broadcasting headlock on competing media. The National Assn. of Broadcasters avoids the financial interest-syndication fight because it has members on both sides. There are many other examples.

So it came as little surprise recently when Sen. Arlen Specter (R-Pa.) failed to solicit what many in the audience felt would have been an obvious response from broadcasters to a problem they were pleading for Congress to resolve.

Sporting proposition

The subject of the Senate Judiciary subcommittee hearing was the siphoning of sports programming by cable from over-the-air television. NAB's Eddie Fritts had raised the spectre of sports fans being forced to pay cable prices for most of what they now view for free.

He and Preston Padden, his counterpart at the Assn. of Independent Television Stations, put much of the blame on professional sports for using their 28-year-old antitrust exemption to seek greater revenues from cable without competition on broadcast TV.

Much of the hours of testimony had centered on the decision by the New York Yankees baseball team to sell exclusive rights to televise their games for the rest of this century to Madison Square Garden Network. WPIX(TV), a New York independent that had carried the Yankees, apparently could not match MSG's offer of \$550 million. Then MSG was dropped from Long Island's Cablevision system, apparently because it competed with Cablevision's Sportschannel, the other losing bidder. Many New York-area viewers thus were blacked out.

Similar complaints were lodged against the National Football League, which has been selling exclusive rights to games to ESPN, the cable sports channel normally carried on basic tiers.

At the behest of the NFL, Congress passed the Sports Broadcasting Act in 1961. It stated, in part, that antitrust laws "shall not apply to any joint agree-

ment by or among persons ... conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in [the sports] sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of [the sports] as the case may be, engaged in or conducted by such clubs."

The purpose of the act was to allow the NFL to sell a package of league games to CBS. ABC had a similar contract with then-existing American Football League. The act was considered in the public interest because it was the only way all road games of a franchise could be guaranteed to be shown in the franchise's home town.

But that was before cable became something other than simply a method for getting television to areas where reception is poor. Now, the same antitrust exemption is being used by professional sports to sell packages to cable, complete with contracts specifying exclusivity from broadcaster competition.

Antitrust exemption

After listening to all that, Specter asked, "Should we take away the baseball antitrust exemption?"

Fritts dodged the question: "I think you have to look at the trend of what's happening in sports broadcasting. While the previous panel [commissioners of baseball and NFL, Cleveland Browns owner, and ESPN chief] expressed real concern that siphoning was, in fact, really happening, I think you have to look at the trend of what took place in '85 since the Cable Act and where we are going in terms of siphoning free, over-the-air television sports programming ... We see a definitive trend where the sports barons can raise the price by going to cable, using the cable dual- or triple-revenue streams to attract the kind of bidding in which broadcasting is clearly at a disadvantage."

Padden also ducked: "There are three things you can do. In an informal way, try to encourage the development of a national consensus on how much, and what kind of sporting events would remain on free TV ... You condition the antitrust exemption and cable's compulsory copyright license on the maintenance of some minimum quantity of games of free TV ... And the third thing you can do would be ... end the broadcasting subsidy to cable—repeal the compulsory copyright license, and then at least you would know that the free broadcasters had a fair shot in negotiating for those rights."

Specter then turned to James Boaz, general manager of WTXF-TV, Philadelphia, who also appeared on the panel. Boaz answered without equivocation: "No ... Congress slapped the broadcast networks' hands real good in the '70s and early '80s, and they did turn loose that Cable Act. What they did was put back the balance" between the broadcasting and cable industries. Congress shouldn't be taking anything from anybody, he said, but it should be seeking a balance. He would end the compulsory license, he added under further questioning from Specter, who summed up, "I'm impressed by what I didn't hear. Nobody's prepared to call for an end to the baseball antitrust exemption."—Howard Fields

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1990

January 3-6, 1990	Association of Independent Television Stations, Century Plaza, Los Angeles January 1 Issue
January 16-19	NATPE International, New Orleans Convention Center January 15 Issue
January 18-21	Radio Advertising Bureau, Annual Managing Sales Conference, Loews Anatole, Dallas January 15 Issue
February 11-16	International Television Festival of Monte Carlo, Loews, Monte Carlo February Television/Radio Age International
February 28-March 3	Country Radio Seminar, Opryland Hotel, Nashville
March 31-April 3	National Association of Broadcasters, Atlanta March 26 Issue
April 1-3	Cable Television Advertising Bureau Convention, Marriott Marquis, New York
April 20-25	MIP-TV, Cannes France April Television/Radio Age International
May 9-15	Golden Rose of Montreux Festival, Montreux
May 19-22	CBS-TV Annual Affiliates Meeting, Century Plaza, Los Angeles May 7 Issue
May 21-23	National Cable Television Association Convention, Atlanta Convention Center
June 3-6	NBC-TV Annual Affiliates Meeting, Washington, D.C.
June 12-14	ABC-TV Annual Affiliates Meeting, Century Plaza, Los Angeles June 4 Issue

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