

TV NEWS

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AGENCY OF RECORD

In wake of mergers, practice seen mushrooming/32

TV SHOW LICENSING

Business booms as producers set up in-house shops/34

ACE AWARDS

'Academy' injecting some luster CABLEAGE/C6

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October 28, 1985

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Los Angeles/KNBC
Star Games is #1 in its time period.



Chicago/WGN
Star Games improves on lead-in program share by 86%.



Houston/KHTV
Star Games' two-week average rating up 70% over October '84.



Philadelphia/WPHL
In its first telecast Star Games increases lead-in rating and share over 80%.

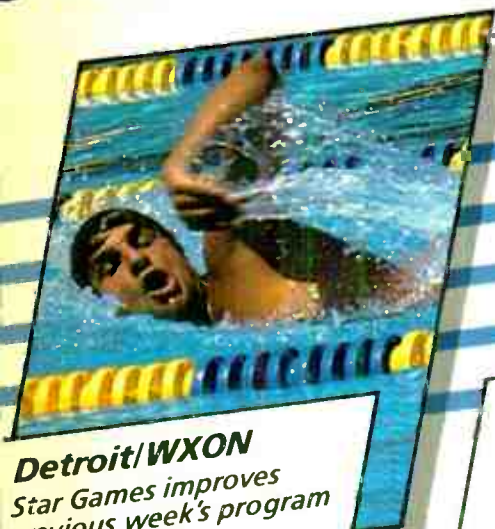


San Francisco/KRON
Star Games doubles over lead-in rating and increases lead-in share by 75%.

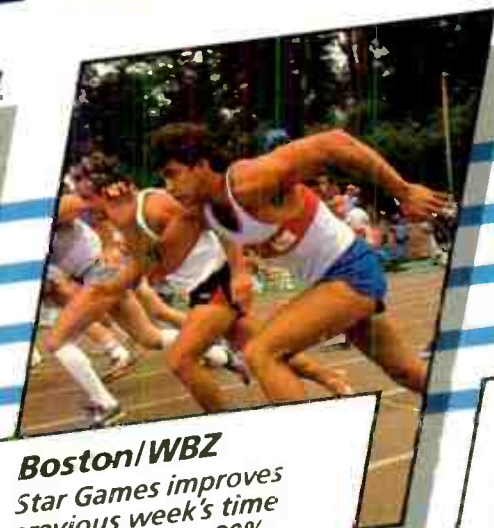
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MAKING ON SWEAT!



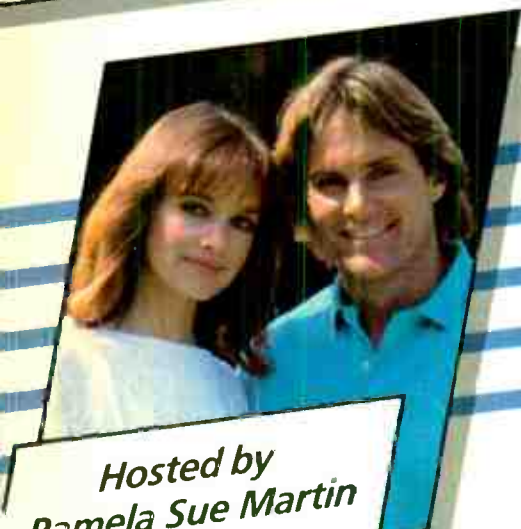
Detroit/WXON
Star Games improves
previous week's program
share by 50%.



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Television/Radio Age

October 28, 1985

Volume XXXIII, No. 8

Most affiliates will continue to use outside material, despite the Big Three networks' expansion plans

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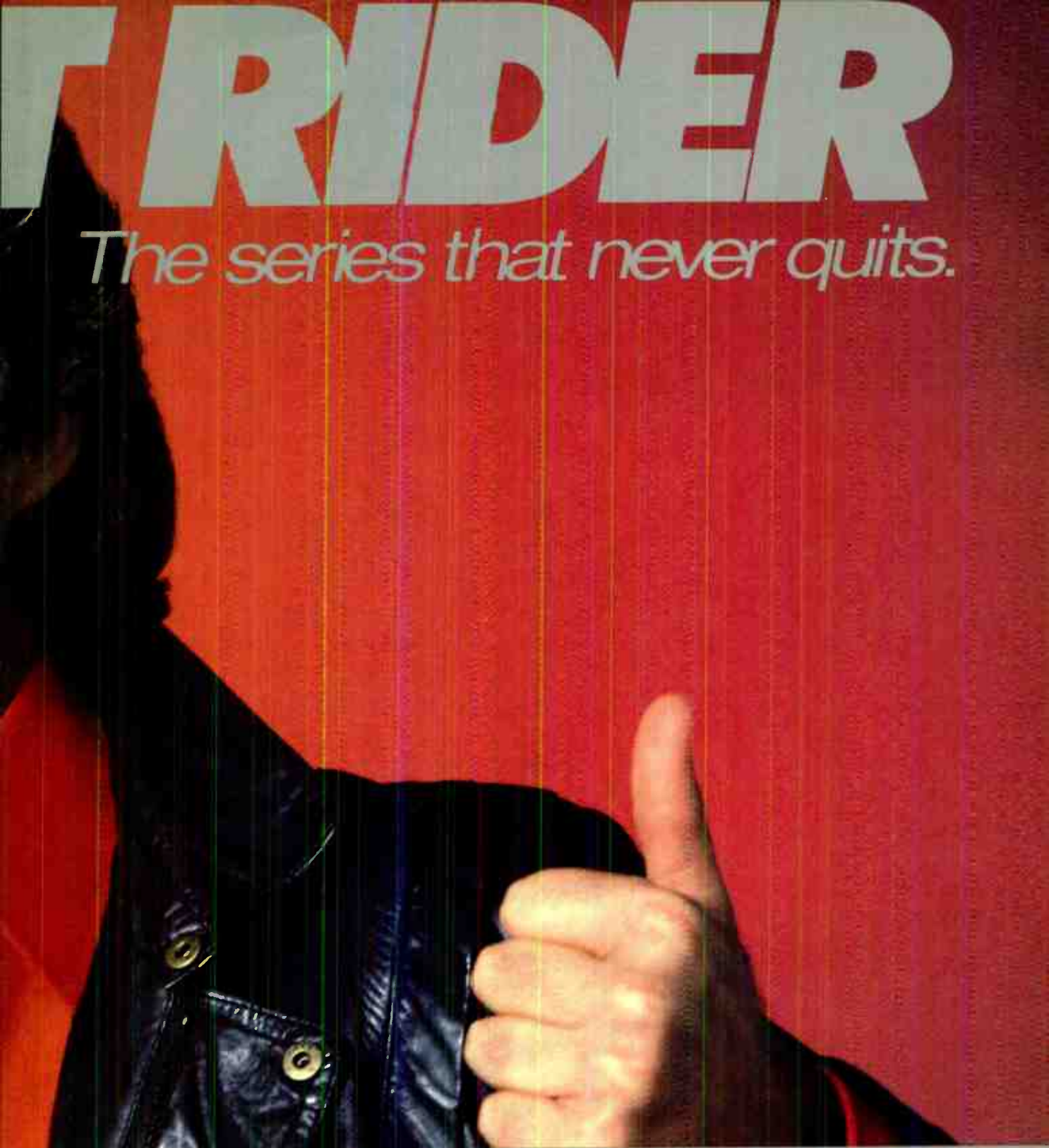
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Impact of co-production pacts to be felt in next year's schedules

LONDON

The syndication business in the U.S., according to the latest TV/RADIO AGE estimate, will gross approximately \$1.2 billion in 1985. This does not include barter, which is very difficult to estimate.

In the international marketplace, the total amount of programming sales worldwide amounts to \$600 million. Of this, 10 per cent, or \$60 million, is grossed primarily by the British program distributors. About 5 per cent, or \$30 million, is racked up by the other English speaking programming from Canada and Australia. Animation, primarily co-production deals with American companies, is increasing rapidly.

The results of co-production arrangements with the British companies will be very much in evidence in the program schedules for next year. One of the most successful of these is *Dempsey & Makepeace*, an action-adventure series currently on the air and co-produced by Tribune Entertainment and London Weekend. The formula on this type of series is to have one British and one American lead. The show is getting acceptable ratings in both America and Britain. It is getting interesting reviews across the country. As Mark Dawidziak of the Knight-Ridder News Service observed, "The new wrinkle is that Dempsey is an American [Michael Brandon] and Makepeace is British [Glynis Barber]. What we have are two sleuths, each embodying the prevailing image of a country. Dempsey is brash, courageous, impulsive, tough, cocky, fun-loving and brutally frank. In other words, a red-white-and-blue hero. Makepeace is refined, patient, more cautious, tenacious, well-educated and reserved—bloody good, stiff upper lip, carry on and all that rot. It's a real clash of cultures. Vedly cultivated Londoner meets street-wise Noo Yawkuh. They differ in backgrounds, approaches, temperaments and methods. They've got to make a great team."

Recent co-productions or those ready for release include: *Mussolini: Decline and Fall of Il Duce*, RAI-Italy and HBO-U.S.; *Murrow*, which is produced by Titus Production-London and HBO-U.S.; *Fortress*, Crawford Productions-Australia and HBO-U.S.; *Reach For the Sky*, John Gau Productions-U.K.; *Night Heat*, Grasso-Jacobson Productions with RSL, Canada for CBS. Also, London Films-NBC, *John and Yoko: A Love Story*; BBC-U.K. and Fremantle, *Reckless Disregard*; Fremantle has also co-produced with CTV and Scottish TV *The Campbells* for CBN and is also co-producing the sci-fi series, the *Tripods*, with the BBC for international sale. Others: Telepictures-U.S. and TVS-U.K., *Strong Medicine*; MGM/UA, Cinecitta, NBC—*The Golden Crew*. This is by no means a complete list, but it gives some idea of the tremendous amount of activity.

During the next season, there will be a large increase in Canadian co-production. There will also be additional shows co-produced in England by BBC, TVS, Central. There are also some co-production deals pending with Beta Films in Germany.

Barbara Taylor Bradford's *Hold The Dream*, which is a sequel to the miniseries, *Woman of Substance*, is being produced for Operation Prime Time and will be ready for release next month. OPT has said that in the future most of its miniseries will be produced in Britain.

The presence of cable—HBO and Showtime—has given the British production companies an additional window. For example, Showtime is currently producing *Tender is the Night* with the BBC. Economics are playing a major factor in the increase of co-production. As one U.S. program buyer said, "The co-production deals give excellent production values as well as lower cost."



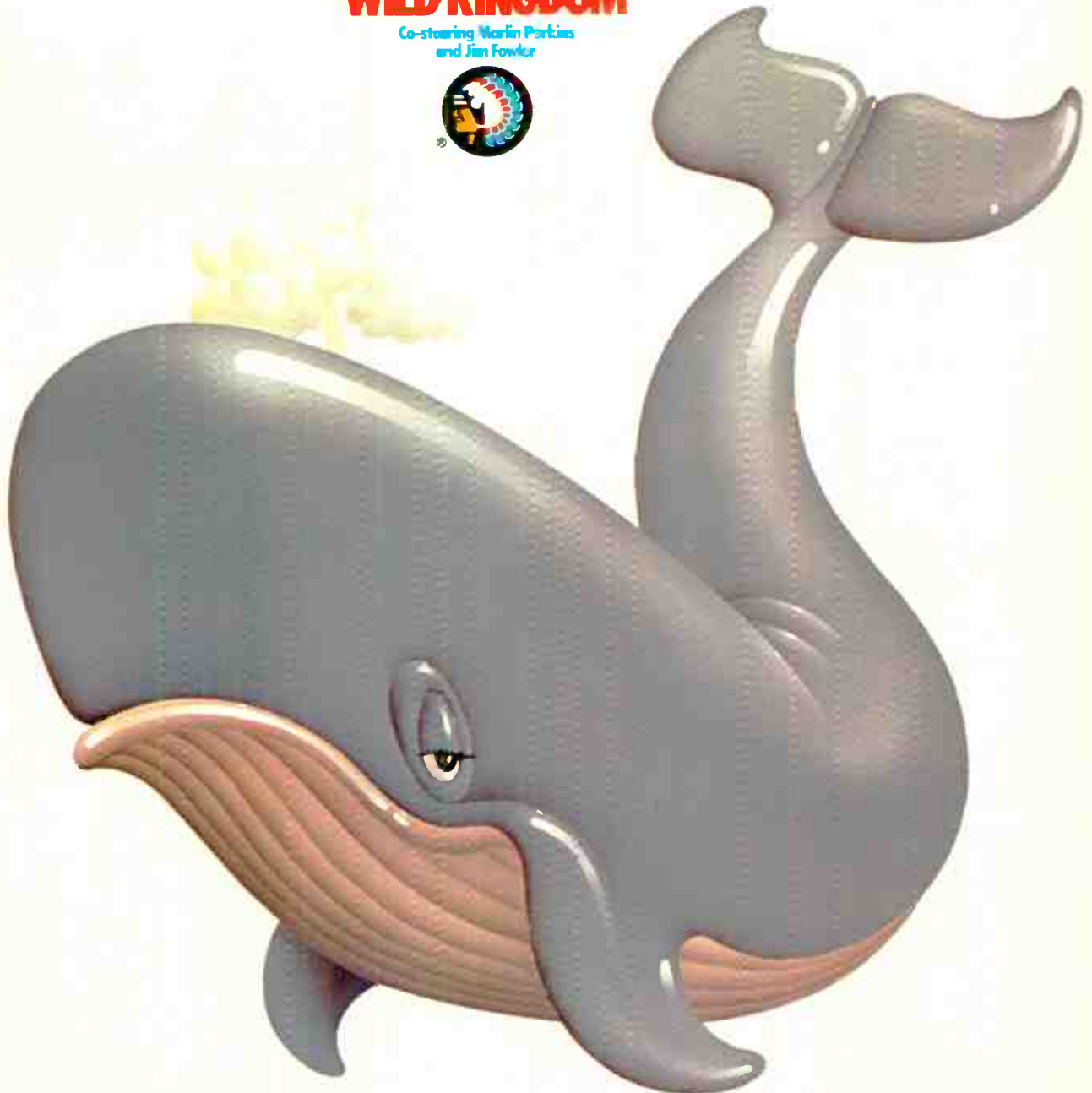
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Letters

Cable's audience

Based on the first sentence alone, Charles Abrams' comments in the September 30 issue ("Don't misinterpret cable's gains") deserved to be headed *Media Sophist* rather than *Media Professional*. (Abrams is vice president, director of media, at Dawson, Johns & Black, Chicago.)

It sets the tone for some simplistic, misleading generalizations that follow. Mr. Abrams says that cable's growth to nearly 50 per cent penetration "does not mean that 50 per cent of the viewers who watch television are watching cable programs." Of course not, any more than it would be proper to say that broadcast network affiliates, available in more than 90 per cent of all households, have a 90-plus share of total viewing.

What Mr. Abrams is implying here, and throughout the article, is that viewership to cable programming is insignificant, so much so that he says there is "little reason for national advertisers to make special efforts to reach cable viewers..."

It is hard to imagine anyone making

that statement given the vast amount of data now available documenting the dramatic growth in audiences being enjoyed by cable programming. Forty-seven per cent of America's television households will pay \$9 billion this year for cable television service. The overwhelming majority of these subscribers have brought cable into their homes for *more programming choice*.

Cable cume. Mr. Abrams claims this choice is not being exercised to any significant degree, with cable subscribers instead choosing to stay with traditional broadcast network television. Not true. Nielsen data show that the weekly cume of cable programming is nearly 100 per cent in cable households. Advertising-supported cable's weekly cume alone is almost 90 per cent. In all cable households on a total-day basis, cable programming now has a 35 share, while in those cable households with a pay service, cable's share rises to 41. In August, cable's share reached 46, one point higher than that of the broadcast network affiliates.

One wonders whether Mr. Abrams has seen these figures, since his firm is not listed among the subscribers to Nielsen's NTI Reports. This lack of information may also explain Mr.

Abrams' misstatement that "most" cable subscribers who *are* watching cable are viewing advertising-free pay services. In fact, advertising-supported cable has a 24 share of viewership in all cable households against an 11 share by the pay services. Even within the universe of only those cable households with a pay service, advertising-supported networks outdistance the pay offerings by a 24 to 17 share.

Finally, Mr. Abrams acknowledges cable's superior demographics but then totally ignores the fact that off-air television underdelivers cable households. They now represent over half the buying power in the country and are disproportionately better consumers of most products and services. We would be happy to share with Mr. Abrams our newly-published series of case studies which demonstrate that the inclusion of cable in a media plan can dramatically improve the buying power of a television budget by increasing advertising weight in the more affluent cable households.

Case studies. Here's one example. An analysis of a sports car advertiser's broadcast-only schedule showed underdelivery in cable households, which are 24 per cent more likely than the national average to purchase this advertiser's product. By shifting 23 per cent of the original broadcast budget to cable, the advertiser was able to show a 73 per cent gain in GRPs in cable households, plus increases of 16 per cent in four-week reach, 48 per cent in average frequency and 83 per cent in effective reach. Overall cost-efficiency improved 20 per cent.

Another case study showed that consumption of a specific package goods product was 11 per cent higher in cable households than the national average. A 17 per cent budget allocation to cable corrected underdelivery by increasing GRPs by 37 per cent in cable households, four-week reach 22 per cent, average frequency 11 per cent and effective reach 38 per cent.

With the rapid growth in the availability of information needed by agencies to evaluate cable's place in the media mix, it is difficult and requires a dedicated effort to keep current with the aforementioned facts. However, it is important for media professionals who want to get the most effectiveness out of their television budgets—and speak knowledgeably on the subject—to study this information before forming opinions and making decisions based on yesterday's data.

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Sidelights

Goodbye, Pittsburgh

Having acquired its way into becoming one of the top broadcast groups, Hearst Broadcasting has become too big for Pittsburgh—or at least too significant to its parent company to be that far from the fold.

So, according to John Conomikes, vice president of Hearst Corp. and general manager of broadcasting, the broadcast operation is preparing for a move to Hearst headquarters at 959 Eighth Ave. in New York.

Conomikes reports the move will take place between May and August of next year. "With our expansion of sta-



John Conomikes, Hearst general manager of broadcasting, is preparing to pack up for a New York move.

tion ownership," he explains, "we find it difficult to conduct business without being there. We're the only major group in the company not headquartered in New York."

Among those planning to move with Conomikes are Mickey Hooten, general manager of TV; Fred Young, director of broadcast operations; Jack Shenkan, director of sales and marketing; and James Snyder, business manager.

Media buyer mobility

Agency media department people who complain about lack of opportunity might take a look at the list of 10 nominees for the board of directors of the newly merging D'Arcy Masius Benton & Bowles. With five each nominated from D'Arcy-MacManus & Masius and from Benton & Bowles, three from the latter agency came up through the media department.

George Simko, now president of the DMB&B Diversified Companies Division, joined B&B as a media buyer in

1960. His last pure media job was vice president, director of media management from 1970 to 1976, at which time he became a group executive overseeing media.

Another nominee is Michael Moore, who was Simko's immediate successor as director of media management. He started at the agency as an assistant media buyer in 1962. In 1982, Moore became a group executive, overseeing media, programming, research, promotion, office management and Telecom Entertainment. His current title is corporate media director/USA.

Bern Kanner started at B&B in 1952 as a media department trainee and went through virtually every phase of the media department before becoming director of media management in 1966.

In July 1970 he moved into account management. He's currently executive vice president of the International Division.

None of the nominees from DM&M have media backgrounds.

Connecticut's own

Just one year short of his 50th anniversary in the broadcast industry and with WTIC Hartford, announcer Bob Steele has received the Distinguished Service Award of the Connecticut Broadcasters Association, the first such award given out since 1980. Steele has long lost the Missouri accent he was told to lose when he became a junior announcer for the station on October 1, 1936, and *The Bob Steele Show* is now the longest running morning personality program in the nation, with an audience of over 1 million.

Before beginning his announcing career with the station, Steele had bounced around in such diverse pur-



Announcer Bob Steele, c., receives award from **Michael Hanson, l.**, pres., Connecticut Broadcasters Association, with Connecticut Gov. **William O'Neill** joining in.

suits as being an unsuccessful amateur boxer, a restaurant owner and a Hollywood stunt motorcycle rider. Announcing motorcycle races was Steele's only related experience when he joined the station.

His current program, running for 42 years, offers a mixture of music, news, weather and down-home humor.

Over 150 CBA members and special guests, including Connecticut Governor William O'Neill attended the special luncheon award ceremony for Steele at CBA's 30th annual conference.

The meaning of 'Dallas'

If J. R. doesn't look Jewish, it's just as well for the large number of Israelis who religiously watch the show but perceive it in terms of their own values. Concerned with what foreigners can get out of a show that is thoroughly American, complex in its relationships between characters, and contains a great deal of dialogue with little self-explanatory action, a University of Southern California communications analyst decided to get some answers.

Elihu Katz, professor at USC's Annenberg School of Communications and also a professor at the Hebrew University of Jerusalem, assembled 50 focus groups of three couples each to watch an episode where J. R. loses custody of his son to Sue Ellen, who has left him to live with her lover, Dusty. They were chosen from four diverse ethnic groups in Israel and a non-ethnic sample of Americans in Los Angeles—all lower middle class.

One of these groups, Moroccan Jews, tended to see the problems on the show stemming from the characters' lack of religious tradition.

For example, a Moroccan named Machluf asserted, I'm a Jew who wears a skullcap, and I learned from this series to say, 'Happy is our lot, goodly is our fate' that we are Jewish.

"All that stuff about J. R. and his baby, who has maybe four or five fathers, who knows? And the mother is Sue Ellen, of course, and the brother of Pam left... maybe he's the father..."

"American viewers took the whole thing far less seriously than the Israelis," Katz says. "When they did put themselves in the place of the characters, they were more playful about trying on the roles."

"The Israeli viewers from all four ethnic groups tended to use the show as a jumping-off point for discussing universal questions and issues that affected their own lives. For several of the couples, watching the show triggered arguments about the role of women and sparked serious bouts of soul-searching about moral issues."

A major conclusion of the study, though, is that foreign viewers are not passively accepting the values and messages of American television programs.

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Tele-scope

Users see Megabase, Micro giving sample size benefits

Considering the information explosion promised by A. C. Nielsen through expansion of its Megabase and Micro services, the applause of both buyers and sellers stems primarily from the fact that the accessible information in these systems will be based on much larger viewer samples than are today's ratings.

If Nielsen's validation tests of its people meter pan out, the plan is to have a 2,700 sample in place by September, 1987, and, by September, 1988, "a gross people meter sample in excess of 6,000 households, and an effective sample size of about 4,600 households."

Regarding actual utility of the data flood promised, Fred Brandt, vice president, director, media information and analysis at Ted Bates, says the industry won't know whether it really needs services like Megabase "until Nielsen actually produces the information and we get a chance to try it out. But we do need larger sample sizes because more advertisers today want to target smaller demographic cells than we can do with accuracy. And we also need 52 weeks of audience composition data instead of the 38 weeks we now have to settle for."

At ABC, Marvin Mord, vice president, marketing and research services, says the additional data "will be useful to anyone with the computer capacity to massage it. The networks, big advertisers and big agencies have it. And the networks will do it as a service to the smaller advertisers and agencies that don't have it. And in many cases where a data user needs to get more specific, the information will be available on a special analysis basis, so there's no need to keep all of it on line all the time."

At SSC&B, Larry Roslow, vice president, director of media research observes, "After years of foot-dragging, we finally appear to be on the threshold of having all the information we've been asking for for so long, all automated and on line, and from sample sizes several times the size of what we've been living with."

On the other hand, cautions Roslow, "All we have to do is look at how parts of the computer business are floundering around to see how quickly great expectations for great technical leaps forward can evaporate into disappointment, and how a lot of things can go wrong and upset everybody's timetables."

Combined information. David Poltrack, vice president, CBS Broadcast Group, says that with increased sample sizes, combined with information from services like BehaviorScan, ERIM or ScanAmerica that correlate product purchase with viewing behavior, "We could expect to see more informed media buys, We could expect to see 100 advertisers, who among them currently use five different criteria for buying television time, be in a position to use 100 different criteria."

Poltrack adds that the capability that such a level of sophistication in buying could give to advertisers "could represent a significant challenge to the networks in analyzing how best to position their programming to meet the new advertiser needs that may surface from all this."

But Poltrack also points out, "There will probably be checkpoints along the road to this new capability. At certain stages, advertisers are likely to keep asking themselves, 'What is the value of additional information?' That is, assuming there will be this vast database of more accurate information on finer audience segments, at what point will the additional sophistication of his buying more than pay, in terms of additional profit on increased product sales, for the increased cost of the computer time, software and manpower required to analyze the results?"

Interpublic worldwide shift

One of the Interpublic Group of Companies' three worldwide agency networks would turn over its international operations to a new entity in a deal Interpublic is discussing with the Lowe Howard-Spink holding company. Marschalk Campbell-Ewald Worldwide would be merged into a new combine called Lowe Marschalk Worldwide, based in London. It would be the third worldwide agency network, along with McCann-Erickson Worldwide and SSC&B: Lintas Worldwide.

Interpublic would transfer its interests in the Campbell-Ewald agencies in Europe, Canada and Australia and a minority interest in The Marschalk Co. to Lowe Howard-Spink in exchange for stock in the holding company that would make Interpublic the largest shareholder. Campbell-Ewald would remain a wholly owned Interpublic agency, using the new network as its international arm.

According to Eugene P. Beard, Interpublic vice president of finance and operations, no displacement of management personnel is involved. Richard D. O'Connor, chairman and CEO of Marschalk Campbell-Ewald Worldwide, would remain chairman and CEO of Campbell-Ewald and would be a member of the new entity's executive committee. Lester A. Delano, president and COO of Marschalk Campbell-Ewald, is to be chairman of that executive committee.

Home VCR use increasing

Combined recording and playing time in VCR homes increased 19 per cent over last year in June and 43 per cent for July, according to a just-released report by A. C. Nielsen. These households averaged two hours and 14 minutes of recording time and four hours and 18 minutes of playing time per week in July. Sixty per cent of recordings were made when the set was off, 30 per cent during viewing of the same program and 10 per cent during viewing of a different channel.



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TV Business Barometer

Spot TV to top \$5 billion mark

Even with a slowdown, spot TV is expected to top \$5 billion in time sales this year, as measured by the *Business Barometer* sample of stations.

If spot remains at the same dollar level as in '84 during the remaining unmeasured '85 months (September through December), the time sales total for the year would reach \$4,967.5 million, which represents an increase of 5.4 per cent over 1984.

The increase so far reported through August (see September 30 *Business Barometer*) is 8.3 per cent, with spot time sales for the first eight months of the year standing at \$3,301.9 million. In order to top \$5 billion, spot time sales would have to be up at least

6.1 per cent for the year, which certainly looks likely.

As brought out by the story on page 37, the spot billings outlook is for a soft fourth quarter. One factor cited is the "slow economy," with advertisers cutting back on advertising to add dollars to the bottom line. But most of these comments were made before the Commerce Department announced on October 17 that the economy expanded in the third quarter somewhat faster than the earlier estimate.

The latest quarterly growth estimate for gross national product was 3.3 per cent, as compared with a "flash" estimate of 2.8 per cent issued by the department in mid-September.

Since advertising expenditures are more volatile than in the past, there are hopes in the spot broadcast community that things may

turn around. They have already done so since late summer. A survey of 32 agency supervisors by regional marketing directors of the Association of Independent Television Stations in late August and early September found a consensus that spot TV would be "somewhat tight" in the fourth quarter. A month later, however, the outlook changed.

Recent data

The table below includes the latest estimates from data reported by the *Business Barometer* sample of TV stations. The total for spot through August is, as noted, \$3,301.9 million; for local, \$2,912.4 million, and for network compensation, \$298.3 million. Local was up 12.0 per cent, and network comp, 5.3 per cent.

While spot increased more during the second quarter than in the first, local advertising's increase was slightly less in the second quarter.

Television station advertising billings, 1983-1985

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

	1983	Spot 1984	1985	1983	Local 1984	1985	1983	Compensation 1984	1985
January	\$271.7	\$296.7	\$296.4	\$201.5	\$236.0	\$265.7	\$31.5	\$32.5	\$34.1
February	254.9	283.7	295.3	208.3	251.4	264.0	34.9	35.8	37.6
March	340.2	361.6	406.8	305.8	358.4	424.3	34.1	35.2	37.0
1st quarter	866.8	942.0	998.5	715.6	845.8	954.0	100.5	103.5	108.7
April	417.5	485.6	507.0	313.4	386.7	430.0	38.6	41.3	43.5
May	427.6	478.5	512.0	346.0	407.6	450.0	34.9	34.3	35.6
June	354.4	391.3	451.2	253.6	299.0	337.9	32.6	33.3	34.7
2nd quarter	1,199.5	1,355.4	1,470.2	913.0	1,093.3	1,217.9	106.1	108.9	113.8
1st half	2,066.3	2,297.4	2,468.7	1,628.6	1,939.1	2,171.9	206.6	212.4	222.5
July	370.3	422.1	459.7	277.4	317.9	356.7	36.2	35.5	36.5
August	298.4	329.4	373.5	278.9	343.0	383.8	36.0	35.4	39.3
September	358.8	417.3		327.2	370.7		34.9	34.6	
3rd quarter	1,027.5	1,168.8		883.5	1,031.6		107.1	105.5	
October	360.9	406.0		395.9	455.7		34.5	35.8	
November	408.8	445.6		372.3	414.4		31.4	31.5	
December	347.1	396.7		330.2	374.8		36.7	38.5	
4th quarter	1,116.8	1,248.3		1,098.4	1,244.9		102.6	105.8	
2nd half	2,144.3	2,417.1		1,981.9	2,276.5		209.7	211.3	
Total	\$4,210.6	\$4,714.5		\$3,610.5	\$4,215.6		\$416.3	\$423.7	



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Television



Radio Report

'Big band' slippage, CHR rise surface in McGavren study

Once viewed as a panacea for AM radio stations seeking an older, more affluent audience, the "AM big band" format (usually referred to by TV/RADIO AGE as "standard/MOR") appears to have lost its momentum, according to a recent study conducted by McGavren Guild Radio for the Interep Cos.

"Radio Format Trends," compiled by Jane Schoen, assistant director/research for McGavren Guild, also points out that contemporary hit radio (CHR) has had the greatest rise in popularity from spring '83 to fall '84, and album oriented rock (AOR) experienced the greatest decline among FM formats. (Later information shows AOR turned around in spring '85, due to development of a more 'adult' sound and return to the format by many outlets. See TV/RADIO AGE, September 2 and September 30.)

The McGavren Guild study measures formats based on their performance in 30 markets. In order to rate the formats, all station shares (all persons 12-plus, AQH, Monday-Sunday, 6 a.m.-midnight) in all 30 markets are totaled. As an example, if there were one AM big band format getting a 5.0 share in each of the 30 markets, that format's total score would be 150.

Overall format trends. The actual big band format on AM for the 30 markets dropped from an 83 in spring '83 to a 65 in fall '84.

For the same period, CHR on FM rose from a 256 share in spring '83 to 352 in fall '84; and AOR on FM dropped from 332 in spring '83 to 266 in fall '84.

Comparable figures for other formats:

- Beautiful music on FM, down from 269 in spring '83 to 256 in fall '84.
- Black on AM, down from 81 in spring '83 to 67 in fall '84.
- Country on AM, down from 119 in spring '83 to 110 in fall '84.
- Country on FM, down from 235 in spring '83 to 223 in fall '84.
- News/talk on AM, staying virtually the same, from 165 in spring '83 to 167 in fall '84.
- "Soft rock" on FM, up from 34 in spring '83 to 50 in fall '84 (see TV/RADIO AGE, September 2 and September 30 for analysis of the rise of "soft" adult contemporary).
- Urban contemporary on FM, staying virtually the same, from 83 in spring '83 to 84 in fall '84.

Continuous measurement

Agency radio buying executives are high on Arbitron's decision to extend "continuous," four times a year measurement to a total of 75 markets. The added markets, they say, won't necessarily be bought any heavier, but more current information may make a

major difference in the stations they select within each market.

"We're very excited about it," says Susan Gottlieb, vice president and director of local broadcast operations at Dancer Fitzgerald Sample. "If you're buying off a book that's six months old, you could be dealing with outdated information because of a changed format."

Charles Trubia, senior vice president and director of radio negotiations at Ted Bates, adds, "Any time you get more research, it's good. I'd love to see every market measured four times a year if they could." He notes that he hopes Arbitron doesn't price the reports beyond station tolerance.

Arbitron is offering stations an incentive to sign before December 31. Stations in three-report markets that elect four reports will get a 13 per cent increase if they sign before that date, 20 per cent afterward. For those going from two to four reports, the respective increases are 25 per cent and 50 per cent. For those in two report markets electing to go to three reports, it's 15 per cent and 30 per cent.

Selection of markets. An Arbitron spokesman said the criteria for selection of markets to be included in continuous measurement involved both metro size and the number of stations in the home market qualified for reporting. The first actual addition of new markets will be in the summer of 1986.

In 1985 there are only 14 year-around markets. To bring the number to 75, 61 markets are being added to the summer report and 47 to the winter report. There were already 260 markets measured in the spring and 130 in the fall.

More customers for Birch

Birch Research has signed three more customers: group owner Stauffer Communications, an agency and a media service; media service, Media Management, Inc., Westport, Conn.; and VanSant Dugdale Advertising, Baltimore. Sheldon Taule, senior vice president/media director at VanSant says the reasons his agency is using Birch as a "primary source" for radio planning and negotiations include a finding that Birch telephone methodology "is superior to the diary" and that other factors in the decision were "depth of Birch service" including Birch's Qualitative and monthly Trend Report, county-by-county information, cume duplication and audience composition."

Media Management president Susanne Atkins also calls telephone interviewing "superior to diaries" and expects "more accurate analyses and far more sophisticated planning" with the use of Birch as its "primary source for buying radio nationwide."

At Stauffer, vice president/broadcasting Jerry Holley also prefers the telephone to the diary and adds, "We like Birch's frequency of measurement, its data displays, and cost is also a factor. Birch provides virtually all the data we need to sell and program our stations without it becoming a partner in our business."

Saturday daytime boom

On the basis of average-quarter-hour, cume and even receptive listening, Saturday daytime (10 a.m.–3 p.m.) can't be beat in the New York metro by any other daypart, points out Maury Webster, executive director of New York Market Radio Broadcasters Association (NYMRAD).

The organization's new *Buyer/Planner Guide*, an analysis of market listening trends based on spring '85 Arbitron data, gives the daypart a 27.5 AQH for persons 12-plus, almost equal to the 28.2 for Monday–Friday 6–10 a.m., the sought-after morning drive period.

The report also shows the average listener spends two hours and 25 minutes with radio in the Saturday daypart, almost twice the one hour and 17 minutes per day spent during weekday morning drive. Webster points out also that the one-day Saturday period cume of 56.7 compares favorably with the five-day 87.1 for morning drive: "I'll bet that it's bigger than for any one day of morning drivetime."

High quality. "The quality of listening is very high on Saturday," Webster holds. "People live differently then and tend to be relaxed. Whether they're at home or out driving, they're good targets to be reached three to five times in that period."

"They may be out shopping or getting ready to go shopping. It's the companionability of radio that makes it so important." He believes this situation is not unique to New York.

Radio's rising audience

One of the little-noticed facts in Arbitron Radio's annual Nationwide Network Audience Estimates is the rising level of radio listening shown in recent years. The spring '85, book, recently published, did not show a rise over '84, but the level during the two years is 12.5 per cent higher than it was in '78.

The average quarter hour rating in '84 and '85 (for persons 12-plus, 6 a.m. to midnight, Monday-through-Sunday) was 18.0, representing 35,265,200 persons in '85 and 34,905,400 in '84. In '78 the rating was 16.0, representing 28,539,100 persons.

Local spending up

Local radio revenues were up 10.5 per cent and national spot billings increased 13.8 per cent in 1985 from the January–July figures of 1984, and local radio expenditures grew 26.5 per cent in June over the previous June, while the past July posted a gain of 16.4 per cent in local against the previous July, according to the Radio Advertising Bureau's composite billing pool. These figures have been adjusted to compare weeks and months of unequal length. Data for the analysis are based on a composite of 56 participating markets which represent 35 per cent of the U.S. population.

In unrelated news at RAB, the bureau has published two new user guides to identify products and vendors of computer systems for radio planning and buying and commercial pre-testing services, according to Robert Galen, senior vice president of research. *The Guide to Computer Systems* offers a uniform description of 17 companies' computerized radio planning and buying services applicable to advertisers and ad agencies. "Each system frees planners or buyers from computational tasks, which yields greater time for concentrating on media values and emphasis that goes beyond the calculation of audience values." The catalog provides information on services.

The other publication, *The Guide to Radio Commercial Pre-Testing*, profiles 13 available services. Each company listed offers some type of standardized radio pre-testing package that can offer advertisers and agencies a relatively quick reaction to creative approaches, according to the RAB.

Call letter changes

Not only are the times 'a-changin' but lots of radio station call letters are as well. According to the Radio Information Center, based on what's happened over the past year, nearly 600 outlets will switch their designations during 1986. Maurie Webster, president of RIC, notes that the rate of changes has been fairly constant over the past two years. "In the 12 months ending last September, 571 call letter changes were granted by the Federal Communications Commission, nearly 7 per cent of all licensed commercial stations.

Many stations find it desirable to change when they switch formats, when new owners come in with more aggressive promotion plans and when they discover that easier-to-remember call letters can improve their recognition value and ratings."

The RIC recently published its latest computerized *Encyclopedia of Call Letter Changes*, which reports every change for the past 25 months, with data available alphabetically by new call letters, old calls, metro area, ADI, state and city of license and month of the grant.

Radio journalism winner

A segment of the CBS News series, *Newsmark*, has been named winner of the First-Amendment journalism award in the radio broadcast competition sponsored by People for the American Way. Winner was *One Nation Under God: Religion in the Public Square*, presented on the October 26, 1984, edition of the CBS News series shortly before last year's election. CBS News correspondent Marlene Sanders was the reporter. Pam Rauscher was producer; Norman Morris, senior producer; Charles R. Reeves, executive producer.

The competition recognizes outstanding media coverage of first-amendment issues.

Radio Business Barometer

September up 18% for network radio

After a slow August, only 6 per cent ahead of last year, September came through with a gain of 18 per cent, making it one of the healthiest months this year for network radio. According to the latest Ernst & Whinney figures released by the Radio Network Association for 10 reporting network radio companies, September brought them revenues of \$30,723,921, compared to \$25,945,642 last September.

That gives network radio an 18 per cent increase for September and a 14 per cent boost for both third quarter and for year-to-date. The year-to-date dollar total through September adds up to \$239,252,349, against a comparable dollar total of \$210,620,458 through September, 1984.

By region, Los Angeles continued strong during September, 40 per cent ahead of last September. Strongest of all was Detroit, with the auto makers' low-interest financing offers helping to put business coming out of Detroit a rousing 96 per cent ahead of September '84.

Meanwhile, at the radio networks themselves, sales chiefs have even greater expectations for fourth quarter. Lou Severine, vice president, director of sales for the ABC Radio Networks, describes September as "only a so-so month, only 5 per cent ahead of last September." But he says fourth quarter "looks very good and will probably finish with a 12 per cent increase. There's been a lot of business for fourth quarter that wasn't with us last year.

Steve Youlios, vice president, sales for the CBS Radio Networks, reports "a strong September" and

says fourth quarter "looks like it will continue to show the strength we've seen during the year's first three quarters. At this point it looks like the marketplace for network radio is likely to finish the year in the 12 to 14 per cent range."

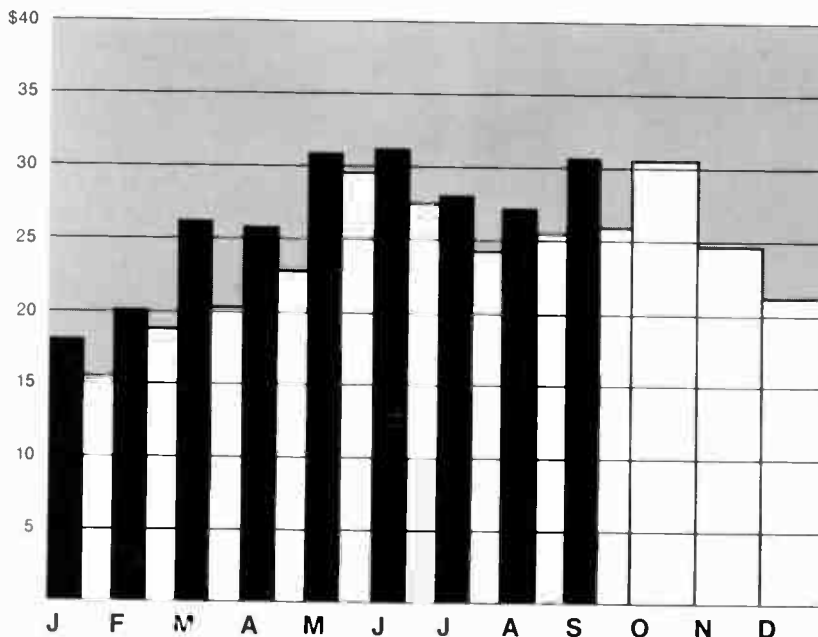
Adult business

David Landau, vice president, sales for the United Stations Radio Networks, also says September was very strong, "particularly for the contemporary formats." But he adds that toward the end of September, "Adult-oriented business picked up steam and fourth quarter now looks very strong for adult business, including clients targeting the upscale business decision makers."

All of those queried say they're expecting 1986 to start well. United Stations' Landau says he's anticipating "less account churning and more steady, repeat business next year."

September

Network (millions \$)



Network **+18.0%**

(millions) **1984: \$25.9** **1985: \$30.7**

Changes by sales offices

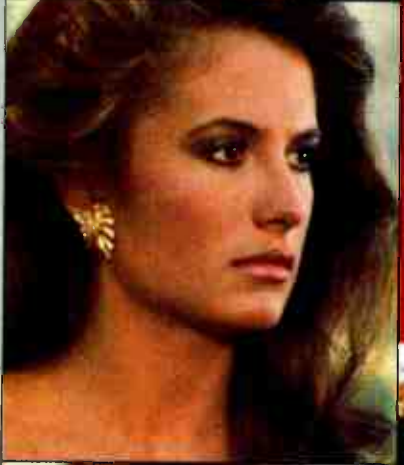
City	Billings (000)	% chg. 85-84
New York	\$19,711,109	+10.0%
Chicago	5,500,342	+18.0
Detroit	3,219,636	+96.0
West Coast	2,292,834	+32.0

Source: Radio Network Association

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The main reason stations use alternative sources is the ability it gives them to receive video of breaking news stories faster

Affiliates to continue relying on outside material, despite webs' expansion plans

Use of 'alternative' TV news services keeps on growing

BY SANFORD JOSEPHSON

The impact of satellites on the news operations of television stations seems to know no limits.

The sudden accessibility of the bird a few years ago spawned the creation of alternative news sources, ready to feed stations material not available from their respective networks.

Now, as the webs gear up to expand their own off-the-air news services to stations, a check of affiliate news directors around the country indicates their use of satellite-fed alternative sources, if anything, is growing. In fact, a McHugh and Hoffman, Inc., survey of news directors conducted for Telepictures' News Information Weekly Service (N.I.W.S.) reveals that 70 per cent of all local TV stations subscribe to at least one syndicated news or related service.

Stations are utilizing alternative sources for a variety of reasons. The main one is the ability it gives them to receive live or taped footage of breaking stories faster than their respective networks are able to provide it. Other advantages include:

- Use of a service's satellite facilities to relay back a station's own remote coverage.
- Receipt of timely feature material, which often can be dovetailed with stations' own local reporting. Among all the feature material available to stations, stories with a medical/health angle appear to be in unusually high demand.

The proliferation of satellite facilities also has enabled stations to set up

their own networking with other TV outlets. In some cases, this is effected via formal regional setups; in other cases, it may be an ad hoc arrangement among "friends."

And the Big Three TV networks are also actively expanding their involvement in satellite news feeds. Both ABC and CBS are establishing regional webs and adding to their current feed schedules, while NBC and CBS are also concentrating on stations' "logistical" needs in moving material from place to place.

The scope of satellite activity is perhaps best personified by WTVT(TV), a Gaylord CBS affiliate in Tampa-St. Petersburg, where John Mackinen fills a relatively new position called news operations coordinator.

Says Mackinen: "My sole responsibility is to coordinate all these feeds, to keep track of what's coming in, how it's coming in and who's sending it. Also, Conus, Group W, CBS all know there's one person here they can talk to."

"In addition, we go places and do things we wouldn't normally have done (without satellites). We did C-band stuff every night when Pete Rose was going for the record (Rose played minor league baseball in Tampa)."

Multiple affiliations

It is not unusual for stations to be subscribers to more than one service. For instance, WTVT receives material from Conus and Group W's Newsfeed Network, both suppliers of breaking news.

In Milwaukee, WTMJ-TV subscribes

Newsfeed coverage of Hurricane Gloria



Conus coverage of Hurricane Gloria





Neil Frank at CNN Hurricane Center

A number of stations are using Cable News Network's Headline News as both a source of breaking news and as a continuous programming service during the overnight hours.

to Local Program Network (LPN), N.I.W.S. and Cable News Network. And in Boston, WCVB-TV is affiliated with both CNN and Conus. (See separate listing of services below).

Last month's Hurricane Gloria was a typical breaking news story causing stations to turn to their non-network sources for coverage.

Says WTVT's Mackinen: "Conus had four or five trucks in that area, and they not only were able to supply us with video packages but also with live shots."

Adds Philip Balboni, vice president-news at WCVB-TV Boston: "Because of Conus, we were able to be live with Hurricane Gloria all along the East Coast. Conus had three trucks in the Carolinas, and when the storm arrived in New England, we fed the other stations."

In Houston, Alan Parcell, news director of KHOU-TV, points out that, "There's a great deal of interest here anytime there's a storm nearby because of Hurricane Alicia a couple of years ago. Through Newsfeed, we were able to use some of a Group W affiliate's footage of Hurricane Gloria."

Beyond major breaking stories such as Gloria, there are numerous other ways stations make use of the various satellite-fed services.

For instance, WEWS(TV), Scripps Howard ABC affiliate in Cleveland, recently aired a story about auto imports. Says Richard Tuininga, news director: "We wanted to go to a port of entry." Through Newsfeed, the station was able to get footage out of Baltimore from WJZ-TV. By the same token, says Tuininga, "We might get a call asking if we can shoot something at the Honda

plant in Ohio."

Tuininga describes Newsfeed as "our real bread-and-butter. It's our primary source on a day-to-day basis. We work them real hard, and almost everything they put up will get a real healthy look."

In the Raleigh-Durham market, Ron Price, news director of WRAL-TV, explains how Conus saved his station from sending a crew to Texas.

"Over the summer," he says, "there was a Southern Baptist convention in Dallas. There are a lot of Baptists in the Carolinas, so the question was: Do you send a crew? Through a phone call, we learned that Conus member KPRC in Houston was covering it. Their reporter fed us daily reports for our 6 p.m. news."

Another example is cited by WTVT's Mackinen—an explosion at a Midas

Menu of 'alternative' news and feature services

Cable News Network: 176 affiliates on five different levels—(1) pay to air blocks of CNN Headline News programming; (2) excerpt stories from Headline News to use on regular newscasts; (3) excerpt CNN stories for use on regular newscasts; (4) excerpt live, breaking news from either service to put on live; (5) combinations of any of the preceding.

Conus: Newsgathering partnership of 29 stations, of which Hubbard Broadcasting owns 55 per cent as general partner. Two scheduled KU-band feeds daily—at 11:30 a.m. ET and during the late afternoon. However, live shot can be put up on bird at anytime; service operates 24 hours a day, seven days a week. Stations use uplink-equipped vans to transmit live reports to their own stations, to Conus Control in Min-

neapolis-St. Paul and to other Conus members.

LPN: 55 subscribers. Weekly feed of in-depth feature material. 'One-on-One' weekly interview feed. 'Cover Story'—two to four features monthly tied to breaking news developments.

The Newsfeed Network (Group W)—76 U.S. affiliates, who also supply material. Service operates seven days a week. Regular feeds—weekdays, 4-5 p.m., 7:45-8 p.m., 10-10:30 p.m. ET; weekends, 9:30-10 p.m., ET both days. Also, provides 'Flash Feeds', instant transmission of breaking news when it happens.

Content of regular feeds includes multi-part series, sports highlights, customized coverage.

New feature, separate from regular

service—"The Entertainment Report", 15-minute daily feed of entertainment news, features, reviews.

N.I.W.S.: 122 subscribers. Two half-hour feeds a week (Tuesday and Friday). Content includes investigative reports, multi-part series, medical/health breakthroughs and special reports on subjects such as personal finance and entertainment. Some features are co-productions with subscribing stations.

Potomac News Service: 70 affiliates. Washington, D.C.-based bureau, handling customized requests.

Target Television: 14 subscribers. Bi-weekly three-part investigative report by Steve Wilson, formerly of *Breakaway*. Delivered by tape only.

Muffler shop in Miami. "The Conus affiliate," he says, "had a truck up there. One-and-a-half hours after the event occurred, we had video available.

"Seventy-five per cent of what we use," he continues, "comes from Conus. The big advantage is that you don't have to wait for a pre-arranged feed. You make your own feeds."

A number of stations are using Cable News Network's Headline News as a programming service in addition to a source of breaking news.

For instance, WPXI(TV) Pittsburgh and WTMJ-TV Milwaukee run Headline News through the overnight hours when ABC and NBC, respectively, aren't programming.

WTHR(TV) Indianapolis finds CNN footage from overnight especially valuable for use in its 6:30 a.m. local newscast and also excerpts CNN material fed "between *The Today Show* and noon for our noon news," says Bob Campbell, news director. At KCTV(TV) Kansas City, CNN is used "to fill in the blanks where CBS doesn't program," says Jim Overbay, news director of the Meredith station. "We also excerpt from the service to give us a little more variety from what CBS might offer."

Executives of both Conus and Newsfeed stress the immediacy of their services.

"We are operating 24 hours a day, seven days a week," says Anita Klever, vice president of news services for Conus. "One telephone call can buy (use of) a truck and transponder time. We will put up a live shot at anytime," she continues. "You don't have to wait for our two feeds."

At Newsfeed, Richard Sabreen, vice president and general manager, points out that, "when something is cooking, we put it on the bird. We were up for five hours in Dallas during the recent plane crash there. We put the entire WFAA newscast up."



**N.I.W.S. medical reporter
Christi Myers**

Medical/health-oriented news appears to be an area of growing importance for most stations around the country.

For Hurricane Gloria, "we started off with seven hours of coverage from 32 different cities. We have made a commitment that when a story breaks, we will get it out in timely fashion. We tell stations the bird and transponder; we book that time, and we're up."

Newsfeed's "special live event coverage" in recent months, Sabreen says, has included feeds from the All-Star baseball game, the Live Aid concert and the Miss America pageant, which included "customized interviews with over 20 of the contestants."

Feature services

Two services which do not claim to be providers of breaking news but whose features are often tied to breaking news are N.I.W.S. and LPN.

One key advantage of N.I.W.S., according to Michael Sullivan, news director of WKRN(TV) Nashville, is knowing "ahead of time about interesting stories for which we can produce topical promotion." One example, Sullivan says, was a two-part series called "Holiday From Hatred" that WKRN ran on

its late news. "It was about two teenagers from Northern Ireland—one Protestant and the other Catholic—who spent a summer in the U.S. We were able to give our promotion department a week's lead time."

Some stations point to N.I.W.S.' value as a supplier of supplementary material. "When a hard news event breaks, and everyone is scurrying around, looking for background material, sometimes N.I.W.S. will have something on the shelf," points out Nick Lawler, news director of Gannett's WUSA-TV (formerly WTCN-TV) Minneapolis-St. Paul.

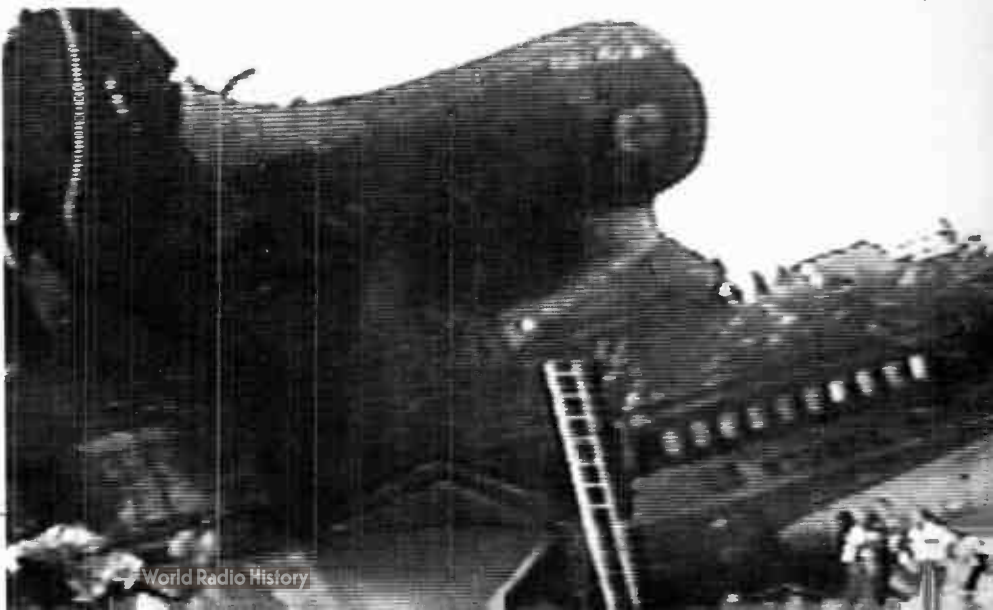
Adds John Butte, news director at WMAR-TV Baltimore: "N.I.W.S. gives us a group of stories that can supplement our own news coverage as well as provide backup material for our own reporters."

WPLG(TV) Miami, Post-Newsweek station which subscribes to Newsfeed for "breaking news around the country and for specific material from affiliated stations," views LPN as a supplier of "more in-depth, longform material,"

(continued on page 82)

LPN 'Cover Story' on wind shear

Feature services are more frequently tying their stories to breaking news events.



Compensation to agencies adjusted with advertisers exercising more control

Agency of record buying to mushroom in wake of mergers

By EDMOND M. ROSENTHAL

The "agency-of-record" approach to broadcast timebuying, already used in one form or another by an estimated 60 per cent of the top 50 network clients, appears headed for greater impact as many of these top advertisers consolidate their operations in the wake of one of the biggest series of corporate mergers in U.S. history. For example, Beatrice Cos. has already integrated most of the brands of Esmark, acquired in mid-1984, into its timebuying structure, and there is speculation that General Foods will eventually incorporate at least Phillip Morris' Seven-Up into its AOR setup once its operation as a PM subsidiary becomes more crystallized.

Beyond the major multi-agency accounts, agency and advertiser executives feel, few newcomers are expected to join in the practice of assigning one agency to perform specified buying chores for a client's brands it does not otherwise handle. But notable recent developments have been Procter &

Gamble's experiment with AOR spot buying and General Motors' assignment of all TV network upfront negotiation to Leo Burnett, TV news to D'Arcy Masius Benton & Bowles, sports to Campbell-Ewald and radio to McCann-Erickson. Approaches vary widely among advertisers. In fact, General Motors terms its direction as a "lead agency" approach. Industry practices include having one agency in a client's stable do all spot or network buying, splitting those respective functions by markets or daypart among the client's various ad shops, use of in-house agencies or buying services for certain functions, and even using an agency without brand assignments to do portions of the buying.

Among advertisers using AOR or related approaches are Ford Motor Co., Colgate-Palmolive, Johnson & Johnson, Clorox Corp. and Warner Lambert. Meanwhile, the house agency approach, according to observers, is slowly dying. A major holdout is Nabisco Brands, now a subsidiary of R. J. Reyn-

olds and planning to turn over its print buying to the parent company while it peruses the possibility of consolidating broadcast buying into its own house agency as well as going into an AOR setup for spot.

Agency compensation

There appears, meanwhile, to be a growing trend toward advertisers involving themselves in the compensation between agencies when one shop buys for another's brand. While the general practice in the past has been to let the agencies work this out for themselves, this may no longer be the case in many instances.

On a not-for-attribution basis, an executive with a major advertiser asserts, "There's a stewardship on both sides. Everybody is accountable to someone, and it's imprudent not to look at the dollars changing hands. Agencies and advertisers have become partners in managing the flow of dollars through their shops, and we can have a lot of other services we want the agencies to provide—new product development work, design, concept development and research—so we have to concern ourselves with how they're compensated. The question is what we want to draw upon and whether it's covered by the 15 per cent commission."

As for the rate paid, the practice of 15 per cent of the 15 per cent agency commission—amounting to 2.25 per cent—is no longer considered realistic, with network buying having been priced downward and spot upward. Agencies report commissions for network buying running anywhere from

All General Foods brands are placed on TV by a single agency, buying either for a network daypart or group of spot markets.

Biggest agency grocery list



Typical division of responsibilities with AORs

Agency Responsibilities	Brand Agency	AOR
Marketing plan	X	
Advertising strategy	X	
Creative work plan	X	
Creative execution	X	
Media work plan	X	
Media plan/requirements	X	
Planning cost		X
Negotiate rates		X
Authorize purchases	X	
Execute purchases		X
Issue schedules		X
Master contacts		X
Volume & discount level maintenance		X
Space contracts	X	
Execute changes		X
Selecting ads to run	X	
Ordering materials	X	
Arrange for shipping of materials	X	
Estimate preparation & distribution		X
Invoicing advertiser		X
Invoice verification & payment to media		X
Commission settlement		X
Prepare/issue brand & corporate post-buys		X
Maintain records for client audit		X

Source: Forthcoming Association of National Advertisers information report on agency of record.

less than 1 per cent of billings to 2½ per cent, with 1¼ or 1½ per cent being the norm. Spot buying commissions reportedly range from 2 to 3½ per cent, hovering more on the high side.

Given the premise that no agency enjoys losing a chunk of its business and being anything less than a full-service agency, the feedback from agency media departments is that they've adjusted to the approach in network buying and can't argue with its economies and efficiencies. This is not the case with the less-common spot buying on an AOR basis. They argue that the complexity and timing of spot buying can bring with it some severe communica-

tions and coordination problems. But one situation that they see as potentially leading to more AOR spot buying is the use of split 30s. They complain of stations charging premiums to buyers of standalone 15s and note that pairing of a single company's brands may be the answer.

Another recent development is the trend toward assigning an AOR for syndication and cable network buying. This is often seen as a reward to the agency coming up with the best creative approach to these media.

The Association of National Advertisers has seen enough recent interest in AOR practices to put together an in-

formation report on the subject, which it expects to release shortly. The report points out that AOR grew out of advertiser ownership of television properties in the medium's early days. The producing agency's staff time was compensated then by the client's other agencies on a 15-on-15 basis.

When the networks took control of programming, the approach was carried over to assigning one of the agencies to negotiate with the networks for program time as well as coordinating the related traffic, estimating, billing and paying functions. Although there is no standard practice in dividing functions between the brand agency and the AOR, the ANA report will include a typical breakdown of functions (see table with this article).

If some 60 per cent of the top advertisers use an AOR approach, this represents an even greater ratio of billings, as the larger of them tend to be the major practitioners. Alec Gerster, executive vice president of media and programming at Grey Advertising, estimates that at least two-thirds of the billings of the top 50 is done on an AOR or related basis.

P&G experiment

Still the largest advertiser of all, Procter & Gamble, does not have an AOR setup for network buying, apparently feeling it can cast a large enough shadow from Cincinnati to enhance the presence of any of its brand agencies. P&G, though, has been experimenting for about six months with an AOR approach in eight spot markets, a company spokesman notes. P&G declines to elaborate further.

Phillip Morris/General Foods, which was about to supplant P&G as the leading television advertiser until P&G fattened itself by acquiring Richardson-Vicks, is yet to put together a master plan for the entire company. Most agency observers feel it will be six months to two years before any agency shifts will be seen, but some believe the combined company might move faster

(continued on page 90)

Brand agencies for Nabisco turn over network buying activity to the company's in-house agency, Ohlmeyer Advertising.

Under a single buying umbrella



But competition is fierce while rating success is not guaranteed

Tv show licensing is booming business; owners set up units

Marriages between television programs and licensing, already a common merchandising technique to add revenue icing on the cake, are currently causing a frenzy in the marketplace. Licensing is spiraling to such a degree that many owners of major TV properties either now have or are setting up their own in-house shops to handle the lucrative business and/or are expanding their merchandising subsidiaries by pitching for the licensing of outside properties. At least three or four major distributors have recently formed a merchandising/licensing arm and one or two others are eyeing a similar move, according to a check of major indie producers and syndicators. Most of these companies had been using an independent licensing rep. Other types of owners of properties, such as Hasbro and Kenner toy companies, do their own

licensing.

However, while licensing is fast becoming the darling of the TV production business, the practice is not without its troubles: Competition from producers of animation, by far the heaviest contributor to the licensing scene, has become increasingly heavy; ties with merchandisers do not assure success in either case; and these ties have come under fire by such consumer-advocate groups as Action for Children's Television, headed by Peggy Charren, which consider animation programs spawned from toys as representing a giant-sized commercial.

Retail value

There's no information available on how much money the TV broadcast industry is taking in collectively from merchandising and licensing of prod-

uct and very little data is available on the licensing business sales overall. However, Murray Altschuler, president of the Licensing Industry Merchandisers Association, industry organization formed several years ago and recently merged with another group, says that an informal annual study, undertaken by *The Licensing Letter*, Scottsdale, Ariz., estimates that the overall retail value of licensed goods and services totaled \$40 billion in 1984. Growth rate of the business is about 30 per cent per year, according to Altschuler.

Most companies are reluctant to reveal their income from merchandising. Nonetheless, Drew Savitch Levin, president of The Entertainment Network which has licenses for *Tranzor Z*, *Kid A Little* and *Hollywood Television Theater*, says merchandising, "is about 10 per cent of my business. Next year, it could be as much as 20 per cent because of the new show we're introducing."

And at Telepictures, the company is projecting that *ThunderCats* will take in about \$100 million at wholesale over the first few years beginning this past fall.

DIC Enterprises, as producer, has the licensing rights to many TV shows. Company president Andy Heyward says that DIC's merchandising income is substantial and was in seven figures last year, and is expected to grow with the addition of new product lines. "We are going to be licensing certain well-known individuals from the TV and

The majority of successful primetime shows will eventually have merchandising ties, say some observers.

'Miami Vice'



'The Twilight Zone'



'Dynasty'



'Dallas'





SFM's 'Jayce and the Wheeled Warriors'

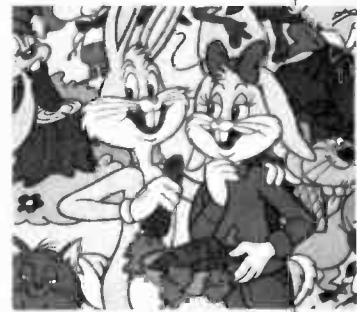


Claster's 'G.I. Joe'

Children's programs have traditionally been the staple of the licensing arena.



ITC's 'Muppet Show'



WB's 'Looney Tunes'

movie world," Heyward reveals. "We have developed an in-house unit that will license celebrities and their own lines of everything from clothing to designer sunglasses to food products."

King World's merchandising and licensing division is projected as generating \$1 million in pre-tax profits by the end of the year, and its profits are seen increasing 10 to 20 times within the next three to five years.

King World is dealing basically with properties which have existed in its portfolio for some time, such as *Little Rascals* and, more recently, *Wheel of Fortune* and its follow-up, *Jeopardy!*, according to Joe Curran, president of KW Merchandising and Licensing, who joined the company on August 1. *Jeopardy!* is seen as doubling its license fees from \$10 million in the 1984/1985 season to \$23 million this season. *Wheel* will double its fees from \$20 million the past season to \$40 million in the 1985/1986 season, according to projections from one brokerage house, Arnhold and S. Bleichroeder.

Newer shows

In addition, the division, notes Curran, is looking at its newer first-run syndicated shows as opportunities in merchandising. These include the *Oprah Winfrey Show*, set for fall, 1986, airing, and *Rock and Roll Evening News*, among other new entries. KW's newest game show, *Headline Chasers*, will earn \$10 million in license fees in its initial season, which started this



'New Zoo Revue'

fall, the brokerage house predicts.

Harmony Gold expects to see between \$25 million and \$30 million in over-the-counter sales of its *Robotech* product this year. In 1986, the company expects an astronomical growth in that area. John Rocknowski, president of merchandising at Harmony Gold, says that figure should "go up to somewhere around \$400 million to \$500 million" next year.

Rocknowski explains, that *Robotech* has "about 30 licensees and, we expect, between now and the end of the toy show in February, to have about 60 licensees. This year we'll probably have 75 to 80 products on the market. In 1986 there will be over 1,000 *Robotech* items on the market. We have one licensee who'll do 90 different products."

Industry sources predict that *Voltron*-related merchandise will rack up between \$200 million and \$400 million at wholesale, over three years.

As a general rule, producers/owners get an average of 5-8 per cent of the

wholesale price, less residuals and a fee to a rep if there is one. Agreements generally entail a guarantee by the manufacturer and an advance.

Primetime bandwagon

The licensing of TV shows has become so prevalent that observers are saying that the majority of primetime fare on the air which is successful or those new shows having potential will have merchandising ties. At this time, programs which have licensing agreements range from *Fame* to *Punky Brewster* to *Dallas* and *Dynasty*. In addition, others joining the bandwagon are *The Twilight Zone*, CBS show which began airing the past fall, acquired by Viacom's merchandising and licensing division; three properties of Aaron Spelling Productions, *Hotel*, *Love Boat* and *Hollywood Beat*, the latter also a new network entry for the fall, now being repped by the Licensing Corp., of America, a division of Warner Communications; and *Miami Vice*,

property of Universal Television, also going the LCA rep route.

Of course, children's shows have been the staple of the licensing arena, going back to the days of *Howdy Doody*, *Captain Marvel*, *Sesame Street*, *The Muppet Show* and countless Disney and Warner Bros. Looney Tunes characters. Almost every new animated series introduced into syndication over the past year or two, and some web kid shows, such as *The Smurfs*, has a licensing arrangement with each carrying rights entailing any number of merchandising items ranging from not only the toy-related field but also to pillow cases, furniture and talking tooth brushes.

Major kid programs with merchandising tie-ins introduced the past season or two include World Events' *Voltron*, Group W-Filmation's *He-Man and the Masters of the Universe* and *She Ra: Princess of Power*, SFM Entertainment's *Jayce and the Wheeled Warriors*, (produced by DIC Enterprises, licensed by Mattel) Cluster Television's *G.I. Joe and The Transformers* (with Hasbro, CT's parent company), LBS Communications, *M.A.S.K.* (produced by DIC, licensed by Kenner), Telepictures, *Thundercats* and Worldvision's *Funtastic World of Hanna-Barbera* (via Taft Merchandising).

Upcoming kid shows which either have wrapped up merchandising deals

or are in the process of doing so, are *TerraHawk*, from Telepictures; *Ghostbusters*, from Filmation-Group W; new *Voltron* episodes; animation characters from an LBS block of kid shows; and *Defenders of the Universe* from King Features.

Character introductions

Peter Keefe, World Events vice president of production/operations, says he is exploring new marketing ties on the 21 new episodes of *Voltron*. This is because of the introduction of two new characters this season in the new episodes. Also, a follow-up series to *Voltron* may lead to "second generation" licensed product. To Keefe and some other producers, merchandising has become so vital that they say it would be extremely difficult for any show to weather the costs of production without it. "We make back the cost of the show by licensing and probably would only break even without it."

Also, he continues, the income derived from *Voltron*'s licensing helps to pay for future kid TV product. Harmony Gold's Rocknowksi says, "If it wasn't for what I call the ability to develop a total marketing program—good show, toys, publishing, clothing, housewares and food products—you really wouldn't be able to afford 65 episodes of these series. Your stockholders or owners of the corporation

wouldn't let you do it."

Steve Weston, vice president of Leisure Concepts Inc., licensing firm, says that without financial backing from toy companies, "You wouldn't see as many shows after school."

But Heyward of DIC Enterprises, doesn't believe a toy pullout would kill children's programming. "It wouldn't change it at all," he claims. "There's still a need for programming to carry that advertising."

In-house merchandising

The licensing of programs for merchandising has become such a rage that copyright owners which once used a rep to handle the licensing have recently opened their own subsidiaries, and those that had an in-house operation are beefing up their staff and, in some cases expanding their role to encompass representing other producers' programs. Ed Justin, president of Ancillary Enterprises and a veteran of 32 years in the licensing/merchandising business, sees most major owners doing their own licensing as they become more sophisticated as to its importance. Also, he points out, the TV management is assured that the property will get full marketing attention because it's all part of the same company.

King World formed a licensing and merchandising division in February
(continued on page 88)

Almost every new animated series introduced into syndication over the past year or two, as well as some web kid shows, has a licensing arrangement.

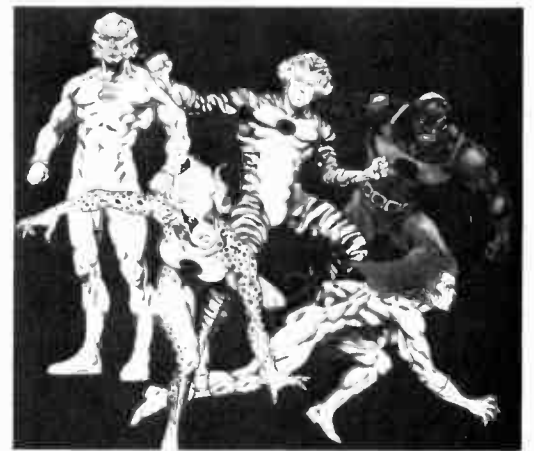
Harmony Gold's 'Robotech'



Group W's 'He-Man'



Telepictures' 'Thundercats'



World Events' 'Voltron'



Independents, NBC affiliates said doing better than others as economy softens

Agencies, TV reps see slow 4th quarter in spot advertising

Independents and NBC affiliates are doing tolerably well in spot TV business, but fourth quarter billings look soft overall. Neither fourth quarter, nor total year 1985 are likely to look much better than the 8.3 per cent increase recorded for spot's first eight months (*TV Business Barometer*, September 30).

In fact, fourth quarter may not even turn out that well, in the view of local broadcast executives at some of the major agencies. Ann Pomeranz, vice president, director of spot broadcast at Needham Harper Worldwide/New York believes that, "The main reason we're finding fourth quarter soft is the slow economy. Advertisers are holding back funds to meet year-end profit goals."

Pomeranz adds that the only daypart that remains healthy from the broadcaster's standpoint appears to be late news: "With more women in the



Ann Pomeranz,
Needham Harper Worldwide/NY: "The main reason we're finding fourth quarter soft is the slow economy. Advertisers are holding back funds to meet year-end profit goals."

work force, news is a good way to reach both women and men with significant purchasing power. And inventory in late news is limited by its half hour format, compared to the full hour and two hour formats of the early news shows."

Laura Silton, senior vice president and head of McCann-Erickson Local Broadcast, observes that, "The whole year has been fairly weak. Now, with the network scatter market as soft as it is, I wouldn't be surprised if national spot didn't show a fourth quarter increase of more than 6 per cent."

Silton recalls that last year's final quarter, "came in gangbusters, then stopped dead in its tracks. This year, instead of starting big, packaged goods business is down, and spot seems to be petering out before it's had a chance to get started."

Rep estimates

Fourth quarter estimates by the reps run somewhat higher—closer to 8 to 10 per cent—but they agree that's softer than what the industry had become accustomed to during the recent years of sky high inflation.

Peter Ryan, executive vice president, Harrington, Righter & Parsons, notes that, "In a period of slower inflation and slower economic growth, television's overall increases will be slower, particularly since we now have more industry segments competing for it. We now have more network inventory, including 15-second spots, barter syndication, and more independent stations."

But in spite of such obstacles, says Ryan, HRP's fourth quarter forecast is for increases of 7 to 9 per cent. He says that September "looks like it's finishing that strong or better, and though in early October, fourth quarter seemed to be starting slowly, if it follows the pattern of every other quarter this year, it will build as it goes along."

That pattern, he explains, "has been one of less lead time, writing more and more of each month's business during

the month it runs. Some months, as much as 30 per cent of total business has been ordered during the month it runs. The upshot is that two weeks prior to the calendar start of each new quarter, it's looked like it's going to be a soft one. But then it grows, and builds as the quarter progresses, and more last minute orders come in to air 'next week'. Of course from the agencies' standpoint, that means spot is now offering their clients the opportunity for more last minute flexibility than ever."

At Petry Television Teddy Reynolds, vice president, research, says Petry's expectation is for "more of the same—8 to 10 per cent increases during fourth quarter and continuing into first quarter 1986, because the same factors exist in the market place now that have existed for most of the rest of this year. Little has changed in the general economy."

Patrick Devlin, executive vice president, director, sales operations at Blair Television, is projecting 9 to 10 per cent fourth quarter increases. Like HRP's Ryan, Devlin notes that the quarter started slowly, "but now appears to be improving, the way most previous quarters have gone this year, starting slowly, then packing in the business in the second and third month, as the quarter moves along."

Peter Goulazian, president of Katz Television, says he had originally expected that fourth quarter would probably finish 8 to 9 per cent ahead of last year's fourth, but that, "Now we're considering whether or not that projec-



Laura Silton,
McCann-Erickson: "The whole year has been fairly weak... Packaged goods business is down, and spot seems to be petering out before it's had a chance to get started."

tion might not have been too bullish. October has been nothing to write home about, but, hopefully, we'll see improvement in November and December."

Goulazian points to the exceptions—"NBC affiliates, now enjoying better increases than the modest industry averages, and independents, who are benefitting from strong pre-Christmas demand from the toy manufacturers."

At Seltel, president Jack Mulderrig reports "looking for 15 per cent increases for fourth quarter, with West Coast and southwestern markets strong, and New York showing good activity." On the other hand, he says, Detroit is off and business out of Chicago is "questionable, with the pace no longer what it was. But Dallas and Houston continue strong. Atlanta isn't quite up to what it was, but is still doing well."

Independent gains

At MMT Sales, Roger Goldhamer, senior vice president, sales, says some independent stations are 20 per cent ahead of last year's fourth quarter performance, with toys being one reason. Another, he says, is that "There are now also more second independents in more markets that have the numbers this year that they didn't have last year."

Goldhamer observes that while the average increase for all affiliates is 8 to 10 per cent, "NBC stations tend to be closer to 10 per cent, CBS affiliates are generally up 5 to 6 per cent, and ABC affiliates may be 1 or 2 per cent ahead."

At Independent Television Sales Bob Somerville, executive vice president, points out that independent station gains are not limited to toys. Among stations that ITS has represented for two years or more, he says, the average increase "is around 20 per cent, but some show 30 per cent or better. Besides toys, independents have a solid base of packaged goods advertising, there have been increases in automotive, particularly in sports, the new telephone services are contributing, and so is the insurance business."

Needham's Pomeranz also points to independents as a contributing factor to the softness in the networks' scatter market. She points out that advertisers "now have more purchasing opportunities on the growing numbers of independent stations that are now showing us good audiences to their improved programming. Independents are now carrying more first-run, more successful syndicated series, some good movie packages, and the local sports franchises. Advertisers are no longer so de-

Distribution of barter/cash barter programming on independent and affiliate stations

Ten-market sample

	Straight Barter		Cash Plus Barter		All	
	# of Hrs.	%	# of Hrs.	%	# of Hrs.	%
Independents	316.5	78	89.5	23	406	52
Affiliates	88	22	294	77	382	48
Total	404.5	100%	383.5	100%	788	100%

Potential market value of commercial time containing syndicator sold spots

Market/rank	No. of spots	Estimated total value (in millions)
Los Angeles (2)	706	\$30-35
Detroit (9)	649	\$18-22
Miami (13)	791	\$18-22
Hartford/New Haven (23)	584	\$7-10
New Orleans (34)	662	\$4-6
San Antonio (45)	155	\$1.5-2.5
Rochester (69)	453	\$3-4
Des Moines (71)	450	\$2-3
Wichita (130)	217	\$1.5-2.5
Boise (135)	346	\$.75-1.25

Source: Petry Television

pendent as they once were on the three affiliates in each market."

Like Seltel's Mulderrig, MMT's Goldhamer also reports both coasts doing fairly well, while midwestern markets are running relatively flat. On the other hand, Goldhamer sees "the bloom off the boom in the depressed oil-based economy of markets like Houston."

By product categories, adds Goldhamer, toys and automotives are spending more, with Detroit promoting its low interest financing. "But packaged goods are relatively flat and the bottom has dropped out of the computers and all those adult computer toys that were all over television in 1983 and '84."

Katz' Goulazian also calls toys "a real plus for the independents, in spite of all the barter animation." In fact, he adds, "These cartoon series have spawned their own advertisers, promoting the character toys that star in the series themselves. Many of the affiliates have reduced their Monday-through-Friday late afternoon kid appeal programming and the independents have taken up the slack and become the beneficiaries."

Jon Gluck, vice president, programming at MMT Sales, points to a change

in the toy business: "The toy makers formerly concentrated their advertising once a year, during the 10 weeks leading up to Christmas. Today, toys are advertising year-round."

Gluck says there's still more pre-Christmas advertising than during the rest of the year, and that this is to push "the big basic toy—G. I. Joe's seven-foot-long aircraft carrier. But it's naked. So the kid spends the rest of the year buying the impulse collectibles—the rest of the navy to go with it. The year-round advertising for all the 'collectible' items that go with the basic big toy in each line has been a major plus for independents."

Gluck adds that there are a number of new toy lines this year based on several of the new animated kids' series. On top of G. I. Joe, Voltron, Transformers, He-Man and Gobots, this year brings such new toy lines as the characters based on *Thundercats*, *She-Ra* and *Mask*. Also, explains Gluck, the rules are that none of these character toys can be advertised on their own animated shows. The commercials for the character toys must run in each others' shows or on the networks on Saturday morning. "But they prefer the Monday to Friday afternoon cartoons on the in-

(continued on page 94)

Project for in-home personal interview service gets proposals from two firms

Major Hispanic radio ratings plan gets up to speed

Caballero Spanish Media, spurred by a longstanding conviction among Hispanic broadcasters that their radio audience is undercounted, and spurred also by the efforts of McDonald's media manager, has gathered the first fruits of its ambitious plan to generate a syndicated audience measurement service involving personal interviews in the home.

It has in hand two proposals responding to its request for details on the methodology for an Hispanic radio rating service. One appears to meet the specifications for in-home interviews, but the other urges caution and experimentation.

The former proposal comes from Strategy Research Corp., Miami, which is already measuring Latin TV audiences via in-home interviews and which tried unsuccessfully to sell a similar methodology to Hispanic radio stations three years ago.

The latter proposal comes from Information and Analysis, Hicksville, N.Y., a subsidiary of AGB Research, the British-based international research firm that is challenging the A.C. Nielsen Co.'s monopoly of network TV measurement with a people meter system. Working in a support function

with I&A in the Hispanic project is Birch Research Corp., which, coincidentally, is challenging Arbitron Radio in the local audience measurement field.

The point man in the I&A/Birch parlay is Peter Roslow, who once worked for SRC and is now an I&A vice president. Roslow is the son of Dr. Sidney Roslow, who founded and ran The Pulse, a prominent audience measurement firm in the 50s and 60s, which, almost alone among the rating services, conducted in-home interviews and employed the "roster recall" method to develop both radio and TV audience data.

Finally, Arbitron itself, the premier radio rating service, has bowed out of the proposed methodology contest on the grounds that it is not currently tooled up to perform in-home interviews and, in addition, argued that the proposed specifications from Caballero would involve an impractically high expense. However, Arbitron is preparing an alternative proposal.

Council set up

Spearheading the Hispanic project is Eduardo Caballero, president of the rep firm, which handles some 90-odd

Hispanic stations. Last March Caballero and his clients formed the Caballero Spanish Radio Advisory Council to provide various informational functions to Caballero stations. Named chairman of the council was Nathan Safir, vice president and general manager of KCOR San Antonio.

Some weeks ago, the Council invited a number of research services to submit presentations on providing an Hispanic audience measurement service that met certain specifications. Those invited included, besides Arbitron, SRC, I&A and Birch. Hispanic Marketing Research & Communications of San Antonio.

The key specification for the proposed service was the in-home interview method. Explains Herb Levin, president of WUSA Miami, one of two members of the council's research subcommittee (the other is Carlos Aguirre, general manager of KSSA Ft. Worth): "The diary methodology tilts the audience data toward those who are literate and recent government statistics show that functional illiteracy is quite high among Hispanics. Also, Arbitron's first contacts with a family is in English, which turns off many Hispanics. And there's the question of non-telephone homes, which neither Arbitron nor Birch contact."

While Levin agrees that a biased sample could just as well boost Hispanic listening levels as depress them, he argues that most of the evidence points to the depressed side. "For example, Los Angeles has 30 per cent Hispanics, yet Spanish shares on radio are only 6 to 7 per cent. New York figures are also low."

The station executive, however, felt that the Spanish listening shares shown for Miami were essentially accurate. "There's a reason for that. In Dade County (where Miami is located),

Rep firm head, near r., and media manager of McDonald's are key individuals in drive to get accurate data on Hispanic listening

Eduardo Caballero



Karen Dixon-Ware



43 per cent of the population is Hispanic, while Hispanic listening shares range from about 30 to 35 per cent. Some of that difference could be accounted for by teen-agers who like to listen to rock on Anglo stations."

Top 15 markets

The Caballero RFP calls for a methodology study in the 15 top Latin markets. They include, in order of Hispanic ADI population, Los Angeles, New York, Miami, San Antonio, Chicago, San Francisco, Houston, McCallen-Brownsville, Albuquerque, El Paso, Fresno, San Diego, Dallas, Phoenix and Corpus Christi.

The specs also called for in-tab sample sizes ranging from 1,800 in L.A. and New York to 800 in the seven smallest of the 15 Hispanic markets. The data are to "develop a 24-hour listening experience," with interviewers speaking Spanish and in the accents of the particular market—e.g., Puerto Rican in New York, Chicano in L.A. The sample is to be drawn at random from census blocks that have a 25 per cent Hispanic population or greater.

Two survey periods a year are specified—October-November, with publication of reports by December 15 and April-May, with publication by June 15.

Demographics are to include adults 18-plus, 18-34, 18-49 and 25-54, also broken down by men and women in those demos.

The four standard dayparts, Monday-through-Friday, are specified, along with a Monday-through-Sunday total. Saturday and Sunday data would be combined. Both ratings and shares are to be shown as well as quarter-hour and cume data.

While Caballero is supplying the thrust for improved Hispanic ratings,

the major catalyst in this situation is, by almost all accounts, Karen Dixon-Ware, media manager of McDonald's U.S.A., which is probably the Number 1 advertiser on Hispanic radio. A knowledgeable estimate of McDonald's spending on Spanish radio puts the figure at about \$1.5 million annually, not counting the business placed by agencies for local McDonald's franchisees. Most of McDonald's Hispanic radio money goes into the "unwired networks" of Caballero Spanish Media and Lotus Albertini Hispanic Representatives.

The company is also willing to put its money into a methodology study and Dixon-Ware has talked with the rating services and Caballero about the subject over the past year or two, urging some kind of effort.

The McDonald's media manager is not committed to any particular research technique, but she knows she doesn't like the diary. She certainly prefers in-home interviews to the diary but says she's not sure it's the only way to go. There are elements in the Birch day-after-recall telephone method that appeal to her. She says McDonald's is offering enough money so that, together with a half dozen stations in five markets, she could pay for some kind of methodology study.

Cost is secondary

One facet of the Caballero Council approach is to find the best research method for measuring Hispanic listening and to make the cost element secondary, at least initially. In pursuit of this the committee is inviting a panel of advertiser and agency executives to evaluate the proposals.

The rep chieftain spoke of "people like" Allen Banks, media director of Dancer Fitzgerald Sample, New York;

Abby Wool, director of research at Saatchi & Saatchi Compton; Dick Butler, Lever Bros. media director; Howard Nass, media director at Cunningham & Walsh, John Taylor, media supervisor at Procter & Gamble, and Dixon-Ware, of course. Invitations were mailed out to about a dozen individuals over a week ago.

"Stations shouldn't make the decisions in situations like this," Caballero maintains. After all, he says, it's the agencies and advertisers who always decide what rating service to use in buying time.

While the committee's cited preference for in-home interviews in Spanish would seem to be directly tailored for SRC, which is already doing this in its Spanish Television Audience Research (STAR) syndicated service, Caballero himself has reservations about SRC's method.

"They interview only those who choose to be interviewed in Spanish," notes the rep company president. While this supposedly confines the measured audience to those most likely to view Hispanic TV (or listen to Hispanic radio), it narrows the universe arbitrarily, complains Caballero. However, he assumes SRC would agree to a broader definition of the Hispanic radio audience, if it were made a condition of doing the research.

As to the presumed high cost of personal interviews in the home, the Caballero response is testy: "Some Spanish stations now pay Arbitron a lot of money and get no useful information at all. The cost of personal interviews may be higher, but it may be worth it."

In any case, he adds, there will be money contributed for the methodology study by other than Hispanic radio stations. Besides McDonald's, Caballero says, it is his "personal assumption"

(continued on page 86)

SRC already conducts in-home interviews in Spanish; I&A urges a pilot test before full study

Raul Lopez, Richard Tobin/SRC



Peter Roslow/I&A



Viewpoints

Richard H. Harris



President, Group W Radio, in recent speech before the Eastern Public Radio Network in Newark, N.J.

Radio in this country is strengthened by competitive checks and balances

American radio reminds me a lot of American democracy. Both are big . . . brawling . . . and frequently divided. But both are also inventive. Tenacious. And Resourceful.

In civics class—or social studies—we all learned about the secret strength of our American system of government. It has endured for two centuries by a system of checks and balances. Our three branches of government have kept the abuse of power in check—and the result is that we remain strong and free.

Compared to our government, American radio is in its infancy. And as we look to its future, we should look to nurture and protect radio's own checks and balances. I mean the separate forces that make up radio. The different interests that made radio so diverse. And, so irreplaceable.

Think of what we've got in American Radio. Not a closed system—but an open one of competing interests. A system made great by constant, creative tension.

Think about local competition first of all. If you're a radio station serving New York City—you're one of a 105 listening services people can choose.

Think of local programming as compared to network and syndicated services. Both have a place. And in our system, both have to fight for their place.

Think of radio's different constituencies. Small market operators have a different list of priorities than major market stations.

AM stations, meanwhile, see themselves in a very different camp today than FMs.

And how about what's going on in Washington? The "Deregulators" are on a roll right now. But if they go too far, you can bet that other opposing forces will make a big comeback.

Competition abounds in radio. Competition makes all of us better. But I do have one complaint.

It's flat-out wrong when anyone working in radio works to undermine the medium for some special cause. Recently, over on our side of the industry, we've had some amazing examples of this.

One trade group recently told *The New York Times* that radio was reducing its commitment to news. A blanket statement. So *The Times*, which we all know hardly ever reports *anything* about radio, ran a negative story.

Last year this same trade group managed a similar coup. Then they told *The Times* that—for the first time in history—television had overtaken radio as the primary source for "immediate" news. The claim, and what they said was proof, were both questionable at best. But again *The Times* and others did stories on what looked like another setback dealt radio by television. Poor radio. That tired old medium.

Now, of course, this trade group has its own agenda. That is: to promote employment for its members—professional broadcast newspeople. And that's fine—except when they smear radio for dramatic effect. And publicize purported problems without ever adding anything constructive.

I can tell you for sure: that isn't the way to the future. The way ahead is for all of us to build radio together. We need diversity—but we must also have unity of purpose. Not unity in the form that was recently proposed—not one, monolithic, all-industry association of some sort. That sounds to me like the kind of monopoly we've been lucky to avoid.

Underwriting experiment

I'd like to take you back to something that really happened—10 years ago. In 1975, Group W Radio's all-news station in Philadelphia—KYW—went to large corporations in the Delaware Valley and asked for underwriting support. Needless to say, they were surprised to get such a request from Philadelphia's most successful commercial radio station.

What KYW asked for was corporate sponsorship of a new organization, called The Regional Affairs Council. The group was organized to meet quarterly. Each corporation sent a representative. Out of their meetings came a regular agenda for reporting on civic and social issues in the region.

The station then produced and broadcast special multi-part news series on these issues. The underwriting companies were identified on-air—and a whole new form of sponsorship was begun at the station.

Today—KYW's Regional Affairs Council is so successful, that there's actually a waiting list of companies wanting to join.

That's one station in one market. A *commercial* station building on *public* broadcasting funding practices. And who's to say a public radio station couldn't turn right around and develop this same idea locally?

Why *couldn't* there be a Regional Affairs Council in Concord? Or Hartford? or Washington? This might well be a *premium* underwriting package for your stations—something *over* and *above* regular corporate sponsorship of the station.

Programming/Production

World Events 'Voltron' follow-up

World Events Productions, a subsidiary of Koplar Communications, spurred by the success of its animation series *Voltron*, is planning a one-hour special of the show and a "second generation" followup, along with several unrelated projects. The company, whose vice president of production and operations is Peter Keefe, has already produced new episodes of *Voltron*, to be introduced this month, a different pattern from other producers, who make their product available beginning in September or October.

The second year of *Voltron* episodes consists of 21 new segments and will introduce two new characters, with scripts created from kids' requests and incorporated into the shows. The shows were written and storyboarded in Los Angeles and taken to Japan where the cels are drawn, as is the usual practice in TV animation. By debuting the new episodes in November for the sweeps, Keefe says he's showing confidence in the show, "playing my aces when the stakes are the highest." The new versions are also done in stereo and produced in digital. Stations are being asked to hold the second run for the February sweeps. At present, *Voltron* has a lineup of 76 markets representing 80 per cent of the country, Keefe says, in an interview.

Special. WE will be introducing a one-hour *Voltron* special in the first-quarter of 1986 to generate new interest in the second run, notes Keefe. Next on the horizon for WE are two holiday animation specials, to be introduced in 1986, which will be aimed at all-family viewing. The characters basically will be "soft and appealing," because of what Keefe feels is a pendulum swing back to "calm, family shows," such as *The Cosby Show* and the continuing popularity of *Family Ties*.

The specials will have a wraparound, and a special can be customized by the station to fit more than one holiday. Keefe explains that the wraparound person can inject a theme which may be applicable to more than one holiday of the year, making the program seem fresh while helping the station to amortize the cost of the show.

In 1987, KE expects to make 65 new half-hours available as an extension of *Voltron*. Keefe says the company is planning to produce a "second generation" of three or four of the most popular *Voltron* characters, which will be more sophisticated than the originals.

The plan is to put the characters in "a newer and better environment" and is designed to keep the same viewers of *Voltron* as they grow older. He estimates that the cost of the series will be between \$15 million-20 million.



Peter Keefe

Future. All the future animation shows will go a different route regarding production, says Keefe. He says he expects to make a major announcement in the next month or two on deals made with a major West Coast animation house and a Korean company on combining on the animation. Also on the drawing board at KE is a change of pace from animation. According to Keefe, he's planning to produce a weekly MTV-type of show, using clips from movies. Called MPTV (Motion Picture TV), it will contain a countdown of the top 10 movies of the week. Film companies have expressed sharp interest in the idea, he says.

Petry analysis of barter

With barter syndication a prevalent and integral part of the pricing strategy in the broadcast industry, Petry Inc. has published a pilot study to its repped stations detailing barter's impact on spot TV's revenue potential. The study, which focuses on individual market data, came up with key findings.

For instance, in each of 10 markets studied, an average of almost 79 hours of barter/cash barter programming is aired weekly, about 17 hours per station; overall, while total hours of straight barter programming are only slightly greater than total cash plus barter hours, a major difference is noted in market size, with straight barter accounting for the majority of all barter/cash barter shows in markets with five plus stations, while the reverse is true in three-to four station markets.

Independent stations air an average of 25.4 barter/cash barter programming hours, or about 18 per cent of total weekly programming, while affiliates air an average of 12.7 hours, or 9 per cent of its total programmed hours. However, this represents 24 per cent of the hours not regularly programmed by the networks.

Independent stations carry 51 per cent and affiliates 49 per cent of all programming containing syndicator-sold commercials; based on the 10 markets audited, an average of 501 syndicated-sold commercials air in each of these TV markets per week, with commercials in straight barter programming accounting for 78 per cent of syndicator-sold spots compared to 22 per cent contained in cash plus barter programs.

Indie stations program barter/cash barter hours most heavily in daytime (45 per cent) followed by weekend (20 per cent) and early fringed/access (18 per cent). Affiliate station scheduling is almost entirely in earlyfringe/access (40 per cent) and daytime (37 per cent).

Programming containing syndicator-sold commercials are important at both the indie and affiliate levels. However, while straight cash remains largely the tool of indies, cash-plus-barter programming has developed into a distribution form primarily used with affiliates. All-in-all, Petry estimates that the growth of syndication-sold units this fall will increase the average number of hours programmed, with barter/cash barter programming close to one-quarter of total locally programmed hours and create a jump of about 10 per cent in the number of syndication-sold units in a typical broadcast week. (More on Petry study, on page 37.)

Evergreen sales grow

Worldvision Enterprises' Evergreen Programs is bringing in the "greens" on its oldie-but-goodie syndicated shows, and the division is introducing three additional re-releases representing more than 300 half-hours of programming. According to Burt Rosenburgh, vice president, Evergreen Programs, the division has quadrupled its sales on the oldie shows since the department was formed about four years ago.

Also, success in the vaults has spawned re-releases of *N.Y.P.D.*, *Wendy and Me* and *The Flying A Series*, backed by a large money-support budget. Unlike other companies which pre-test their product via station interest before making a large-scale money commitment, Evergreen has paid for residuals, "spent an enormous amount of money in promotion and in transferring from 35-mm fine grain stock to one-inch masters," as an example of its

confidence in oldie sales.

Sales for the latest product have been doing very well, notes Rosenburgh. In the past few weeks *N.Y.P.D.*, consisting of 49 color half hours of the detective series, has racked up sales in Milwaukee, San Jose, Denver, Boston, Atlanta and Birmingham. among other markets, he says. *Wendy and Me*, 34 half-hours starring George Burns, has been sold in Chicago, Hartford, New Haven, Philadelphia and Milwaukee, to name a few; *The Flying A Series*, which consists of four separate series totaling 222 half hours, has cleared markets including Boston, Tampa-St. Petersburg, Dallas-Ft. Worth and Birmingham.



"Adventures of Champion," 26 half-hours, which are one of four separate series being offered in Worldvision's *The Flying A Series*.

The Flying A Series is pegged on heroes of the Old West and involves *Annie Oakley*, 80 half-hours; *Buffalo Bill Jr.*, 40 half hours; *Adventures of Champion*, 26 half hours; and *The Range Rider*, 76 half hours.

Rosenburgh claims his company was the forerunner in bringing oldies into the syndication mainstream, and "not by sneaking around market by market and trying to pick up a few crumbs, but spending a lot of money on promotion and creating a company within a company. We went out telling people you don't have to be ashamed of carrying a 1950-1960's vintage program on the air."

One of the division's early successes was *Dark Shadows* and was cleared eventually in 70 markets. The series has just been released for a third year, making available a total of 780 off-network episodes. The latest episodes have already been sold in Detroit, Dallas-Ft. Worth and to the New Jersey Public Television System.

Reintroduced after *Shadows* were *The Fugitive* and *Ben Casey*, among others.

Harmony Gold expands

Harmony Gold, the producer of *Robotech*, is expanding its program development effort, sales staff, research and promotion departments.

First off, HG will produce *The Show Biz Game Show*, hosted by Roger Rose, featuring two teams, with three members each. They'll compete for prizes by answering questions which deal with the entertainment field. No date has been set for *The Show Biz Game Show's* debut. It will be sold to stations for cash. Harmony Gold's plans for production is the latest in a series of developments at the company.

President Lionel Schaeen, who joined the company in July, says. "We're in the process of developing additional shows. One's another game show and another is a muscle and fitness show, the first of its kind in syndication. The hosts of the show will be body builders."

In addition to game shows and the fitness project, Harmony Gold and Cypress Point Productions are making a miniseries version of James Michener's book, *The Covenant* for CBS. The miniseries, a history of South Africa and its people, will be filmed in Africa next year.

Another major project for Harmony Gold is the recently completed 10-hour miniseries *Shaka Zulu*. It'll be released worldwide in May, 1986, and in the U.S. during the fall of that year. Schaeen says, "*Shaka Zulu* is the true story of the Zulu King Shaka who united all the tribes of Africa into one of the strongest fighting forces in the world." The cast includes Trevor Howard, Edward Fox, Robert Powell, Christopher Lee, Fiona Fullerton, and Henry Cele as "Shaka."

Harmony Gold's present extensive product list for TV includes *Captain Harlock and the Queen of a Thousand Years* and scores of animated features. Schaeen says the "Harlock" series has already been cleared in more than 10 markets. On the business side of HG, the company has increased its sales staff, established a research department and hired a new promotion department head. David Brangan joined the company as sales manager for the midwest with headquarters in Detroit, and Bill Smithers, headquartered in New York, is the new head of East Coast distribution.

Harmony Gold's new research director is Christine Palinkas, who moved to the company from Telepictures. Another former Telepictures employee, Richard Firth, has become HG's director of promotion and station relations.

Schaeen says, "It was a little company about a year ago, with fewer than ten employees. Now we have close to 50

employees and are still growing. We've gone from kid animation, with *Robotech*, to a company involved with network miniseries. And we have a facility where we do dubbing for ourselves and others."

ANA barter report

The Association of National Advertisers has come up with a confidential survey designed to clarify the source of advertising funds for syndication, with the findings indicating that the ad monies are being used almost exclusively as an alternative to network rather than coming from their spot budgets. The survey of A.N.A. television advertising committee members, taken in 1984, but recently revealed, shows that the national advertisers they represent spent more than \$3 billion on TV advertising; spent more than \$300 million in syndication; and that they funded more than 99 per cent of their barter syndication as an alternative to network television.

According to a statement issued by the board of directors on behalf of the committee, which is comprised of reps from 32 member companies, "members of the A.N.A. television advertising committee unanimously agreed to participate in a survey on barter syndication as a response to various comments and articles during the past year suggesting that syndication is funded largely from spot TV budgets."

Hot 'Night Court' pace

Night Court has been sold in 62 markets, including 28 of the top 30, in less than three months by Warner Bros. Television Distribution. Gross sales are now in excess of \$125 million, with every major group represented, including 22 network affiliates. Recent sales include KUSI-TV San Diego, WOFL(TV) Orlando-Daytona Beach-Melbourne, WIVB-TV Buffalo, WPRI-TV Providence-New Bedford, KBMT-TV Beaumont, KIII(TV) Corpus Christi, KBVO-TV Austin, KMTR-TV Eugene; KTRV(TV) Boise and KMSS-TV Shreveport.

Night Court is in its third season on NBC, and will be available for syndication in the fall, 1988.

Goldwyn buys shows

Representing a multi-million deal, Samuel Goldwyn Co. has acquired worldwide distribution rights to more than 140 episodes of *Flipper* and *Gentle Ben* from Heritage Entertainment. The agreement is the first deal in an anticipated ongoing relationship between both companies. Already set is the development of a movie-of-the

Programming/Production

(continued)

week based on *Flipper*, which is expected to serve as a pilot for additional episodes of the series to be produced by Goldwyn and Heritage.

The *Flipper* production plans are part of an overall Goldwyn strategy to expand the company's television operation, according to Meyer Gottlieb, senior vice president. The company plans to continue syndicating feature film packages, but is moving toward original production for syndication and the networks, Gottlieb says.

The *Flipper* package contains 88 a half-hour episodes, and *Gentle Ben* has 56 color half-hours.

Syndication shorts

Fox/Lorber Associates has acquired the domestic rights to 12 off-network movies from producer/director Dan Curtis. Included in the Curtis Signature Collection are TV movies *Dracula* and *The Strange Case of Dr. Jekyll and Mr. Hyde*, plus *The Picture of Dorian Gray* and *The Turn of the Screw*. Package is available for cash for seven runs over five years.

Lionheart Television's initial sales on the miniseries *1915*, from Australian Broadcasting Corp., and the BBC series *Great Detectives* have generated sales in a total of 19 TV markets, including WGTW(TV) Atlanta on *1915*, and WPBT-TV Miami, KSTW-TV Seattle-Tacoma, WYES-TV New Orleans and KPBS-TV San Diego, on *Detectives*.

American National Enterprises has acquired the U.S. and Canadian broadcast and pay-TV rights to *The Twelve Chairs* comedy/adventure, and *Ruckus*, drama, from Wrightwood Entertainment.

Claster Television Productions has cleared *The Glo Friends Save Christmas* special, featuring the voices of Carroll O'Connor and Sally Struthers, in more than 60 markets. Among stations cleared are WNEW-TV New York, WFLD-TV Chicago, WTTG(TV) Washington, WTAF-TV Philadelphia and WTVU(TV) San Francisco.

LBS Communications has cleared *Superfriends* in 95 markets, representing more than 81 per cent of the U.S. households.

Embassy Telecommunications has racked up several international sales on its miniseries *Kane & Abel*, and on the comedy series *Who's the Boss?* The miniseries has been licensed to 32 countries, including Radio Televisao Portugesa, Portugal; South West Africa Broadcasting Corp., South West Af-

rica; Televisa, S.A., Mexico; and Helsinki Television, Finland. *Boss* international buyers include Television Broadcasts Ltd., Hong Kong; Samuel Television, Holland, Norway, Denmark, Finland and Sweden; and Norde Fasanvej, Denmark.

Market coverage for Lorimar Sports Networks Holiday, Freedom and Bluebonnet post-season football games has passed 81 per cent of the U.S. television households. Clearances include WSBK-TV Boston, WXON-TV Detroit and WUTV(TV) Buffalo. Total current market clearance is 115. In the collegiate arena, KCBS-TV Los Angeles, CBS-owned station, heads the list of recent buyers of 20 Pacific-10 conference games. Other market clearances include KTZZ-TV Seattle-Tacoma. Big 10 package clearances include WXON-TV Detroit, WIII-TV Cincinnati and WCGV-TV Milwaukee.

Steve Landesberg/Sports Fan, two one-hour sports oriented comedy/variety pilots, are expected to air in at least 75 to 80 per cent of the country. Committed are four NBC-owned stations. Airing is between October and the end of December, with a weekly series in the works beginning in April, 1986. Show is owned and created by **Berl Rotfeld Productions**, Bala Cynwyd, Pa. **All American Television** handles clearances.

Blair Entertainment has signed eight markets for *Break the Bank*, making a current total of 51, including eight of the top 10 markets. Stations include WSBK-TV Boston, KXTX-TV Dallas-Ft. Worth, WPXI-TV Pittsburgh and WBAL-TV Baltimore.

Prijatel Productions is offering *All American Valentine*, 21-part insert series designed for airing from mid-January to February 14. Langdon Hill stars. Titles include *Flower Buying Guide*, *The Money Machine* and *The Baby-Boomer Bubble Bath*. *Valentine* is being produced by **NEP Programs Inc./TVI**.

Zooming in on people

Diane T. von Gal has been appointed director of domestic sales administration at **Worldvision Enterprises**. She



Diane T. von Gal

comes to WE from NBC, where she was an intern, sales administration, screening TV commercials and programs for network acceptability.

Don Toye has been named director of sales at **Screen Gems**, newly created division of **Columbia Pictures Television**. Most recently, Toye was sales manager at MCA TV's Encore division. His sales career began in 1960, as research director at WCAU-TV, CBS-owned station in Philadelphia. He was account executive for CBS Enterprises.



Don Toye

Ruth Lee has joined **Katz Television Group's** programming department as associate director of programming for Katz Continental Television. Most recently, she worked in ABC's affiliate research and marketing area.

Stuart Stringfellow has been promoted to vice president, midwest division manager at **King World**. He came to KW a year ago as head of its new Chicago sales office. Before that, Stringfellow was midwest sales executive at Columbia Pictures Television, for four years.

Jeffrey H. Kazmark, national sales manager at KNBC-TV Los Angeles, has been named executive vice president, advertiser sales at **Access Syndication**. Kazmark was with the NBC owned station since 1980.



Jeffrey H. Kazmark

SFM Media Corp. has made several appointments. **Steve Barnett** joins as director of network negotiations; **Allan Infield** joins the SFM Entertainment division as account executive/station relations for the midwest region; and **Jim Quinn** has been promoted from di-

rector network administration to director of network negotiations.

At **Seltel**, **Lonnie Burstein** has been promoted to program coordinator, and **Nadine Tekula** is promoted to associate program director. Burstein had been programming assistant. Tekula was manager of program services since January, 1984.

Richard Firth has been named to the newly created position of director of promotion and station relations at **Harmony Gold**. Firth had been director of publicity and promotion for Telepictures *Rituals* and *Love Connection*.



Richard Firth

Bob Teach has been appointed vice president, finance, at **Multimedia Entertainment**. He previously was director of finance at Reeves Communications. From 1971-79, Teach was controller at Palomar Pictures International.



Bob Teach

BBDO black study

A new study released by BBDO breaks down the traditional thinking that black-oriented network television shows draw a high number of black viewers. The BBDO special markets analysis, which is based on Nielsen ratings for 1984-85 season, indicates that such shows as *Dynasty*, *Family Ties*, *Hotel*, *Knots Landing*, *Knight Rider* and *Riptide* all place in the top 10 shows in terms of viewing by the black community.

BBDO points out that none of these programs features a major black actor,

three of the series are basically nighttime soaps in affluent settings, and that two are action/adventure shows. The time slot of *Family Ties* is considered an important factor in the show's popularity with black viewers because *Ties* follows *The Cosby Show*.

The Cosby Show, obviously, was the most popular show the past season with black households, registering a 38.2 rating among black households. Surprisingly, *Dynasty* was second with a 35.5 among black viewers, the survey indicates. Also *Cosby* was the most-watched program among black women and men, 18-plus, chalking up a 29.3 and a 9 rating, respectively.

Behind *Cosby* with women, 18 plus, were *Dynasty*, *Hotel*, *Family Ties* and *Knots Landing*, while *The A Team*, 18.5 and *Benson*, 17.8, followed *Cosby* with 18-plus male blacks.

Telepictures news study

A study released recently by McHugh and Hoffman and N.I.W.S., a subsidiary of Telepictures Corp., reveals that 98 per cent of the stations surveyed have downlink capability, with 74 per cent having more than one dish. Seventeen per cent of the stations currently have uplink satellite capability, according to the study. One hundred-forty-one news directors responded to the 12-page question guide concerning their satellite capability; use and evaluation of syndicated news services, regional and network feeds; and which news programs should be covered in more detail. The national mail-survey represented a cross-section of local stations in terms of network affiliation and market size.

The report notes that while C-Band has been around for some time, the use of Ku Band is growing faster. Among the 74 per cent of the stations having more than one downlink, 51 per cent have only C-Band, but 45 per cent have bot/C and Ku Bands. Among the stations having uplink capability, 48 per cent use C-Band only, 30 per cent use Ku Band only and 22 per cent use both.

Another finding is on how the news directors rate the different news feeds. NBC's A-News was most often rated as excellent (37 per cent) by all news directors; 21 per cent rate NPS excellent; 13 per cent for CNN; 10 per cent for ABC-DEF; and 7 per cent for CBS. Also indicated is that syndicated news services are becoming pervasive, with 70 per cent of the news directors reporting they are currently using at least one syndicated service.

Regional and statewide feeds are also being added, with 46 per cent already signed, and 20 per cent expecting to purchase some news-related service

over the next 12 months. Contrary to public opinion, notes the report, the material isn't being used for morning or noon shows. Eighty-three per cent of the stations use it in their early evening local newscasts, 62 per cent use it in their late evening newscasts.

Monte Carlo Fest

The 26th International Festival of Monte Carlo will be held February 8-15. Screenings of the fiction programs will be held February 8-14, and the news program screenings are set for February 10-14. The International Television Market will be held concurrently with the festival competitions, February 10-15. The gala takes place February 15, when the Nymph prizes and awards will be presented.

Format, staff changes

John Lanigan has been named the 5:30-9:30 a.m. personality, Monday through Friday, at WMJ(FM) Cleveland. A 20-year veteran of the broadcast industry, Lanigan most recently was at WNTL(FM) Clearwater, Fla., where he had a similar spot.

Breakfast With Bob and Betty has premiered at WMCA New York. The team hosts the 5-9 a.m. slot six days per week. The couple comes from Chicago. One feature of the show will be the hourly quiz.

KTKS(FM) Dallas-Ft. Worth has added Gail Lightfoot to morning drive. She joins Jim Zippo and Rose Wright as the third member of the *Zippo in the Morning* show, from 5:30-10 a.m., Monday through Saturday. Lightfoot comes to KTKS from KEGI(FM) Dallas, where she was the helicopter traffic reporter and air personality for one-and-half years.

Ksdo newsroom

KSDO San Diego will become the first Gannett-owned radio station to computerize its newsroom. The information station is installing NewStar, an electronic news-processing system developed by Colorgraphics Systems, Madison, Wisc., which was scheduled to go on line the past weekend. KSDO will be served by AP Broadcast, UPI Custom news and sports wires, at 1,200 words per minute each, double the input before the system.

KSDO initially will have seven newsroom terminals, with 14 planned, and will continue to use printed newscrips. Eventually, the station will incorporate an electronic prompter for newscasters, and it plans to equip its field reporters with portable computers to interface equipment to facilitate written on-

Programming/Production

(continued)

scene reports. Reporters and editors can also link their home computers to the system.

Radio syndication

Tom Rounds has left ABC Watermark, where he was president and CEO, to create **Radio Express**, new company which will be the exclusive international distributor of all ABC Watermark product. He'll continue to be executive producer of *American Top 40 with Casey Kasem* and *American Country Countdown with Bob Kingsley*. Radio Express has already begun distributing programs from the catalog, including *Silver Eagle* and *The King Biscuit Flower Hour*, to more than 40 countries. Rounds co-founded Watermark in 1970.

Lin Broadcasting's WIL St. Louis, is the newest major market station to affiliate with **Transtar's** country format. WIL will carry the satellite-delivered programming nine hours daily. The total number of stations currently airing Transtar's country format is more than 70.

United Stations Radio Networks has named **Ron Werth** as senior vice president of research (TV/RADIO AGE, September 16). Werth most recently was vice president of research for the Mutual Broadcasting System, where he was in charge of the research department since 1980. Also at US, Dick Clark has become the host of *Countdown America*, four-hour show which will premiere on November 2. It will be produced out of Dick Clark Productions, Los Angeles. He will continue to produce *Dick Clark's Rock, Roll & Remember* for US.

The **Satellite Music Network** has passed the 500-mark regarding subscribers. The 500th affiliate was WISE Asheville, N.C., followed by WAAY Huntsville, Ala., and KFIV Modesto, Calif.

David Moore has been appointed director of programming at **Peter Productions**, San Diego. He will be responsible for the firm's eight music formats and will be consultant to client stations in music programming. Before joining Peter, Moore was marketing consultant for KCAL Redlands, Calif.

Reiss' range wide

Randy Reiss, president and chief executive officer of Normal Lear's recently formed Act III Communications, says, "There's nothing we won't potentially get into" in the wide-ranging commu-

nications field.

Reiss, who's leaving as president of Paramount's domestic television and video programming division to join Lear, adds, "We think the opportunity is now and in the next year or two for someone with the ideas and the resources that Norman has."



Randy Reiss

Act III, Reiss says, will be considering ventures in television, radio, basic cable, satellites, newspapers and magazines.

However, there are no immediately pending deals. "There is nothing we have targeted right now," Reiss says. "But we feel it is a good time to become a player" in the communications arena. Reiss officially becomes a "player" in Act III January 1, 1986.

Reiss began his tenure with Paramount in 1977, where his responsibilities included production on first-run projects such as *Entertainment Tonight America*, *A Woman Called Golda* and *The Jesse Owens Story*, marketing and distribution of all Paramount TV product, pay-TV and other areas.

Production notes

One of the candidates for a mid-season replacement on ABC is *Rowdies*, a one-hour comedy series pilot being produced by Universal. Pat Harrington stars in the show playing C. D. "Rowdy" Harlan, head of a cut-rate home security service whose officers wear hand-me-down uniforms and patrol neighborhoods in used cars. Two production executives from *Simon and Simon*, Bill Dial and Richard Chapman, are making the pilot.

Another possible mid-season replacement is *Blacke's Magic*, an NBC movie co-starring Hal Linden and Harry Morgan. NBC has ordered the film and four scripts for an hour series in which Linden plays a magician who also operates as a private detective. Morgan is his father, a former con-man who helps him uncover the swindlers and crooks.

Filming begins later this month for *Crossings*, a five-hour ABC miniseries being made by Aaron Spelling Produc-

tions. Christopher Plummer, Cheryl Ladd, Jane Seymour and Lee Horsley are featured. The miniseries is based on Danielle Steele's novel.

CBS is producing *Time to Triumph*, a two-hour movie about a woman who became an Army helicopter pilot. Patty Duke and Joe Bologna co-star in the picture, based on a true story.

CBS has engaged producer Irwin Allen to produce *Outrage*, a film about a father out to avenge the rape and murder of his daughter. Robert Preston, Beau Bridges, Anthony Newley, Mel Ferrer and Burgess Meredith co-star.

Barney Rosenzweig, executive producer of *Cagney and Lacey*, is working on several network projects for CBS. He's developing the *Bounty Hunter* series, about a man who tracks down fugitives for a bailbondsman. It's based on a character introduced in a *Cagney and Lacey* episode.

Rosenzweig is also filming an ABC mid-season replacement, *Moving Parts*. It stars Carl Weathers, who played the "Apollo Creed" character in *Rocky* features.

CBS will explore the problem of alcoholism as its effects young family members in a film, *Children of Alcoholics* being readied for production.

Finnegan and Associates, in association with Gerald Rafshoon, former communications assistant for President Jimmy Carter, is filming the CBS movie, *A Family of Strangers*, a story of the abuse of the elderly.

VTC adds service

SECAM capabilities have been added to the list of domestic and international services at the Video Tape Co., North Hollywood. With the recent acquisition of the McMichael A.C.E. standards converter, VTC can convert all standards and formats of videotape worldwide. Standards conversions and Rank Cintel Telecine film-to-tape transfers can be achieved in all standards and all formats at VTC 24 hours per day.

Kahn generators

Kahn Communications will manufacture AM stereo signal generators for testing of multi-system receivers operating in the Kahn/Hazeltine AM stereo mode. The signal produced by these generators will closely approximate that of the latest model Kahn AM stereo exciter used by major AM broadcasters in the U.S., Canada and Mexico, according to Kahn. It meets the pertinent FCC specifications for K/H AM stereo signals. The generator has been developed in cooperation with Boonton Electronics.

Commercials

Boston's one-stop broadcast promoter

Offering the economy of creative work and production under one roof and specializing in broadcast promotion, Spotwise, Boston, has expanded beyond radio and TV station promos and into national activity. Current national clients are NBC Sports and Blair Entertainment.

For the past three years, the company, which grew out of an industrial video enterprise called Bostonia that is now a subsidiary, has been producing spots for stations like WOR-TV New York and WTTG(TV) Washington. Larry Crowley, president, reports some 90 per cent of the company's work is in broadcast, with the remainder in retail and industrial work.

"Syndicable spots" for stations represent about 30 per cent of activity, according to Crowley. While eight of them are available now for national distribution, he expects soon to have about 20 to cover all formats of radio as well as for TV.

"TV is more difficult than radio to produce a syndicable spot for," he points out, "because TV stations promote their talent more heavily." One

the station identification, a little of the audio track and sometimes a visual."

Along with a previous track record, cost savings are a major selling point for syndicable spots, he notes, with these spots costing between \$5,000 and \$15,000, compared with \$30,000 to \$50,000 to have a new commercial made.

As for the custom spots produced by Spotwise, these are highly cost-competitive with those assigned through an agency: "If you buy a \$60,000-70,000 commercial, half of that goes to the agency. We do the creative for \$5,000-10,000 plus about \$30,000 for production. We don't have the overhead of an agency—and a station can come to us with the creative and we don't charge for it. Also we have tight control on production cost. The agency has to rely on the production house to turn in the work on time and on budget, but we agree with the client to do this, so we absorb any overage."

Spotwise centers much of its creative effort on slice-of-life commercials, particularly for TV stations: "We're not heavily into special effects like soaring

the viewer is initially deluded into thinking a newscast is coming on as he sees the shot of an anchor desk, but suddenly scenery is being moved in front of the newscasters. The message for the UHF independent is "The best news is not the news at all. M*A*S*H has moved to Channel 38 at 11 p.m. tonight."

Crowley is now looking for more national business. Blair Entertainment is a recent addition, and Spotwise will be doing promos for its *Divorce Court* and the new syndicated version of *Break the Bank*. NBC Sports has been a client for a year-and-a-half, a relationship that began when John Schipp, director of on-air promotion for NBC Sports, walked by the Spotwise booth at a convention, saw part of the Spotwise reel and stayed to see the rest.

"He suggested we get together," Crowley recalls, "and this was the first time a network ever came to a city like Boston to have commercial work done." Spotwise's first shot was the 1984 World Series, with Schipp working together with Spotwise talent to get away from the typical approach of running the previous year's highlights. Instead "The Boys of Summer" communicated the tradition of baseball, with a subsequent spot dealing with a father and son passing on this tradition. To date, some 25 spots have been done for NBC Sports.

Such experience and lower costs, which are also aided by the Massachusetts right-to-work law, are expected to attract additional national advertisers in the future.

With a staff of about 25, Spotwise is owned by four principals, all with broadcast experience including promotion, production and news. The others are Barry Rosenthal, creative director; Richard Getz, sales and marketing director and William Miller, director.

PSA compromise

After an impasse running for several years, ABC and CBS have finally gotten together with the Planned Parenthood Federation of America on a public service campaign. For CBS, this represents a slight change in its ground rules on PSAs, and for PPFA, it means a softened message.

NBC has been running PPFA's messages about family planning and parent-teen communications for about three years, according to PPFA president Faye Wattleton, but no accord could be reached with the other two networks until recently. But the PSAs accepted by these two networks skirt the subject of birth control.

An ABC spokesperson reports they were accepted because they "discuss



Spotwise president Lawrence Crowley, r., checks final camera angles during a recent shoot for NBC Sports.

done for TV promotes the station's weathercaster, with only five seconds of the 30-second spot actually showing the weatherman along with a newscaster asking, "Are the kids going to be able to play today?" The rest deals with children playing baseball in rain that stops as predicted. The spot was originally done for WCVB-TV Boston, and Crowley says that either Spotwise or the station can insert a localized weathercaster scene. With radio, he says, "You're mostly involved with image and format, so you only have to change

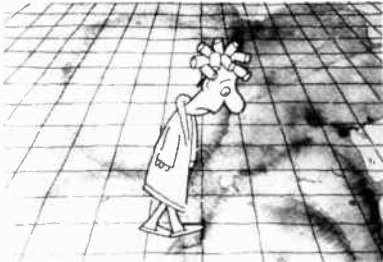
rockets and blazing colors. We try to make the station more personable and more involved with the community. This is not the type of commercial that wins awards, but it wins rating points."

He concedes that promos for radio, particularly those for rock stations, tend to be channeled into the latest music and imagery trends, typically following the lead of music videos. He asserts, "This is what the audiences of these stations want to see."

In one of Spotwise's most eye-catching TV promos, for WSBK-TV Boston,

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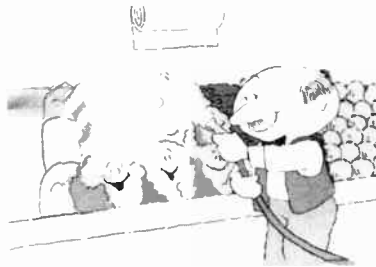
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BANDELIER INC., Albuquerque, NM

Voltron, LNJ Toys • Geers, Gross Inc.



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WALA-TV • Mobile, Alabama



I F STUDIOS, New York

Commercials (continued)

the importance of getting the facts of sexuality to children in the context of one's own family values." Meanwhile, ABC is still turning down PSAs of the American College of Obstetricians and Gynecologists because they advocate birth control.

The CBS logic is similar, but a spokesperson also notes this is a shift from a past policy of not accepting PSAs from lobbying organizations: "The question now is not so much the group but what appears on the screen. This is a health issue." But this doesn't mean that CBS is ready to accept any sort of message from the John Birch Society, for example.

The PSAs are running in conjunction with National Family Sexuality Education Month and include two 30s and a 10-second spot, the latter not accepted by ABC. They feature actress Joanne Woodward and former *M*A*S*H* co-star Mike Farrell. The campaign also is being carried on independent stations and cable outlets throughout the country.

P&G 'spokeslemon'

Sud-Z Lemon has become the "spokeslemon" for Procter & Gamble's New Joy, which contains "16 per cent more cleaning power," while doing double duty in a public service campaign in conjunction with Volunteer—The National Center to support volunteerism across the U.S. Sud-Z was created by Bonnie Erickson of Harrison-Erickson, the puppetmaker that puts Jim Henson's Muppets into their final form.

Fifteen different Sud-Z's were creat-



Setting up for a commercial for Procter & Gamble's New Joy, a puppeteer at Harrison-Erickson uses one of 15 specially designed Sud-Z Lemon puppets.

ed for the commercial campaign, each performing a different function, such as flexing muscles, blowing a party horn or throwing a fork into a sink. In the Grey Advertising campaign, Sud-Z is portrayed as "the toughest little squirt on dirt."

Grey account executive Betsy King says the campaign will run steadily over the next six months on daytime, primetime and late night network TV and in about 15 spot markets. She discloses that radio may be tested after the spokeslemon's voice becomes recognizable from TV exposure.

Meanwhile, actors dressed as Sud-Z Lemons will tour the country in a "Spread the Joy" fundraising campaign for Volunteer, in which the brand will match, dollar for dollar, funds raised for the public service program at special regional events. Volunteer's national network consists of more than 350 local volunteer centers.

Kelly, Astaire star

Star names continue to proliferate in TV commercials. Gene Kelly and Fred Astaire appear together in a 30-second spot by Dailey & Associates Advertising, Los Angeles, for Western Airlines. A second commercial for the airline reunites *Star Trek's* William Shatner and Leonard Nimoy.

The Kelly-Astaire commercial shows the two meeting unexpectedly in the first class cabin of a Western plane, exchanging conversation and toasting over glasses of complimentary champagne. Kelly says, "You know, Fred, you never stopped traveling in style," and Astaire replies with the airline's slogan, "It's the *only* way to fly."

Says Dailey president and corporate creative director Cliff Einstein, "I can think of few other people who so well personify elegance, style, ease of movement and application of quality—exactly what we want to communicate for our client."

The Shatner-Nimoy commercial has the two Hawaii-bound, with Nimoy telling Shatner he had been asked why he wasn't flying the plane and adding, "I told her *I* wasn't the captain."

Quarterback's hands

The hands of superstar professional quarterback Dan Marino are the topic of conversation in a commercial where he appears for Aris Isotoner gloves. The 30-second spot, scheduled to run 22 times through Dec. 22, promotes the men's gloves as a holiday gift.

Marino, who did the commercial in Ft. Lauderdale, Fla., says in the spot, "I take care of the hands that take care of me." Media spending for Aris Isotoner

products reportedly will exceed \$7 million this year, including primetime network and spot TV and magazines. All advertising is produced and placed on an in-house basis.

GE fights the zap

General Electric's "Power of Music" campaign, being extended to late night network programming in the fourth quarter, is specially formatted for zap avoidance among young adults, according to Richard Costello, manager of corporate brand communications. The prime target audience, he reports, is teens and young adults 12-24.

"With the proliferation of cable channels, remote controls and VCRs," he explains, "the viewer can easily control what he watches—and zap anything that he doesn't want to watch." The campaign, for such audio products as headset radios and portable stereos, recently won a Clio in the home entertainment category. The futuristic commercial features four adventurers freeing a city imprisoned in silence with the help of GE audio products.

To counter the youth attention gap, the commercial uses a combination of music and rock video "because this combination talks most directly to the audience we want to reach and is most relevant to our products." The 30s and 60s have appeared on MTV: Music Television and rock music shows. Additions to the fourth quarter schedule are *Late Night with David Letterman* and *Friday Night Videos*.

NBACA awards given

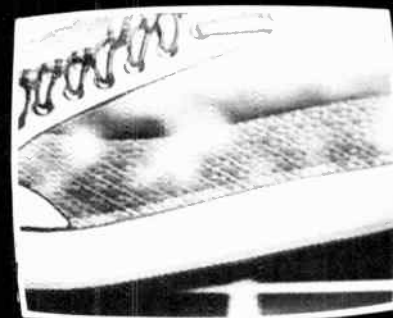
The National Broadcast Association for Community Affairs (NBACA) presented awards to four TV stations and two radio stations for excellence in community responsive broadcasting at its 11th national conference in Albuquerque, N.M.

For best total station project in TV metro areas one through 30, WXIA-TV Atlanta was the winner with "Operation Homeless." KGUN-TV Tucson, Ariz. won the same award in metros ranked 31 and over for "Safe, Strong and Free," a crime prevention project focusing on youngsters.

In the larger metros, the award for best public service spots went to WTCN-TV Minneapolis for "Achievers," which featured multi-ethnic professionals as role models. In the smaller metros, the winner again was KGUN-TV, this time for "Chronic Mental Illness."

Best total station project award to a radio station in metros one through 30 went to WABC New York for "Rockabye Baby—Teenage Pregnancy." KING

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Commercials (continued)

Seattle was the large market winner in best public service spots with "The KING Carecab Project," combating drunk driving fatalities. A special Governor's Award was presented to the "USA for Africa" campaign.

Kodak contribution

Eastman Kodak Co. has made a major contribution to the Art Directors Club to be used toward development of the club's new headquarters at 250 Park Ave. South in New York. The headquarters are expected to be completed by Nov. 15.

The contribution will underwrite construction of the club's Eastman Kodak Television Film and Videotape Library, which will house an extensive collection of award-winning films, tapes, reels and cassettes, including foreign works and new techniques. Included will be books on production, planning, design and innovative techniques for television and film.

Live and animation

A combination of live action and animation was used by Geer, DuBois in its first commercial introducing Questron, a new electronic learning system from Price, Stern, Sloan/Random House. Questron involves an "electronic wand" used with a series of workbooks.

The animation is used to illustrate the beeps, buzzes and flashes emanating from the wand in response to the user's input. Live action centers around two children playing with Questron, with a parent joining in.

Director for the 30-second spot was Jonathon Yarbrough. Animation, de-

signed by Susan Rose, was done by Dick Rauh of The Optical House. It was rotoscoped frame by frame over the live action by editor John Palestri.

Liza Dunkel was copywriter, and Ethel Rubinstein produced for the agency. Music, scored especially for the spot, was created by David Horowitz.

The commercial will air nationally on network and cable TV.

Advertising to China

Procter & Gamble and General Foods are spending \$450,000 each to place a schedule of 30-second commercials on *One World*, to air in the People's Republic of China twice weekly starting in late February.

The show is produced by Chinese-born American journalist Yue-Sai Kan, whose *Looking East* now runs two to five times a week on 518 cable systems and UHF stations in 47 states in the U.S.

Kan's contract with Central China Television, China's only national network, is for an 18-minute, 18-second program with three minutes of advertising time. Kan says this will be the first series on the network with regular advertising. She reports she is also close to signing Eastman Kodak and also expects to sell a major Japanese home electronics manufacturer. She says she can accept a maximum of six advertisers, each with a 15- or 30-second commercial to run 104 times a year.

BPME member drive

The Broadcast Promotion and Marketing Executives (BPME) is launching a new membership drive focused on expanding its cable and radio member-



Director Jonathon Yarbrough prepares child actors for their introduction of *Questron*.

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ship. According to a spokesman, overall membership has reached a high of 1,543, but this includes only some 40 cable and 350 radio members. As part of the drive, a videocassette based on BPME's monthly video magazine will be sent to prospective members.

BPME, formerly a New York company, is now officially incorporated as a nonprofit corporation in California. A charitable corporation called the BPME Foundation has also been established there, initially to serve the Scholarship Fund and the Library Resource Center.

Joining the board of directors are John Miller, vice president, advertising and promotion, NBC Entertainment; and James Ellis, director of creative services, Tribune Broadcasting.

The BPME 1986 seminar will be held June 11-15 at Loew's Antatole, Dallas. Further June conventions will be in Atlanta in 1987, Los Angeles in 1988, Detroit in 1989 and Las Vegas in 1990.

Music Notes

Presented with the musical chore for a Marineland spot, "A Touch Closer," **John Bahler Associates (JBA)**, Los Angeles, had the challenge of taking the viewer on a musical trip from outer space, through the atmosphere and into the aquatic environment. JBA's **Mark Matthews** wrote the music to picture, and the music was then performed on JBA's Synclavier II digital music system. Representing agency **Evans/Weinberg** were **Jo Krutulewski**, producer, and **Roger Lockwood**, creative director.

Simulating the effervescence of Like Cola by Seven Up was the task of **Chico O'Farrill** of **O'Farrill Music** in designing four radio tracks for the Hispanic market. The three 45/15s and one 30 were done against an arrangement featuring piano, electric guitar, Fender bass and a horn section including a trumpet, one French horn and two saxophones. O'Farrill added a drum machine, several synthesizer-originated effects including vocoder as well as acoustic drums and congas to heighten the rhythmic excitement of the tracks. Associate creative director **Cory Zacharia** wrote the spots for **Uniworld Group**.

A soft, classical piano theme is employed by composer/synthesist **Suzanne Ciani** in a 10 called "Seriously Thinking" for V-F jeans through **W. B. Doner**. To accompany a young man pondering the type of jeans he should buy, the classical score was composed for the Synclavier Sampling System, employing voice box, vocoder and Lex 224X in addition to piano.

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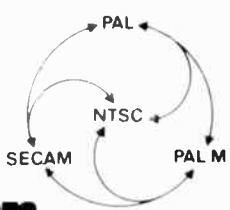
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Commercials (continued)

Commercials Circuit

Jeff Cooney of **LCL Productions**, an **EUE/Screen Gems** associate, directed a series of spots for a new board game version of ABC-TV's *All My Children*. The 30 and three 10s were created by **Kolker & Gill**, New York agency, and include cameo appearances by seven of the show's stars. The body of the commercials was shot on location in Manhattan while key performers were filmed at EUE's New York production center. Key representative for the agency was **Stephen Kolker**, creative director.

Director/cameraman **Herb Loebel** shifted his focus from film to tape when he did two *Sinutab* commercials at **Unitel Video** for **J. Walter Thompson**. The 15- and 30-second spots extend the theme established in previously filmed commercials, using three moving slices of a model's head to illustrate sinus cold symptoms. Loebel decided to video tape the new spots to avoid the static that developed around the slices in the filmed commercials. He placed the models against a blue background and, using the *Ultimate*, he then matted super black around the models instead of using an inline chromakey during post production.

Century III Teleproductions, **HBM Creamer**, and **Shaughnessy & Ahern** of Boston were among those donating efforts to create a PSA for United Way on teen suicide, titled "Save A Life." Century III director **John Sloan** said, "The key to making the concept work is that we could build the 'grave' above ground at Shaughnessy, which donated six scissor lifts for the camera and



At "Spenser for Hire" shoot, l. to r.: director **Norman Hall**, producer **Gail Desmond**, star **Robert Ulrich** and ABC producer **Barbara Bowman**.

cast." The commercial is one take opening on a shot looking up at the sky and then lowering so the viewer can see the faces of family mourners looking into the grave, continuing down so the faces are farther and farther away, and ending as a shovel-full of dirt is tossed into the grave, blocking out the camera.

Century III provided crew and equipment and coordinated production for 150 10-second *Spenser for Hire* promos shot on Boston Common. **Norman Hall** was director. The ABC series is set in Boston.

David Impastato of **Hagmann, Impastato, Stephens & Kerns (HISK)**, Los Angeles, was selected by **Leo Burnett Co.**, Chicago, to direct an Oldsmobile commercial announcing its Delta 88 model for 1986. Titled "Some Things Never Change," the commercial reunites Impastato with Olds and the Dick Van Patten celebrity family in a spot about the new front-wheel drive Delta 88. The commercial was filmed over a two-day period at a variety of southern California locations, including the hair-pin turns on the back roads of Griffith Park—selected to show the front-wheel drive at best advantage. The HISK production team included photographer **Fred Moore**, producer **Kathy Bushman** and executive producer **Dick Kerns**. Creative director **Don Gwaltney** headed the Burnett team.

The Post Group, Hollywood postproduction house, is one of the first companies to receive a digital disk recorder (DDR) from **Abekas Video Systems**, Foster City, Calif. The recorder, according to Post's **Rich Thorne**, senior vice president, eliminates the problems caused by creating effects through constant rerecording of generations of video tape, which can produce distorted or discolored images.

Brent Thomas, director with **Spots Films Services International**, recently completed his second assignment for **Doyle Dane Bernbach/Los Angeles**. Previously working with the agency on a Western Airlines campaign, Thomas this time did a 30 for **Merle Norman Cosmetics**. The spot follows a young lady as she hesitantly enters a Merle Norman salon to find a warm, friendly environment in which she tries various "looks" until arriving at the one she likes. The voiceover says, "Merle Norman helps you understand the beauty within you and shows you ways to bring it out. Thomas collaborated closely at the conceptual stage with writer **Steve Diamont** and art director **Gerry Gentile**. **Beth Hagen** produced for DDB.

Famous faces have been seen in abundance lately at **Silvercup Studios**, Long Island City, N.Y. **Frank Perdue**, the chicken magnate, was shown in his "harem" of chickens for **Scali, McCabe, Sloves**. Actor **Judd Hirsch** spoke for

Swiss Miss in a spot through **Bozell & Jacobs**. **Joan London** took time out from *Good Morning America* to play a teacher to a class of child actors for Playskool in which **Griffin, Bacal** was the agency.

Verbeck at Esty

Pieter L. Verbeck has joined **William Esty Co.** as senior vice president, creative director. He will report to **Chuck Cilo**, executive creative director of the agency.

Verbeck was most recently senior



Pieter L. Verbeck

vice president, director of creative services at **Ogilvy & Mather Partners**, where he served for 11 years. He was vice president, associate creative director at **Ogilvy & Mather**, New York from 1967 to 1974, creating campaigns for such clients at **Contac**, **British Tourist Authority**, **S. C. Johnson**, **Lever Bros.** and **General Foods**.

Christie joins D'Arcy

Carole Christie is moving to **D'Arcy MacManus Masius**, St. Louis as a vice president/creative director for **Kal Kan** pet foods, **Ozark Air Lines** and **Southwestern Bell Telecom** accounts.

Christie previously was a vice president/group creative director with **Gardner Advertising**, St. Louis. Prior to that she was a senior writer at **DMM/St. Louis**.

DFS get Guyader

Jean-Manuel Guyader has joined **Dancer Fitzgerald Sample** as senior vice president, creative director. He was deputy general manager at **J. Walter Thompson/Paris**, where he created advertising for **Ford**, **DeBeers**, **Guerlain** and **Kellogg's**.

Guyader also spent eight years at **Young & Rubicam**, where he was a creative director of its **Paris** and **Sao Paulo** offices.

AUDIT TEST

TeleScan first out with monitoring of TV ads/55

RETAIL REPORT

Woolworth mounts co-op-supported TV push/59

SELLER'S OPINION

Key factors to consider in sales forecasting/63

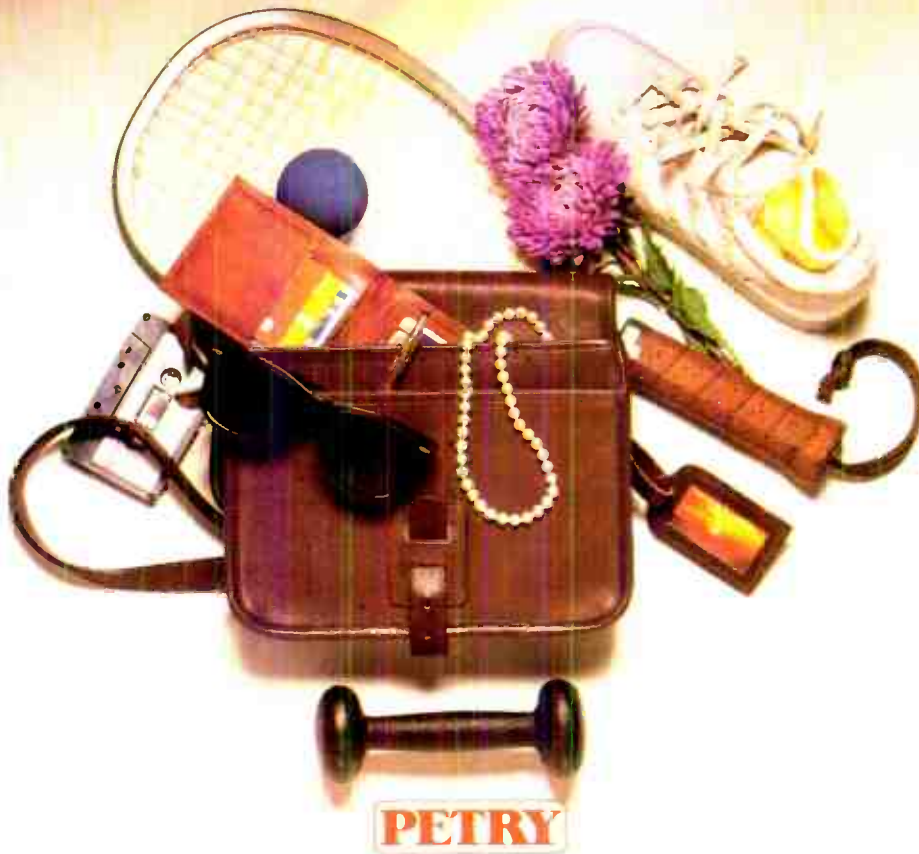
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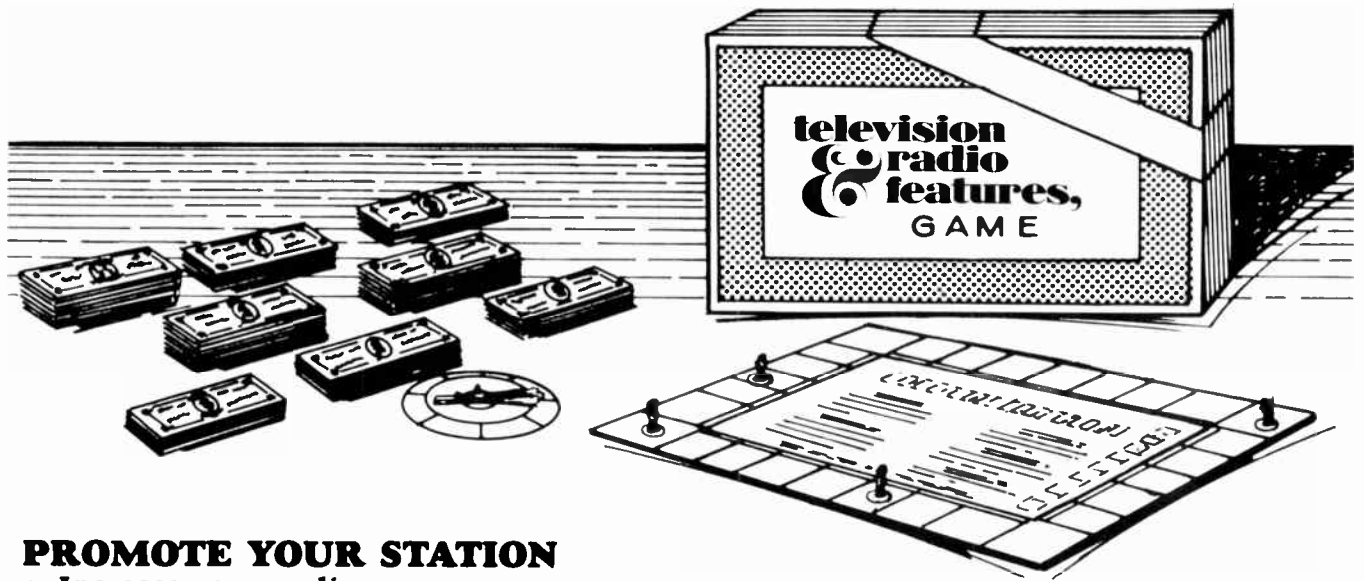
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Television & Radio Features the only game in town that offers **BRAND NAME PRIZES!!**



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RUN YOUR OWN PROMOTION

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SAMPLE CLIENT ROSTER

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- Encyclopaedia Britannica • Ames Garden Tools
- Teledyne-Water Pic • Longine-Wittnauer
- Carter Wallace, Inc. • General Electric
- Rand McNally • Corning Glass • Houbigant
- Syroco • General Mills

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City, State, Zip _____

Spot Report

October 28, 1985

TeleScan kicks off its TV commercial monitoring

TeleScan started its New York test October 21, making it the first of the new and long-promised television commercial monitoring systems to get off the ground. Also promising to enter the monitoring arena are Ad Audit of Alexandria, Va., with what it describes as a system similar to TeleScan's, and Nielsen's MonitorPlus. But MonitorPlus isn't scheduled to start full scale monitoring until spring, 1987.

Under president Burton L. Greenberg and new chairman and former Federal Communications Commission chairman E. William Henry, TeleScan says its test includes 24-hour-a-day monitoring of all six commercial channels serving the New York market and that 24 advertisers will be coding their commercials for identification by TeleScan equipment. TeleScan encodes each commercial frame with an identification number unique to that commercial. This digital number is aired as part of the TV signal and is received at TeleScan's remote sites and stored in redundant computers. The remote sites are polled at night by telephone, and the information is fed into a central master computer which compiles the data and produces the reports.

Advertisers participating in the test include Pepsi-Cola, Seven-Up, Ralston-Purina, Lipton tea, Richardson-Vicks, and Kinney shoes. Agencies and media services involved include Sawdon & Bess, Venet Advertising, and CPM, Inc., Chicago.

SRC/SIN Hispanic report

An estimated 2.4 million Hispanics now live in the New York ADI, accounting for 13.1 per cent of the market's population. That's up from 11.5 per cent in 1980, according to New York Hispanic Market Product Usage Study, hot off the press. The study, conducted by Strategy Research Corp. and commissioned by SIN New York affiliate WXTV(TV), includes an overview of the market, demographics, lifestyles, shopping patterns and product use by New York area Hispanics.

The 88-page report places median annual household income of New York Hispanics at \$14,400, with 34 per cent of Hispanic female heads of households

working outside the home, compared to 39 per cent of their non-Hispanic equivalents. Some 39 per cent of Latin heads of households are employed in white collar occupations vs. 43 per cent of New York's non-Hispanics. Nearly 23 per cent of Hispanic household heads hold blue collar jobs.

Disney debuts 2 packages

Walt Disney Domestic Television has set a movie package and a package of 178 episodes from the *Wonderful World of Disney* as its initial thrust into the syndication marketplace. The films, which will go under the banner of Disney Magic-I, will consist of 25 titles, and the *World of Disney* will be offered to stations beginning next month, available for airing next fall, according to Robert Jacquemin, senior vice president of the division. The movie package is being marketed on a fee/barter basis and release dates will be staggered. The terms call for a 4½-year license deal for cash, with Disney getting 10 minutes for national sale and stations keeping 12 minutes for local sale in the first two airings of each film. Titles will consist of 20 theatricals, ranging from *Dumbo* to *Splash*, four made-for-TV movies, and one from the Disney Channel, *The Undergrads*. The first titles, which will be available for airing next fall, include *TRON*, *The Absent-Minded Professor*, *Treasure Island*.

Wonderful World of Disney, in its original form ran 29 years on all three networks. The hour shows will be offered in strip form and will range from animation to live action to frontier/adventure and adventure/life/nature.

New Malrite exec lineup

Malrite Communications Group has formed an Office of the President, following the resignation of Carl E. Hirsch as president and chief operating officer.

The three-person Office of the President will consist of: Milton Maltz, chairman and chief executive officer; John G. (Gil) Rosenwald, executive vice president and president of the radio division; and John C. Chaffee, Jr., senior vice president and president of the television division.

Telepictures game show

Telepictures has thrown its hat into the access arena with a new game strip, *The \$1 Million Chance of a Lifetime*, to be hosted by Jim Lang, who did similar duty on shows such as *Name That Tune* and *The Dating Game*. The game show, which is being produced solely by Telepictures, took a year to create and will be available to stations on a cash basis for 36 weeks, including 23 original weeks of the strip and 13 repeats. Telepictures is making the half-hour strip available for airing on January 6, 1986, nine days before NATPE.

Spot Report

Campaigns

Armour-Dial, Inc., RADIO

Ogilvy & Mather/Chicago

PREPARED MEATS will be advertised for four weeks during November in numerous southeastern and midwestern radio markets. Media team lined up schedules to reach women 25-plus.

Armstrong World Industries, RADIO

BBDO/New York

HOME INTERIOR IMPROVEMENT suggestions are being broadcast for seven weeks that started in mid-October in a coast-to-coast selection of major radio markets. Target audience is women 25-plus.

Bruce Foods Corp., TV

Mithoff Advertising, El Paso

YAMS and HOT CHILE are being featured for five weeks that started in late October in a long and widespread list of television markets. Buyers set fringe, daytime and news appearances to reach both men and women 18 and up.

Ford Dealers of New England, RADIO

Hill, Holliday, Connors, Cosmopolos/Boston

CARS are rolling for five to eight weeks that started on various late September and early October air dates in a good many New England radio markets. Negotiators arranged placement to impress men 25 and up.

Frito-Lay, Inc., RADIO

Tracy-Locke/Dallas

POTATO CHIPS are being offered for

First wave for Wilkinson

The first wave of a two-year, \$23.5 million advertising push for Allegheny International's new Wilkinson Sword disposable Retractor razors started in September and is scheduled through the rest of 1985. Spot television is airing in Pittsburgh, Syracuse, N.Y., and in Richmond, Va., and is scheduled to roll out into other markets in January.

William R. Gauch, vice president, marketing for Wilkinson Sword, says that during each 12-month period of the campaign, 2,500 GRPs will be delivered to the target audience, and that, "By comparison with competitors, this is the largest expenditure today in the wet shaving industry." That target audience includes both men and women. The agency is Burton-Campbell, Atlanta.

five weeks that started in late October in a fair selection of Texas, Oklahoma and Louisiana radio markets. Target audience includes both men and women 25-plus.

General Mills, TV

Laurence, Charles & Free/New York

GORTON'S OF GLOUCESTER CRUNCHY FISH STICKS are being advertised for four weeks that started in early October in a nationwide selection of larger television markets. Fringe, news and weekend placement is aimed at women 18 and up.

International Minerals & Chemical Corp., RADIO

Colle & McVoy Advertising/Minneapolis

AGRICULTURAL CHEMICALS are being spread for 12 weeks starting on various September and October air dates in a widespread lineup of midwestern and Texas radio markets. Media's sights are set on reaching farm managers.

Jack in the Box, RADIO

Wells, Rich, Greene/West/L.A.

FAST FOOD RESTAURANTS plan to use 20 weeks of radio that started in early October in a great many western markets.

Media worked to target both men and women 18 and up.

James River/Dixie-Northern, TV

Scali, McCabe, Sloves/New York

BRAWNY and OTHER CONSUMER PAPER PRODUCTS are making 13 weeks of spot appearances that started on various August and late October air dates in a long and nationwide list of television markets.

Negotiators placed daytime, fringe and primetime avails to appeal to women in various age brackets, depending on product.

The Kellogg Co., TV

Leo Burnett Co./Chicago

FROSTED FLAKES and OTHER CEREALS are scheduled for six to 11 weeks of spot exposure that started on various September and October air dates in a long and coast-to-coast spread of television markets. Media group arranged for daytime, kid, news and fringe showings to attract both adults and children.

Lennox Dealers, TV

Ross Advertising/St. Louis

HEATING and AIR CONDITIONING SYSTEMS are scheduled for 12 weeks of spot advertising that started in early September in a long and widespread lineup of television markets. Buyers

placed fringe, news and sports adjacencies to impress men.

Mita, TV

HCM/New York

OFFICE COPIERS are using eight weeks of spot that started October 7 to kick off a \$5 million campaign scheduled to include network radio, cable and print as well as spot television. Right now the advertising is on the air in six major markets: New York, Chicago, Los Angeles, Dallas, Atlanta, and Washington, aimed at business decision makers. Plans call for more TV to follow up this first flight, which includes one 30-second spot and six 10-second messages emphasizing that Mita specializes in producing copiers only.

Totes, TV

Sive Associates/Cincinnati

CONVENIENCE RAIN GEAR is being advertised for 11 weeks that started in late September in a long and coast-to-coast list of television markets. Media worked with the full range of dayparts to reach both men and women 25 and up.

Toys R Us, RADIO

Botway/Libov Associates/New York

GIFTS FOR KIDS will be featured during the first two weeks of November in a long and widespread lineup of radio markets. Buying target is women 25 and up.

U.S. Army, RADIO

N W Ayer/New York

ENLISTMENTS are being encouraged for six weeks that started in early October in a long and nationwide list of radio markets. Media placed schedules to reach young males 18 to 24.

McGavren Guild shifts

Dick Sharpe, executive vice president, Eastern Division for McGavren Guild Radio in New York, has assumed additional responsibility for the rep's Central Division, and Peter Doyle, vice president/regional manager of McGavren Guild in New York has been appointed to the rep's Executive Committee, the chief policy making body for corporate decisions. Replacing Doyle as chairman of the rep's Advisory Board is Jeff Dashev, vice president/regional manager in Los Angeles.

In other executive moves at the rep, Tom Dolliff becomes regional manager in Houston, and Don Hall has been named sales manager in Dallas. Hall has been an account executive with McGavren Guild for four years; Dolliff has been a sales manager with the firm.

WHAT DO YOU CALL A SERIES WITH OVER
65% COVERAGE A YEAR AHEAD OF TIME?



You Call It
**FILMATION'S
GHOSTBUSTERS**



65 animated comedy adventure half-hours for premiere Fall 1986. From the company that brings you He-Man™ and the Masters of the Universe™ and She-Ra™ Princess of Power.™ Now in production.

**ALREADY SET IN EVERY ONE OF
THE TOP 30 MARKETS AND MANY MORE!**

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World Radio History

Spot Report

Appointments

Agencies



Glenn Meyers, director of media and marketing services at Mintz & Hoke in Avon, Conn., has been promoted to vice president. He joined the agency three years ago as an account supervisor, following posts with General Foods and J. Walter Thompson.

Larry A. Mandel and **Patricia Gleason** have been promoted at Admarketing, Inc., Los Angeles. Mandel moves up from media director/California to vice president of media/California and Gleason steps up to vice president of media/national from media director/national.

Colleen O'Kane has been appointed vice president/media director of Burton-Campbell, Atlanta. She comes from Benton & Bowles in Chicago where she had been vice president and media director, and before that she had been director of media planning at Tatham-Laird & Kudner.

Laurie Livingston has joined Biederman & Co. in New York as vice president and research director. She was formerly a vice president and associate research director at Backer & Spielvogel, and before that she had been with Grey Advertising.

Marcus elected

Jerry Marcus, vice president, general manager of KRIV-TV Houston has been elected to represent independent television stations in market sizes 1 to 14 on the Arbitron Television Advisory Council. Marcus has worked for Metro-media for 15 years. Before becoming general manager of KRIV-TV in 1978, he had been vice president and general sales manager of WTTG(TV) Washington and vice president and local sales manager for KTTV(TV) Los Angeles.

Petra Arbutina has been named a media supervisor at Ketchum Advertising in Pittsburgh. She joined the agency in 1981 and now steps up from planner.

Cynthia Beerbohm, senior media supervisor on the Coca-Cola Bottler business at McCann-Erickson/Detroit, has assumed additional responsibilities on International Export Sales advertising for the General Motors Overseas Distribution Corp.

Dr. Debra Starkman has been elected a vice president at BBDO/New York. She came to the agency in 1981 as a marketing analyst and is now associate director, marketing sciences.

Barbara Collins has been promoted to vice president at The Marschalk Co., New York. She joined the agency in 1980 as a media research supervisor and is now its media research director.

Cathy Askow, **Susan Connolly** and **Marcia Gold** have been elected vice presidents at SSC&B:Lintas USA in New York. All three are research group managers. Gold joined the agency in 1981 from D'Arcy MacManus & Masius and Askow came aboard last year from Ted Bates. Connolly had previously worked for Saatchi & Saatchi Compton, Grey Advertising and for Foote, Cone & Belding.

Susan Silberman has been promoted to senior research supervisor, and **Mary Pat Anders** steps up to research supervisor at D'Arcy Masius Benton & Bowles in Chicago. Silberman came to the agency in 1981 as a research associate and Anders joined DMB&B last year from Cunningham & Walsh.

Sara Dormon has joined Elkman Advertising, Bala Cynwyd, Pa. as marketing project director. She moves in from a post as associate research director at Lewis & Gilman.

Peggy Schwende has been promoted to research account supervisor at Needham Harper Worldwide, New York. She came to the agency in 1980 as an account group secretary and now advances from research account executive.

Teddy Hayes has moved up to media buyer/planner at Basso & Associates in Newport Beach, Calif.

Andrea Vaughan has been promoted to media buyer at McCann-Erickson in Detroit. She steps up from estimator and is assigned to the agency's General Motors business.

Diane B. Johnston has moved up to media buyer at Ross Roy, Inc., Detroit. She advances from assistant buyer, and before coming to Ross Roy had been a buyer at Robert Solomon & Associates.

Representatives



Jordan



Jones

Jim Jordan has been named to the new post of vice president-Chicago area manager for TeleRep and **Steve Jones** is promoted to vice president-West Coast manager. Jones is succeeded as San Francisco sales manager by **Bob Spingola** who steps up from account executive. Jordan is succeeded as vice president-Midwest manager by **Ed Kroninger** who had been vice president, regional sales manager. Kroninger will continue to work out of Detroit, heading TeleRep sales operations there.

Larry Ramsey has been promoted to manager of the Dallas sales office and **John Radovich** moves up to manager of the Atlanta sales office of Harrington, Righter & Parsons. Radovich has been with HRP for nine years and now transfers from New York. Ramsey has been with the Dallas sales staff for the past seven years.

Marketing combine

Brown Design & Promotion, Brown Direct and MarketSearch are now combined with Kalish & Rice Advertising to form the Earle Palmer Brown Cos./Philadelphia. Allan S. Kalish becomes chairman of the new organization and George R. Gunn, Jr. has been named president.

Kalish & Rice merged with the Earle Palmer Brown Companies in July 1984. Today Kalish & Rice bills about \$30 million and total billing for the Earle Palmer Brown Companies comes to an annual rate of some \$115 million.

Shellie R. Sigal has been promoted to sales manager of the Knights sales team at Seltel in Los Angeles. She has been selling for the Knights for three years.

Chuck Hanrahan has been promoted to group sales manager at Petry National Television and **Nan Krauss** joins the firm as group research manager. Krauss moves in from ABC's owned station division and is assigned to Petry National's Red sales team. Hanrahan came to Petry in 1979 and will now head the White team at Petry National in New York.

Peter Walker has been elected a vice president at Blair Television in Chicago. A veteran of TeleRep and Katz, Walker has been sales manager of Blair TV's Independent sales team in Chicago since 1984.

Anne Kushen has been appointed office manager at Independent Television Sales in Chicago, and **Vickie Sebastian** and **Vern Meeren** join the ITS sales staff there from Avery-Knodel Television.

Kathy Savage has been promoted to account executive with the San Francisco sales office of Katz Continental Television. She joined Katz as a sales assistant in 1983 and entered the rep's sales training program last year.

Charles Ponger and **Jeff Norman** have been appointed account executives for Storer Television Sales in New York. Norman had been director of commercial sales for Storer's Cable Division and Ponger moves in from the sales staff of WSTC and WYRS(FM) Stamford, Conn.

Drew Pape has been named an account executive with the Los Angeles sales staff of Blair/RAR. He had previously been selling for Katz in Los Angeles.

Linda Mirandi has joined Selcom radio as an account executive. She had been with the sales staff of Weiss & Powell, and before that she had been a radio buyer for Benton & Bowles and for Wells, Rich, Greene.

Margaret Belden and **Joseph Skladany** have joined the New York office of Christal Radio as account executives. Skladany is a former account ex-

Retail Report

Woolworth's TV push

One of the most venerable names in American retailing is banking on television to spread the word about its refurbished image. Woolworth, which has undertaken a major store renovation program, has also mounted an energetic TV advertising program, supported by vendor co-op.

Working with its advertising agency, Sawdon & Bess, Woolworth created a vendor tape to update manufacturers on the remodeling taking place within its stores and to explain the chain's television philosophy, which is tied to its "Power Merchandising" concept, i.e., to concentrate on those areas of the store with which the consumer has the strongest identification.

Says a spokesman: "Customers generally associate particular categories of merchandise with Woolworth. These departments have been identified and are now referred to as *core*."

"'Power Merchandising' is a strategy designed to capitalize on the advantage we have with our *core* departments and expand our market share on these designated categories with an aggressive sales promotion and advertising program."

Woolworth, says Tom McGoldrick, vice president/account services at Sawdon & Bess, "determined that its target audience was females 25-44, mostly married, mostly housewives, with income that is not on the high side."

Major markets have been selected, he says, based on concentration of stores and on where the refurbishing has already taken place. During 1983, '84 and '85, the variety store chain renovated over 300 stores. In addition, two new 12,000 square-foot prototype stores have been opened in major malls.

Three basic types of 30-second television commercials have been developed for the Woolworth push:

- Spotlighting a single manufacturer and focusing on a specific product.
- Showcasing a single manufacturer but combining three of his products.
- Sharing time equally among three vendors from non-competitive categories.

The latter format was used for Woolworth's initial effort which aired last spring as an Easter promotion. It included candy, plants and greeting cards. Another early flight, says McGoldrick, was "a phenomenal light bulb sale."

In June, a major presentation was made to more than 100 representatives from toy manufacturers for a Christmas promotion, and in August the TV pitch was made to an additional 500 vendor representatives.

The creative approach centers around a Woolworth's shopping list which opens every commercial. The appropriate item or items are circled and then the spot zeroes in on specific products.

The key, says McGoldrick, is "flexibility. The production costs are low," and the major expense is the air time.

While declining to be too specific, McGoldrick says the advertising that has run so far has "more than met established goals."

Woolworth, he points out, coordinates the TV advertising with newspaper inserts, audio tapes for store public address systems, in-store signs and window displays.

Some other tidbits about Woolworth's potential impact: The 22 areas in which it has its strongest market share account for 44 per cent of all TV households, or 38 million homes; 46 per cent of all adults (77 million); and 47 per cent of all women (42 million). Also, the top three Woolworth markets are New York, Philadelphia and Chicago, accounting for more than 14 per cent of TV households (12 million homes).—**Sanford Josephson**

“THAT’S MY MAMA!” HAS THE CURE FOR WHAT AILS YA!

**Need some good old fashioned laughs in
your lineup? “THAT’S MY MAMA!”
is the answer! Starring Clifton Davis,
Ted Lange and Theresa Merritt as Mama.
39 hilarious half-hours now available.**

“THAT’S MY MAMA!”





Media Professionals

National financial services can learn from local firms



Dave Capano

Senior vice president,
Media director
Doremus & Company
New York

Dave Capano, who heads media at Doremus & Co., New York, sees a growing need for more professional marketing people to become involved in the financial services marketplace. In the last 10 years, he says, "No field has undergone the changes that have engulfed the financial community. Mergers, acquisitions, and new investment services and products have filled the business sections of newspapers."

In spite of this, says Capano, for many of the companies involved, "It's been 'business as usual.' They seem to suffer from that dreaded disease, 'Why do I need to advertise?' The people I want to reach already know who we are.' That might have been okay in

1960, but this is 25 years later. We're now an information driven society and non-communication is a marketing 'mortal sin'."

To rectify this situation, Capano urges, "Better qualified marketing, media, research and creative personnel at the agencies that handle these accounts, and more active and aggressive client management, especially from a perspective of (a) establishing a direction for the company to take, and (b) understanding the role that marketing and advertising can play in achieving that objective."

He also recommends " 'Stance' taking by the agencies—that is, establishing an advertising 'position' for each client in the media they use, choosing from the wider array of both print and broadcast vehicles available today, and being willing to take risks; it's the nature of any successful business in such a highly competitive market. The rewards of such risk taking are self evident."

Capano notes that such practices have already been put into operation by many local financial institutions, 'who are well aware of the importance of awareness and market share, and who have been broadening their reach via both print and broadcast exposure. It seems as though it's the national companies who need the marketing lessons."

He concludes that the next few years "will be of paramount importance to the companies involved in this financial services marketplace. A strong, aggressive marketing and advertising effort will be needed to maintain awareness and market share. Those who stumble along will be relegated to the back of the pack."

ecutive for the Pittsburgh *Business Times* and Belden had been an account executive for WABC and for WINS, both New York.

Narc Nagel and Alan Strumwasser have been named account executives at Petry National Television in New York. Both had previously worked for Lexington Broadcast Services and both are assigned to the White sales team.

Cecilia Rieg and Terry Frawley have been promoted to account executives at Harrington, Righter & Parsons. Frawley had been with the sales staff of Corning Glass before joining HRP as a trainee, and is now assigned to the Blue team in New York. Rieg, formerly an assistant account executive with HRP's New York office, now joins the Green team in Chicago.

Joe Chase and Tom Watson have joined the sales staff of Independent Television Sales. Watson moves in from WXON-TV Detroit; Chase had been with Corinthian Broadcasting.

Stations

John R. Cook has been promoted to president and general manager of KKBQ AM-FM Houston and will continue as senior vice president, programming for the Gannett Radio Division. Cook replaces **Peter M. Schulte**, now executive vice president of the radio division of Summit Communications. Cook is succeeded as president and general manager of WDAE and WIQI(FM) Tampa-St. Petersburg by **James D. Mulla**, former president and general manager of WCZY AM-FM Detroit.

Ronald Gilbert has been named vice president, general manager of WXCR(FM) Safety Harbor, Fla. He moves in from Bridgeport, Conn. where he had been with WICC.

Craig Wilbraham has been appointed to the new post of station manager for WLOO(FM) Chicago. He had been general sales manager of both Century Chicago stations, WAIT and WLOO(FM).

Jack Adamson has been appointed president of Bonneville International's KSL Radio and Television, Salt Lake City. He'll also continue in his current post of senior vice president of Bonneville International Corp. Adamson recently moved to Utah from Los Angeles, where he had been president of Bonneville's California Division.



Paulette Williams has been named to the new post of station manager of KMEL(FM) San Francisco. She had been general sales manager for KMGG(FM) Los Angeles before rejoining Century Broadcasting Corp.

Carey Davis has been named vice president and station manager of

WMCA New York, **Eric P. Straus** becomes general sales manager, and **Jeanne H. Straus** steps up to vice president, operations at the Straus Communications station. Davis had been sales manager for the station, Eric Straus had been general manager of WELV AM-FM Ellenville, N.Y., and Jeanne Straus had been program director for WMCA.



Jim Moroney III has been named general sales manager of KOTV(TV) Tulsa. He moves in from Dallas where he had been local sales manager at WFAA-TV, also owned by Belo Broadcasting.



Sem Dieterick has been appointed general sales manager at WQTV(TV) Boston. He comes to the Arlington Broadcast Group station from New Orleans, where he had been local sales manager for WGNO-TV.

Bruce R. Liljegen is now general manager of KEZI-TV Eugene, Ore. He had been vice president, operations and programming for the Wisconsin TV Network, with ABC affiliates in Madison, Wausau, La Crosse and Eau Claire.

Dr. John Scott Davenport has been promoted to vice president for research and analysis for Bonneville International Corp. He joined Bonneville in January from MA-RT Services, Inc. in New Mexico, and now moves up from research director.

Susanne Lauchner has been promoted from senior account executive to sales manager of WGIR(FM) Manchester, N.H. Before coming to the Knight Quality station she had been with the sales staff of WCAP Lowell, Mass.

One Seller's Opinion



Bouloukos

Key factors to consider in sales forecasting

Casey Stengel reportedly said: "Making predictions is difficult, especially when it involves the future." Radio station managers are faced with "Casey's dilemma" when formulating their business plans for the coming year. Prediction is difficult. How do you go about determining what your sales projections will be in a competitive and volatile business like radio?

Too often, we tend to "blue sky" our sales budgets to cover increased expenses or to reach a profit number desired by the general manager, parent company or private owner. But a blue sky number is not a sound approach to forecasting. In fact, it's not forecasting at all. It's wishful thinking.

Sound forecasting involves examining and analyzing those factors that directly influence the sales of your radio station or station group. There are six key factors that I have found essential to creating an effective sales forecast and budget.

- 1) **Audience Ratings:** Compare your ratings on a year-to-year, book-to-book basis. Ask your program director to project your rating (conservatively) by book and daypart for the upcoming year. Have your sales manager review these projections with your program director *before* the sales plan is developed.
 - 2) **General Economic Forecast for Your Market:** What is your market's past history? Is it growing? Is it depressed? Is it flat?
 - 3) **Market Forecast for Radio Dollars:** What has been the growth of radio dollars in your market over the last five years? Use an average of the five-year growth as a basis for projected market growth for your planning year.
 - 4) **Format Competition:** How many similar formats are there in your market? What percentage of total available dollars are these *direct* competitors taking? How do your station's primary demographic and key daypart strengths compare to the competition?
 - 5) **Sales Management and Sales Team Structure:** Do you have the best? Are you ready to compete? Does your sales staff have a successful track record in the market? Does your management team have the ability to hire the right people and motivate them? Are the systems in place to manage and price inventory? Do you have agency, new business and co-op staffs in place? Does your compensation plan reward high achievers?
 - 6) **Analysis of Current and Previous Years' Sales Performance:** During the planning cycle, the sales manager should review agency sales by agency, account, and account executive. National sales should be reviewed on a market-by-market basis. Sales growth over the past three years should be reviewed, with the average growth used as a guide for your projected sales growth. Your share of market dollars should be growing.
- I don't pretend to have all of the answers to sales forecasting and budgeting, but I have found these guidelines to be particularly effective in developing a realistic and workable financial plan. It helps to make sales forecasting and budgeting a lot less difficult, "especially when they involve the future."—**Don P. Bouloukos**, vice president, operations, ABC Owned Radio Stations

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Here it is...

The most recent sourcebook available on the new sound in AM radio and TV broadcasting!

Audio enthusiasts discover the latest information on all types of AM receivers with a focus on integrated circuitry, electronic tuners, stereo pilot signal, multi-reception receivers and more . . .

A complete intro to multi-channel TV sound is followed by a closer look at Zenith's initial tests and proposal; the XC-TV system; the dBs, Inc. System; EIAL Telsonics and Zenith Encoder/Decoder and more . . .

Chapter Titles include:

- The FCC's Marketplace Decision
 - Kahn/Hazeline and Harris Systems
 - AM Stereo Transmitters/Receivers
 - Introduction to Multichannel TV Sound
 - Cable Problems and Buzz
- . . . and More!

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accompany each order.

Mark Thomas has been named sales manager for WHAS Louisville. He moves in from a post as senior account executive at The Media Store advertising agency and before that he had been sales manager for WRKA(FM) Louisville and a sportscaster for WTTV(TV) Indianapolis.

Morrie Beitch has been named director of sales at KRRT-TV, the new television station in San Antonio. He was formerly general sales manager of KSPR-TV Springfield, Mo.

Larry M. Kent has been appointed sales manager for WJQY(FM) Fort Lauderdale, Fla. He had been with the sales staff of WINZ Miami and is a former talk show host for WNWS Miami.

New Stations

Under Construction

KRRT-TV San Antonio; Channel 35; ADI San Antonio. Licensee, Republic Communications Corp., 6218 Northwest Loop 410, San Antonio, Texas. Telephone (512) 226-9775. Richard B. Lowe, general manager; Morrie Beitch, general sales manager. Target air date, week of November 3, 1985.

KTHT-TV Houston; Channel 67 ADI Houston, Licensee, Four Star Broadcasting, Inc., 2211 Norfolk St., Suite 516, Houston, Texas 77098. Telephone (713) 520-0001. John Moffitt, executive vice president, general manager. Target air date, early or mid-November 1985.

Buyer's Checklist

New Representatives

Katz Continental Television has been named to represent KCPM(TV) Chico-Redding, Calif. The NBC affiliate is owned jointly by Telepictures and the station's general manager, Mel Querio.

The Queen Co. has been appointed New England sales representative for WCME(FM) Westport, Me. The station, owned by Bay Communications, Inc., carries an easy-listening format.

Savalli, Schutz & Peterson is the new national sales representative for WMLI and WGUY(FM) Bangor, Me. WGUY plays a rock format and WMLI offers MOR music.

Selcom Radio has added two Transtar Format 41 stations to its client station list. They are WTMG(FM) Nashville and WGLO(FM) Peoria. The format features a light contemporary beat.

Weiss & Powell has assumed national sales representation of KLEO and KSKU(FM) Wichita, Kans. KSKU programs contemporary hits and KLEO follows a MOYL format.

New Affiliates

NBC Television Network is welcoming back KOMU-TV Columbia, Mo. and KCEN-TV Waco-Temple, Texas.

Transactions

Roth Communications has agreed to acquire KQAM and KEYN(FM) Wichita, Kans. from **Long-Pride Broadcasting** for \$8 million. Broker in the transaction is Americom Media Brokers.

R&R Broadcasting, Inc. has completed acquisition of WHYN AM-FM Springfield, Mass. from Affiliated Broadcasting, Inc. for \$7.8 million. R&R, headed by John C. Goodwill, is a subsidiary of Robbins & Ries, Inc.

TvB elects

New members have been elected to three-year terms on the Sales Advisory Committee of the Television Bureau of Advertising. They include Bruce Baker, general sales manager, WFTV(TV) Orlando-Daytona Beach-Melbourne; David Boylan, director of sales, WKYC-TV Cleveland; Paul Cassidy, station manager, KOLD-TV Tucson, Ariz.; William Katsafanas, general sales manager, KSDK(TV) St. Louis; and Rick Keilty, general sales manager, WVSC-TV Norfolk-Portsmouth-Newport News-Hampton.

Also: Jay Maxey, general sales manager, KMTV(TV) Omaha; Randy Oswald, director of sales, WNYT(TV) Albany-Schnectady-Troy; Gary Plumlee, general sales manager, KTNV-TV Las Vegas; Jay Rabin, manager/marketing and sales, KCNC-TV Denver; David Sankovich, general sales manager, KENS-TV San Antonio; Rick F. Spinner, director of sales, WPVI-TV Philadelphia; and John Watkins, general sales manager, WABC-TV New York.

Chairman of the Advisory Committee is Clark Wiedeman, general manager, WEAU-TV LaCrosse-Eau Claire. Co-chairman for 1985-'86 is Lynn Fairbanks, general manager, WAWS-TV Jacksonville.

CableAge

ACE Awards go 'academy' style

Cable's new programming academy aims for Emmy-type prestige—but will the Emmys co-opt the effort?

C6

Nets set for solo scrambling?

MSOs like Turner's about-face on the issue—but programmers still insist they control distribution.

C9

Nielsen audience profile plan

Top ratings firm soon will offer local ratings from 400 systems, a boon for local ad sales.

C3

Rainbow's \$50 million windfall

To get out of rights deal on MGM classic films, MGM/UA and Turner Broadcasting make big "buyback."

C4

3's A Winner



SuperStation WTBS

Entertaining more than 32 million cable homes, Superstation WTBS is in a class by itself.

"Superstation WTBS is a solid performer in every Tribune system. The specials, movies and sports make the station a real winner."

Abby Aronsohn
Director of Programming
Tribune Cable, Inc.



SATELLITE PROGRAM NETWORK

Diverse programming brings strength to cable. SPN offers subscribers a unique change of pace.

"Satellite Program Network fills an important gap in my channel lineup. By offering SPN, I am able to reach that exceptional group of subscribers demanding originality from cable TV."

Robert Stengel
Director of Corporate Services
Continental Cablevision, Inc.



Take any combination of our formats on an a la carte basis or, better yet, offer your subscribers the total premium audio package.

"Star Ship has been very successful in our system. Subscribers have been quite receptive to this new form of cable entertainment. We've reached nearly 15% penetration in just a few short months."

Jerrold Fischer
Manager
King Videocable, Inc.

Don't gamble... play with proven winners. Give SSS a call. Today.

Pick Up On An SSS Discount.

Satellite Syndicated Systems, Inc. / P.O. Box 702160 / Tulsa, OK 74170 / (918) 481-0881

Nielsen readies new cable measurement plan

The A.C. Nielsen Co. believes it has solved the problem of local cable system audience measurement—and it's done so by refining the reporting and massaging of existing data, rather than by creating an entirely new reporting system.

As a result, ratings of national satellite networks as delivered by some 400 local cable systems should be available to the industry, and to advertisers and agencies, by this fall or early next year. These 400 systems comprise all major markets and interconnects, Nielsen says. And if the system works as anticipated, it may be possible to expand the system-specific ratings to an additional 100 systems, officials add.

The new interpretation of the local cable data is being tentatively called the Nielsen "Cable Audience Profile," or CAP or short. According to David Harkness, the Nielsen vice president in charge of the Nielsen HomeVideo Index, CAP is actually a system-specific breakout of diary data already being collected in a 100,000 TV household sample that is used to compile Nielsen's HomeVideo Index. Heretofore, those numbers have not been collated and distributed according to individual systems. What Nielsen is doing, in effect, is devising a system to break out and collate these diary reports by individual system.

Harkness acknowledges that the diary methodology tends to understate cable ratings—a major finding of Nielsen's "Cable Audience Measurement Study," or CAMS, which was performed two years ago for the Cabletelevision Advertising Bureau. Yet, as CAMS underscored, the diary system, while flawed, appeared to be among the best methodologies that were readily available. (Diaries confirmed by telephone coinidentals remain a favored approach, but for a comprehensive cable audience measurement system, the cost probably would be prohibitive, officials say.)

The index system. To solve the underdelivery problem that accompanies reliance on diaries, the new CAP system will express its ratings in the form of an index that, in effect, compares local ratings performance to a national benchmark provided by the existing Nielsen HomeVideo Index. (Some 46 per cent of Nielsen's national TV index consists of cable homes, a percentage that is slightly larger than cable's overall penetration figure.)

As explained by Harkness, the national ratings average of a given service might be a 0.1—in CAP parlance, expressed as 100. If a local system scores a 1.2 rating for the same service, the CAP index for the system would be 120—in other words, 20 percent greater than the national average. Under this system, either the local rating or the national rating could be discerned from the index.

In any event, because the index is a relative figure based on both local and national samplings, it helps

solve the problem of under-reported diary figures based on a single set of data, according to Harkness. "For the cable channels, you'll be able to make a direct local to national comparison," Harkness says. "But using an index system, you avoid the undermeasurement problem. As long as we are reporting a relative number, looking at a relative world, it doesn't really matter if there is some under-reporting on an absolute basis," he adds, because the national component of the index tends to level things out.

The beauty of the system, Harkness says, is that the infrastructure already is in place to collect the necessary data. The problem in establishing CAP is more logistical—seeing to it that 400 or more individual analyses are performed, collated, printed and distributed, whereas previously, the raw data went into the national pot.

"The cable operators are looking for an affordable measurement system. The agencies are looking for something to be easily integrated into present buying systems. And the agencies we've talked to have said this concept sounds right for cable," Harkness says.

Big monitoring boost. At present, only nine major cable markets are measured, by Nielsen as well as Arbitron. With the availability of Nielsen's CAP system, the amount of audience data for local cable increases by a huge factor. The hope, of course, is that there is a concomitant boost in the interest of clients and agencies wanting to use the medium. Indeed, Harkness predicts that the CAP data will largely solve reservations about cable based on the "lack of numbers" argument. He also says the system will provide fairly comprehensive national coverage, in all major and midsized markets as well in as many smaller markets. He notes that of the 6,000-plus individual cable systems in the country, only about 750 sell local availabilities on satellite networks, and not all of them will require audience measurement by a national monitoring service.

The CAP concept has been field-tested and validated over the past several months by the use of data gathered by Warner Amex in its QUBE interactive systems in Houston, Dallas (now owned by Heritage), Cincinnati and Columbus. Some systems not included in the initial monitoring may be included as the CAP plan evolves, but they will have to contribute to the cost of doing the audience measurements, Harkness says. Although pricing hasn't yet been determined, he says the minimum price probably will be well under \$5,000, depending on the sample size.

Like the HomeVideo Index, the CAP sampling will occur during the "sweeps" period each November, February, May and July, with a different sample chosen at random for each sweep period, as derived from listed and unlisted telephone numbers.

As a sweetener to entice subscriptions to the CAP report, clients of the new service also will receive access to Nielsen's "Cable On-line Data Exchange," or CODE. This data base provides detailed information on specific cable systems, including such factors as channel capacity, services carried, pay and basis subscriber numbers, and the like. Nielsen has not disclosed the pricing to CAP subscribers. □

Study rips agency policies

A new study funded by major advertiser-supported satellite networks castigates advertising agencies for displaying "inconsistent policies" and a "lack of coordinated direction" regarding cable media planning and buying. The result, states Infomarketing Inc.'s "Cable Now" study, is that the growth of the advertiser-supported cable TV industry has been seriously restricted.

The firm, which recently conducted its third annual survey of agency attitudes toward cable, bemoaned the fact that only 25 per cent of 307 respondents rated cable's ability to supplement erosion as the most important contributing factor in the decision to buy cable. In comparison, 54 per cent rated the appeal of reaching specialized demographics and creative opportunities as the key factors.

Yet the study showed that 64 per cent of respondents require Nielsen-metered ratings guarantees for their cable buys—something that Infomarketing says appears to contradict statements that cable is valued for the chance to be creative.

The study also pointed up another satellite network concern. According to Infomarketing president Jack Myers, when respondents were asked who actually initiates the idea to use more cable, "no one group of executives emerged as having that responsibility." In a related finding, the study claims that attitudes of media planners, supervisors and buyers often differ from agency senior management on such key issues as whether qualitative research is important in buying cable. Also, 78 per cent of the front-line media people demand Nielsen ratings guarantees for cable buys, while only 54 per cent of senior media management believe that such guarantees are even requested. Cable, the study claims, is "still generally perceived as non-mainstream," mainly because senior agency or client executives "define a limited role for cable." This "dramatic lack of consistent internal direction," as Myers terms it, places cable at a "severe competitive disadvantage," which hurts the entire industry and limits the effective use of cable on behalf of agency clients.

The study estimates that overall cable network expenditures among current advertisers will increase about 17 per cent in 1986 over this year's spending levels—a growth rate the study says is "well below growth which could be projected based on basic cable network ratings growth."

Rainbow's pot of gold

The October 18 out-of-court settlement that ended legal wrangling between Rainbow Programming Services Co., owners of the American Movie Classics pay service, and MGM/UA, set to be acquired by Ted Turner, resulted in a big windfall to Rainbow—a contract "buyback" whose amount has been put at \$50

million by knowledgeable sources.

Rainbow, which inked a film acquisition deal with MGM/UA in July, just before the Turner move, makes a quick multimillion-dollar profit that gives it unexpected financial muscle to acquire product elsewhere. Meanwhile, Turner Broadcasting System needn't worry about MGM titles showing up on a service marketed either as a pay or a basic—something that apparently could have happened under the terms of the original Rainbow deal with MGM.

This means that Rainbow's Plans to convert AMC into a "hybrid" service available on either pay or basic are "in abeyance." The settlement with UGM and Turner terminates Rainbow's film acquisition contract with MGM; it was with that contract that the service was going to program its foray into basic cable. But, a Rainbow spokesperson says, Rainbow still could do new deals, with MGM or anyone else, that could lead to the establishment of a basic service at a later date.

From all accounts, Rainbow had the upper hand. All along, Rainbow president Marc Lustgarten maintained that Rainbow had rights to exhibit the MGM films either on pay or basic. The MGM/Turner side apparently lacked faith in the argument that its superstation WTBS was, for the purposes of the contract, a broadcast station and not a basic cable network; the very size of the payment to Rainbow attests to that.

While Rainbow gets the reported \$50 million, not all of it is being paid by MGM and TBS. That is because under the terms of Turner's pending acquisition of MGM, TBS was indemnified against the possibility that its rights to the library films would be challenged. Under the indemnification clause, reliable sources said, the first \$15 million is to be paid by United Artists, still controlled by Kerk Kerkorian, who is relinquishing MGM (and who is privately being blamed for doing the Rainbow deal). The remaining \$35 million is being paid equally by the new MGM and by TBS.

Sources on both sides of the deal remarked that rarely have so many millions of dollars come to easily to a single company in so short a time. "Not a bad investment," marveled one inside source.

New biz news at ESPN

ESPN, cable's largest advertiser-supported network outside of WTBS, is back in the business of business news.

As of November 4, it begins telecasting *Nation's Business Today*, a production of the U.S. Chamber of Commerce, live from 7-8 a.m. ET, with a repeat the following hour.

The Chamber produces Biznet News for other cable outlets including USA Network and Financial News Network. An ESPN spokesperson said the Chamber is now fulfilling contractual obligations with the intention of moving exclusively to ESPN. (A USA spokeswoman said Biznet will continue through March, 1986.)

CBN, TNN ratings gains

Prime-time ratings for two of five major satellite networks monitored on a monthly basis by Nielsen show modest gains for August as compared to the previous month.

The biggest gainer was CBN Cable, which scored a 1.1 rating, a 10 per cent gain over July. Next came The Nashville Network with a 1.4, an 8 per cent gain representing the net's highest prime-time average ever. Cable News Network and Headline News, reported as one entity, showed no change with a 1.3 rating.

USA Network's 1.7 rating represented a 6 per cent audience drop, while WTBS' 3.0 rating, the highest among the service, represented a 9 per cent drop over July. Ratings were not immediately available for Lifetime.

Drama anthology at HBO

Remember *Omnibus*, or *Playhouse 90*? Programmers at HBO do—and they're again borrowing the anthology drama format as a major programming component for 1986—another way to differentiate the service from the competition and from theatricals available elsewhere.

It's called "Showcase '86," being billed as an "umbrella showcase" for original made-for-pay entertainment specials featuring "contemporary themes." The 60- and 90-minute productions, to be shot mostly on film, are being written and produced for first American showing on HBO. Already filmed is a co-production with the BBC being called *Nosenko*. Starring Tommy Lee Jones, it is a true story about a Russian KGB agent who defected to the U.S. when John F. Kennedy was President, and featuring top talents on and behind the camera.

Also completed is *Half a Lifetime*, directed by Daniel Petrie (*Fort Apache, the Bronx*) and starring Keith Carradine and Gary Busey. It's about middle-class men going through a mid-life crisis.

Future "Showcase" topics include the AIDS epidemic, delayed stress "Vietnam syndrome," and a dramatic examination of the infamous New Bedford, Mass., pool table gang rape.

Cable's pole rate defeat

The cable industry up until now has been the beneficiary of the deregulatory climate in Washington, as evidenced by its newfound freedoms under the Cable Communications Act of 1984. But recently the industry became a victim of a court decision that strips the Federal Communications Commission of its authority to regulate pole attachment fees paid by cable operators to local utilities. As a result, the cable industry faces the frightening likelihood of significant pole attachment rate increases.

In a unanimous decision, a three-judge panel of the

U.S. Court of Appeals in Atlanta ruled in a case brought by Florida Power Corp. that the law which authorizes the FCC to regulation pole attachment rates violates the due process clause of the Fifth Amendment of the Constitution. The court ruled that the courts, not an administrative agency, must determine the key issue of "just compensation" for usage of utility poles.

Cablers are rightfully concerned that if the decision stands upon appeal, utilities would extract what the National Cable Television Association terms "unreasonable and sometime prohibitive rates." The NCTA, already smarting from an earlier U.S. Appeals Court decision in Washington that challenges the manner under which the FCC calculates maximum allowable pole attachment rates, is busy planning appeals. In the meantime, however, new worries are being voiced that the pole attachment issue could retard cable's growth. The setback comes at a time when more utilities are getting into the cable business themselves; Pacific Bell, for an example, has been chosen to build and maintain an \$11.2 million cable plant centered in Palo Alto, Calif.

VCR growth dwarfs pay

The videocassette recorder penetration rate in TV households now stands at 24.4 per cent, according to interpretation of Electronics Industries Association statistics by Knowledge Industry Publications. That figure is just under the 25.3 per cent statistic for pay penetration. But while pay grew only at about a 3.3 per cent clip from January to October, the VCR growth rate was an astounding 44.1 per cent.

Obviously, these figures carry implications for pay cable. While certain MSOs are actively promoting the use of VCRs for at home, off-pay taping (Viacom, owner of Showtime/The Movie Channel, is one of them), the Hollywood studios have remained largely silent on how they feel about cable operators encouraging home taping. The federal "Betamax decision," which allowed home taping for non-commercial use, did not directly address the sticky issue of pay TV. And so-called "librarying" of titles by pay subscribers can't help product shelf life.

Nielsen monitoring of VCR usage shows that combined record and play time was up 19 per cent over last year in June, and 43 per cent in July. VCR households averaged 2 hours 14 minutes of recording time and 4 hours of 18 minutes of play time per week in July.

But pay cable taping accounted for only 14 per cent of recording time in the households sampled, while independent stations accounted for 18 per cent, and major networks, 50 per cent.

Correction

A photograph which accompanied a story on public relations in the October 14 edition was erroneously identified due to a production error. The photo identified as that of Rosa Gatti of ESPN was that of Haddassa Gerber of McCann-Erickson.

The goal is added prestige; but what will Emmy people do?

Kudos to cable: 'academy' luster for ACE Awards

By VICTOR LIVINGSTON

October 28, 1985

CableAge

Cable's academy aims for prestige and an identity apart from Emmys.

As an acclaimed actress and television producer, Shelley Duvall, like most artists, would like her work to be seen by the largest audience possible. But she also wants it to be *her* work, uncompromised and undiluted by traditional commercial standards.

She recalls vividly how broadcast executives advised her that her idea of using live actors in light-hearted adaptations of fairy tales wouldn't "sell" as network kidvid.

"People were saying there's no money in children's programming—and they insisted on putting it in the children's category," she recalls.

So she took the idea for *Fairie Tale Theatre* to cable's Showtime. The resultant series, produced by Duvall's Platypus Productions in conjunction with equity partner Gaylord Production Co., is now in its fourth season—not only one of pay cable's biggest hits, but a top-selling home videocassette as well. And it's been honored with five "ACEs"—the Award for Cable Excellence first set up by the National Cable Television Association in 1979 to honor programming produced for cable.

Fairie Tale Theatre has proven itself on cable as worthy programming and as a money-maker. And Duvall won't forget that an early acknowledgement of the show's worth came in the form of an ACE Award—when the other established television awards, the Emmys,

excludes cable from consideration.

Her appreciation of cable is one reason Duvall has accepted a position as an executive board member of the nascent "National Academy of Cable Programming," a successor to the NCTA ACE award committee. The academy was created last March with the express purpose of elevating the status and prestige of the awards program. Duvall is hosting this year's ACE Award telecast.

Seeking "academy" status

But, she and others connected with the efforts maintain, this year is different. While the first four ACE telecasts, all over superstation WTBS, gave the industry a showcase within which to display its programming uniqueness, the telecasts themselves were criticized in some quarters as not being up to the high standards set by the Emmys, the Oscars, the Tonys and other longstanding award shows. Acknowledging that, as well as the need to increase the prestige attached by the creative community to its awards, the NCTA organized the cable academy. The use of the word "academy" surely was no accident; by employing the terminology used by the motion picture and broadcast industries, the cable people impart the perception of equal status for the ACEs. And perception, as students of mass media well know, often can become reality.

With this year's awards show, to be

ACE host Shelley Duvall





Ralph Baruch: Seeks industry support for independent awards.

taped December 3 at the Beverly Theatre in Beverly Hills for airing on superstation WTBS on December 6 at 9 p.m. ET, the newly formed cable academy is taking major strides to achieve the perception of added prestige. Academy board chairman Ralph Baruch, chairman of Viacom International, among the most formidable programming forces in basic cable with its ownership of Showtime and the MTV Networks, is conducting a vigorous industry contribution drive. Thus far, he's raised more than \$200,000 from some 30 multiple system operators and programming concerns, in addition to the \$300,000 pledged by Turner Broadcasting System, for production of the telecast. Baruch also is spearheading an ACE membership drive—\$50 for charter memberships for those involved in cable programming with regular memberships at \$60 a head (\$30 for persons under the age of 30). The invitation to "join cable's inner circle," as the brochure states, should net the effort 2,000 members, Baruch says, and even more financial muscle.

The additional financing, says Bob Wussler, executive vice president of TBS and a member of the ACE board, will allow the telecast to "reflect, in both talent and production values, the giant steps cable has made in providing the public with much of the finest programming available today."

Telecast is the key

To a large extent, the hope of earning greater prestige for the ACEs is riding on viewer and critical appraisal of the production, which in past years has received less than stellar notices. (Of particular renown was the 1983 edition, hosted by David Steinberg, which was marred by an off-color monologue and a backstage fire that killed most of the stage lights—one reason why the show

is now being done on tape.)

"We're looking toward an improved show," Baruch avows. "It didn't get very good reviews (in the past) as a TV show, and deservedly so. But we've only been broadcasting a couple of years."

Mindful of the paramount importance of the telecast, the cable academy board, which includes both programmer and MSO representatives, has hired as the director of this year's awards show Walter C. Miller, whose credits include Emmy, Grammy, Tony and People's Choice award fetes, as well as the recent Country Music Awards telecast.

As a producer of prestigious award shows and winner of Emmy and Peabody kudos himself, Miller exhibits a keen sense of what's needed to give an awards show the requisite high-gloss veneer of importance.

Miller says he will use host Duvall, possibly one or more co-host comedians, and many star "presenters" to create a lively program that can stand on its own as entertainment. And, he says, this year's edition won't stress program clips as much as last year's. "They ran a clip and announced an award, and you got the feeling that nobody showed up for the party," Miller quips.

Category changes

Change is evident in the ACE categories. For the first time, craft awards have been added to the mix, increasing the award categories from 32 to 52. (Entries this year totaled 792, nearly a third more than last year.) The craft awards will be presented at a separate luncheon on November 19, with taped segments woven into the main show.

But the main change, according to ACE competition committee chairman Charles Engel, president of Universal Pay TV, is that the board of governors of the cable academy decided to require that entries have their initial U.S. exhibition on cable—ruling out product that debuts on other media such as home video, in-flight, or theatrical.

The change, Engel says, came about after some debate; some producers expressed the view that programming costs often require an additional, earlier window, especially to home video. In particular, Engel says, Walt Disney Productions requested a waiver for its film *The Undergrad*, which first played as an in-flight movie. The board refused the waiver, Engel reports. Engel himself concedes that "the dollar factor," not eligibility for an ACE award, would probably dictate the release pattern for product, disallowing some product from contention. "We felt we must differentiate cable, unlike the Emmys, where they award some

shows that have appeared on cable," he says. Indeed, several notable cable shows, such as *Sweeney Todd*, were honored at the Emmys this year, well after their first cable exhibition.

Among other changes, the directing and writing categories have been expanded, as well as categories rewarding those who produce shows intended for ethnic minorities. And some categories, notably in the talk show genre, have been "de-sexed."

Last year, there were separate categories for "best talk show host" and "best talk show hostess." This year, as a result of protests by former Cable News Network personality Sandy Freeman (who was purposely nominated in the male category last year), there is one single category irrespective of sex. There are still best actor and best actress categories, however.

Also, Engel recounts, the committee broke into separate categories what last year was "best performance by an actor (actress) in a comedy or music special." Under the old category, musical acts competed with comedy acts, and Engel says that was "apples and oranges."

All of the changes and refinements intended to elevate the status of the ACEs come at a time when the Academy of Television Arts and Sciences (ATAS), the Emmy body that grants prime-time broadcast awards, is about to take up as a major order of business the possible inclusion of cable in the Emmy awards.

Richard Frank is president of the motion picture and television division of Walt Disney Productions (a supplier to its sister firm, pay-cable's Disney Channel) and newly-installed president of ATAS. And he says the cable issue is one of his highest priorities. (It was Frank, recalls NCTA vice president Char Beales, who led an earlier producers' effort to include cable when he was head of television at Paramount Pictures.)

Big Three resistance?

But possible Emmy inclusion of cable is compounded by several factors. First, the Big Three networks provide three-quarters of the funding for the primetime Emmy telecast, and the current network contract "wheel" under which each net takes turns at the telecast isn't up until 1987. Under the terms of the agreement, cable couldn't possibly be included until 1988. Major network involvement is seen by ACE advocates as a major risk in combining cable and network programming in the Emmys. The often-expressed fear is that the networks, already fearful of cable-caused audience erosion, would see to it that cable gets short shrift in

the all-important (as far as the public is concerned) primetime awards telecast, leaving cable without an adequate awards showcase.

Also, notes Beales, the daytime Emmys are awarded by the New York-based National Academy of Television Arts and Sciences. Until the well-known split between the Emmy factions is healed, there is a jurisdictional problem as concerns cable and the Emmys. What's more, under existing Emmy rules, a program must reach 50 per cent of all TV households to qualify. By 1988, basic cable probably will exceed that threshold, but not pay—meaning further rule changes would be necessary.

Interestingly, cable officials say, the ATAS board met last March on the same day that the NCTA announced the establishment of the ACE cable academy. According to Beales, there was no formal communication between NATAS and NCTA at that time; but it was the understanding of NCTA officials that the ATAS executives voted to agree to consider opening up the Emmys to cable—something some producers would like to see. But it was NCTA's understanding, Beales says, that ATAS voted to do so only if the ACEs were abolished. According to cable officials, ATAS promised to get back to the cable faction with a further proposal. According to Baruch, only a "brief discussion" ensued after the establishment of the cable academy.

"We were later told that we could belong (to ATAS) in '88 provided we disband the cable academy," Baruch recounts, adding, "I don't see any kind of desire to co-mingle our ACE with anyone."

Now, however, Richard Frank speaks openly of his desire to tackle the cable issue—and of his belief that television's award structure should be unified for both cable and broadcast under the Emmy umbrella.



Richard Frank: *Emmys should honor cable and broadcast TV.*

"There are cable people who believe that they should be part of the Emmys because, after all, television is television and the only difference is how it's delivered to the home," Frank says. "There is the other side, that cable works within different creative decisions and budgets and is as different from broadcast and theatrical as from TV.

ATAS perceptions

"To me, the concept that production for TV, whether cable or broadcast, is similar, has a real good ring to it."

And what is his opinion of the efforts of the new cable academy? Says Frank, "If Ralph Baruch has success in what he's trying to do, and I have no reason to believe otherwise, perhaps the request (of ATAS members to open the Emmys to cable) will go away."

Continues Frank, "Quite a number of our members don't think the ACE Award is indicative of a major award, or award show . . . All I'm saying is we are pressured on the cable side at every conceivable level, from the highest to the lowest, to address this."

Frank concedes that such opinions were based on past ACE editions, and that efforts of the cable academy could satisfy the critics among ATAS members.

He also states the belief that to date, there is insufficient production of original shows for cable to "sustain" independent cable awards.

"If they don't have enough shows to choose from (in various categories), it won't be a valid award show," Frank says.

Despite his own predisposition towards inclusion of cable, Frank concedes that the Big Three remain opposed to allowing cable into the primetime Emmys. The question is whether ATAS members feel strongly enough on the issue to challenge the Big Three position, he states.

Always room for ACEs

George Dessart, senior vice president at CBS Broadcast Group and president of the New York chapter of the National Academy of Television Arts and Sciences (NATAS), is hopeful that the longstanding ATAS-NATAS split can be mended, leading to the creation of a unified academy better suited to tackle the cable issue. "I would think that since the Emmy is the internationally recognized standard for the industry, it would be in cable's best interest, or any new technology's interest, to compete in the same peer review that Emmy represents," Dessart says.

But even if that should happen, he says there still would be room for inde-

pendent ACE awards to insure that the full range of creative talent in cable is honored.

Dessart also maintains that fears of cable advocates that they would get short shrift in an Emmy system dominated by the major networks are groundless, and that a way could be found to guarantee fair representation.

Remarks Shelley Duvall:

"Logically, TV is TV, and it doesn't matter how it gets to you. I like that idea, if it could be done on a fair basis (with) equal or fair time on the awards show. Otherwise, cable should have its own awards show—because we like to think we're different from regular TV. It's still a pioneering medium . . . I don't think cable should be included (in the Emmys) and then be shunted to the corner. Until there is a guarantee that it wouldn't be, I would be reluctant to give up the ACE awards in favor of the Emmys."

Competing head-to-head

All that said, some cable programmers openly yearn to compete head-to-head with broadcast—although they are not advocating abandonment of ACE. Ellen Cooper of Showtime, in charge of coordinating awards entries there, says the ACEs "won't go away" even if the Emmys open up to cable. She reasons that the industry needs its own awards system to honor the full range of cable programming, especially local fare not comparable to Emmy categories.

"At the same time, we would welcome the chance to compete," Cooper affirms. "We'd put shows like *Brothers* or *Fairie Tale Theatre* up against any network show."

In time, the ACEs will gain additional credibility and stature in the public's view, Cooper believes, adding, "The Emmy already has that, which is why we'd like to be a part of it. But even if the Emmys open up, it couldn't possibly be as broad, or offer as many awards, as the ACEs."

Echoes Curtis Davis, programming vice president at Arts & Entertainment Network, a cable academy board member and a nominee this year as co-writer of *The Mozart Miracle*:

"It's entirely possible that the day may come that there is one set of awards. That is more likely to come about when the caliber of the ACE Award is acknowledged by the broadcast industry to represent a standard fully equal to the standard represented by the Emmy Award. It's perfectly understandable that the cable industry would want to maintain the image that the ACE stands for, and not, at this point, have it subsumed under one umbrella." □

The issue is power: who controls cable programming, operators or networks?

Cable's big schism: scrambling debate vexes industry

By ROBERT SCHERMAN

Turner Broadcasting System's announcement that it will market its two news channels to the owners of backyard satellite earth stations by itself when its satellite signals are scrambled next July—rather as part of a TVRO package with Showtime/The Movie Channel, ESPN, and the MTV Networks—is just the latest twist in what already was one of the most unusual, devious, and volatile episodes in the brief history of the cable television industry. After some four years of debate over the scrambling of satellite signals and the potential sale of services to home dish owners, the cable industry is still struggling to arrive at a sure-fire policy to deal with the well over one million home TVROs already in place and some 60,000 more being sold each month.

While many industry executives caution that the entire scrambling situation has often been unpredictable, some now believe that the decision-making process to date has evidenced some trends:

- Above all else, the entire battle over the scrambling issue has been dominated and exacerbated by some long-standing strategic differences between cable operators and programmers. Competition between individual companies on each side also has added to the acrimony.

- The chances of either faction establishing a TVRO consortium or package are apparently slim at this point because of various power plays involving players in each camp, as well as the legal and political problems such arrangements might raise. However, the National Cable Television Association is continuing to shepherd the organization of an MSO scrambling apparatus.

- Major programming services are now leaning towards initially selling their channels to the backyard market on an à la carte or company-by-company basis, with dish owners being able to subscribe directly or through local cable operators. This situation is general-

ly viewed as a short-term compromise on scrambling, one that would have to evolve into a more workable marketing scenario if direct-to-home Ku-band DBS becomes a reality, as some industry watchers predict will happen in the not-so-distant future.

- The M/A-Com, Inc. VideoCipher II scrambling system has emerged as the de facto standard for the industry, with many seeing M/A-Com as the first real winner in the scrambling sweepstakes. Nevertheless, there is still concern about the willingness of all parties to work within the technical limitations of the system and the production time-frame for descramblers.

Placating MSO concerns?

Even as cable executives continue to work from this set of assumptions, however, most executives note that TBS' turnaround on the proposed programmers package illustrates how sensitive an issue scrambling has become. TBS' announcement caught many by surprise, especially since several executives from the proposed package had begun discussing specific corporate and marketing strategies—and their willingness to fight for a programmers' consortium in the wake of heavy operator opposition. In making its decision to pull the plug, several executives said, TBS signalled that it could not afford to risk a vitriolic rhetorical tussle with cable operators in light of its own corporate situation. TBS is currently trying to complete its purchase of MGM/UA, is involved in a lawsuit over the broadcast rights to MGM's film library, and faces the possible launch of NBC Cable News. Combined, one programming official said, the circumstances left TBS chairman Ted Turner without many options: "The man has got serious problems. If your biggest customers (the MSOs) came to you and said 'we're going to drop you if you go ahead with this,' you'd probably say screw the (programming) consortium too."

The cable industry's opposition to

the package was reflected in its reaction to the news of TBS' withdrawal and the demise of the programmers' group. John Malone, president of Tele-Communications Inc. and leader of the MSO's public attacks on the package, said he was "pleased to see that (Turner) is coming to his senses" and that he will "basically deal with his natural distributors."

Malone denied that TCI had overtly or implicitly threatened to drop CNN and Headline News in favor of NBC Cable News if the package reached fruition. "We never threatened him," Malone said. "We just indicated that he ought to deal one-on-one with everybody and that other (MSOs) felt that way. We just explained that we really didn't have a lot of enthusiasm for promoting his product so he could sell it around us—and I think he understood that."

NCTA chairman Ed Allen, president of Western Communications, said the decision means that the programmers' package "is not viable anymore."

"Naturally, I'm happy," Allen said. "I think it serves to unuddle the waters on the situation we previously had." NCTA will continue to work on its own consortium, Allen added, and will discuss whether to go forward with its plan at next month's board meeting in Phoenix.

Many programmers, however, remain wary of the NCTA-backed consortium plan. Because of the sensitivity of the issue, most would not speak for attribution.

"I think that's a little short of the mark," said one basic service executive whose company was part of the package. "The cable operator plan is really not to facilitate scrambling, but to facilitate a marketing approach so that the cable operators will be the marketers." Another basic service executive, whose company was not part of the



Ted Turner: Did MSO pressure get him to pull out?

package, said the NCTA plan is "not programmer-friendly" and that the consortium is "owned, operated, and run by the cable industry and we just dangle out there. That's not fair and won't work—and none of the other services will sign off on it." (Interestingly enough, Malone also does not want the NCTA consortium to come into being, saying that the association should not "go beyond encouraging everybody to cooperate" on scrambling and technology issues.)

Judging by the comments of these and other executives, the power play between the two groups has not been alleviated by recent developments—witness the rather blunt language used to assess the situation by many executives. "Control is the issue," Allen said. "Control on the programmers' part and a suspicion of the programmers on the part of the cable operators. There's an underlying concern that we may not get a fair shake." On the other side, one basic service executive said the NCTA consortium amounted to nothing less than the cable industry asking programmers "to give up their birthrights."

Intra-industry warfare

The entire scrambling matter also has been complicated by intra-factional sniping between competitors. Many executives said the war of words between Home Box Office and Showtime in particular has delayed the process and hurt the image of the entire cable industry. The conflict between the two—who have clearly took the lead on scrambling—was brought to the forefront once again in a speech given by Showtime chairman Neil Austrian last month. Warning that the "very foundations" of the cable industry were at stake, Austrian, in an obvious reference to HBO, called for the end to the "intra-industry name calling and mudslinging" by "propagandists who have been spreading their ill will" in many forums.

HBO senior vice president Larry Carlson responded by saying that HBO has indeed tried to take the lead on scrambling, only to be rebuked by other networks that "want to go to great expense to defeat" his company. "None of this can happen unless there's a sense of cooperation," he said, adding that if another company had taken the lead and come up with the necessary solution, HBO would have made "a real quick decision to plug into what they did."

The intensity of many of these comments has not been lost on those waiting to make scrambling-related decisions. A number of executives said the

recalcitrance on both sides has resulted in a "Mexican standoff" in which neither programmers or operators will gain enough cooperation to put together a consortium—or, perhaps, even a straightforward joint business venture. Thus, many expect that most programming services will now take a route similar to TBS', making their services available to TVRO owners on a company-by-company basis for the near future. Several announcements of that kind were expected shortly, with Showtime/The Movie Channel and the MTV Networks most prominently mentioned as next out of the gate. Like TBS' plan, such schemes would allow cable operators to sell services in and near their franchises on a "non-exclusive" basis, with the programmers themselves setting up "800 number" direct service as well. Significantly, such an occurrence could establish a precedent that programmers' themselves—not the MSOs—"control" satellite signal marketing.

"Everybody is going to go it alone through the cable operators and themselves," said Roy Bliss, president of United Video, common carrier for WGN, WPIX, and KTVT. "I think the Turner announcement is the last gasp at somebody trying to put a package together alone for a while. I think it will probably break the logjam."

Bliss added that United Video was "leaning" in that direction as well, though it still believes that some packaging and marketing, perhaps through a third party, eventually may occur in the future.

HBO will be the first to actually put such a plan in operation when it scrambles all of its feeds full-time on January 15. TVRO owners wishing to subscribe will be "encouraged" to go through local cable operators, who will set their own prices. Those wanting to buy directly from the company will be able to call a toll free number and subscribe for \$12.95 a month for HBO or Cinemax or \$19.95 for both—a price considered exorbitant by the TVRO industry.

What remains to be seen in the forthcoming plans is whether services designate only cable operators and themselves as distributors, as HBO has done, or leave the door open to one day selling through other retailers, as TBS apparently has. For example, TCI, said Malone, already has signed individual agreements with "a fairly broad sub-set of cable programmers" to market their services in and near TCI's franchises. Included in that sub-set, he added, was a recent deal with one of the former members of the programmers' package and an "understanding" with Ted Turner. Malone said "some" of the agreements were "quasi-exclusive" and "most of them nonexclusive"—a situa-



John Malone: Warns programmers about possible DBS plans.

tion TCI was willing to live with. "I'd love to have as much exclusivity as my program suppliers are prepared to give me," he said. "But I'm prepared to compete if competition is the name of the game."

How far to go TVRO?

It is also unclear how vigorously programmers will market their direct services inside franchises. Some companies, including HBO, do seem willing to give operators the first shot at signing up subscribers. Others—including, perhaps, the former members of the programmers group—may aggressively pursue the TVRO owner. Some companies may decide to maintain the "trappings" of a direct service to the extent required to deflect charges that cable operators are being granted special status. And a few may even decide to institute a reimbursement plan that compensates cable operators for subscribers in their franchises who elect to receive service from another source. HBO, for one, will apply its "brand-usage dividend" policy for satellite master antenna TV to the TVRO market. (Showtime may announce a similar plan for SMATV in the near future.)

Determining the length to go to in search of TVRO subscribers is a delicate task for programmers. They have relied on cable systems for almost all of their subscribers to date—and probably will for the near future. Yet their subscriber rolls are not growing at the rate they once were. So while most want to maintain good relationships with cable operators, they view the TVRO market as a new source of revenue. "Cable operators have made us as successful as we are," said Mark Handler, vice president of sales and affiliate marketing for the Disney Channel. "We don't want to damage that relationship. The other side is there is another market out there, the TVRO

market, and we believe we can work with cable operators—but we also want to reach as many TVRO owners as possible.”

Another critical factor faced by many basic services under the developing scenario is the viability of marketing their services a la carte. “It may be that everybody now puts their service up individually markets it,” said Kay Koplovitz, president of the USA Network. “That’s certainly an alternative. But I still do not see individual networks like ours going out into the marketplace and trying to market it ourselves to dish owners.” The more services that are marketed together, Koplovitz added, “the more successful it will be.” The fear of many basic networks is that the cost of administering an a la carte/household-by-household plan will seriously offset revenues generated by the TVRO market. One of the main reasons for trying to start a package, said one of the executives involved, was that it was the “only viable way of doing this.”

As operators and programmers seek a compromise for the moment, they may also be putting off dealing with another highly sensitive matter: the future of the Ku-band. Many programmers are particularly concerned about setting direct satellite-to-home policy precedents, because many believe the Ku-band presents the opportunity for national, no-middlemen services that could broadcast to smaller dishes in both urban and rural areas. But with Ku-band service still in the future, some deny it is their ultimate goal—and others frame their comments very carefully. “We’re trying to devise a plan that allows us to scramble and preserve the integrity of the cable business—and not hurt any future business opportunities of our own,” one programming executive said.



Larry Carlson, HBO:
Pay service sets programmer pattern.

The potential for Ku-band services is also seen as one of the main reasons for the cable operators’ stand on the TVRO market. “I think they’re (programmers) looking ahead to the Ku-band,” Allen said. “That whoever has control of the C-band direct operation will have control of the Ku-band operation, which has the potential to be significantly larger than C-band.” Though TCI’s Ku-band plans “are definitely on the back burner” because “the business window for Ku-band is diminishing every day,” boss Malone was well aware of what some programmers were thinking about. “If their plan is to go around the cable industry, they can’t expect the cable industry to carry them and subsidize them while they’re doing it,” he said. “If that’s their plan, they better have pretty deep pockets—because they’re not going to have many customers between here and there.”

One winner so far

With so much to disagree about, many executives note that programmers and operators have apparently settled on the M/A-Com scrambling system. Most strongly believe that NCTA will choose M/A-Com when it announces its technology decision, which may see as further endorsement of the system. In addition, Showtime/TMC, which had seriously considered using a different system despite a signed contract with M/A-Com, has begun shipping headend VideoCipher II descramblers. Most of the other services have decided to go with M/A-Com as well, though some are still trying to work out the technical details. United Video, for example, has experienced great difficulty in accommodating its many sub-carriers to the system. A number of companies choose the M/A-Com system even though they believe Scientific Atlanta’s B-MAC system is a better technology. “Our technical people feel that the S.A. system is superior,” said one programming executive. “But we need to have an industry standard and to avoid a VHS-Beta (conflict).”

The only issue threatening the impact of the technology agreement at this point is the planned design of the system itself. The operation of the M/A-Com system depends on the central computer facility that controls the data stream to each consumer descrambler, allowing for constant authorization, pay-per-view, etc. According to M/A-Com’s Mark Medress, the consumer boxes can be addressed only by one computer center at a time. Hence, a multiple descrambler situation could still exist even if all the parties involved

use the M/A-Com system with different authorization centers. “They (consumers) would need one descrambler for each authorization center,” said Medress. “In order to subscribe at the same time, they would have to buy two (or more) descramblers.”

At this moment, most executives say they do favor using the computer center M/A-Com is completing in San Diego—so long as it remains a “free trade zone” (or “bonded warehouse,” as Malone calls it). TBS will become the center’s second client and both HBO, its first, and M/A-Com are trying to persuade other programmers to follow the lead. HBO, said Carlson, believes the concept of going through a single, independent center on an a la carte basis is “the only way to go” and “obviously the best plan”—though it would not object if consumers could call a “neutral third party” to “pick and choose” among one or more of the services using the center. “It’s so damn simple, I don’t know why people don’t do it,” Carlson added.

For its part, M/A-Com continues to vehemently deny that any problems exist with its technology. “The system is ready, willing, and able to work,” said vice chairman Frank Drendel. Said senior vice president James Bunker: “It works like a charm.” M/A-Com’s efforts were recently bolstered by the announcement that CBS has chosen an earlier, but more complex, version of the system to scramble its network feeds. Bunker added that the computer center should be operational shortly and able to handle four services or packages by Christmas—and the full slate of twenty-four services or packages by late next spring or early summer. The company plans to have 25,000 consumer descramblers available by HBO’s scrambling date, and has the capacity to produce a total of around 50,000 by that date. It had also assured the programmer group that 200,000 units would be ready by next July, Bunker said, and has the ability to manufacture up to 500,000 in total for 1986. The wholesale price for the descrambler is \$325, with a suggested retail price of \$395.

Those executives trying to agree on technology and marketing questions recognize that the current political climate not only dictates that TVRO owners have access to scrambled programming, but that the access is perceived as being “fair and reasonable.” For example, if consumers did have to buy more than one descrambler, one executive said, “then common sense loses and you are going to have serious legislative problems.”

The political sensitivity of many in the cable industry has been heightened by the growing attention paid to the

young TVRO industry and its trade association SPACE (The Satellite Television Industry Association). SPACE, based in Washington, displays increasing political sophistication. Last month's SPACE show featured what was billed as the first appearance at a communications convention by House majority leader James Wright (D-Texas), the man widely expected to become the next speaker of the House. Nearly \$23,000 in contributions to Wright's political action committee was raised by SPACE.

Playing politics

SPACE also was planning to stage "Satellite Earth Station Day" in Washington on October 29, complete with several dishes on the Capitol lawn, to rally support for two bills introduced in Congress by several of the industry's key supporters. H.R. 1769 would prevent programmers from scrambling their satellite signals for two years, to allow the marketplace to arrive at an "effective" system for selling services to TVRO owners. H.R. 1840 would allow individuals to ask the Federal Communications Commission to set "reasonable (subscriber) prices, terms, and conditions" when "marketplace forces to do so are inadequate." A few weeks ago, Sen. Albert Gore Jr. (D-Tenn.) introduced companion legislation to H.R. 1840. The bill, S. 1618, was co-sponsored by Sen. Thad Cochran (R-Miss.).

Not surprisingly, cable operators and programmers strongly oppose the bills and several have met with concerned members of Congress. The cable industry executives maintain the bills are not necessary because every effort is being made to allow TVRO owners to subscribe to programming services on a fair and reasonable basis. For the moment, it seems that the cable industry has made its point, with most observers saying that the immediate chances for the bills' passage are slim. "If the programmers or any consortium that develops acted on a fair and responsible way, then it would be tough to pass legislation. But then we accomplish our whole goal if that happens," said the legislative aide to one of the TVRO industry's most important Washington allies. "If the distribution systems are not fair in the eyes of earth station owners, there will be a grassroots surge to provide some relief. We see a real potential for anticompetitive behavior."

Another major obstacle for the bills is the industry's recent legislative gains. It is widely acknowledged in Washington that the passage of last year's landmark cable bill provided a unique opportunity for the TVRO in-

dustry, by means of the amendment which clearly legalized the sale and use of private earth stations. Congress may decide that is enough.

With most parties agreeing that Congress will continue to serve as a forum for discussing scrambling in the near future, the focus of many companies has shifted to the Department of Justice. The department has been monitoring the scrambling situation for some months and has now "opened an investigation," said Kevin Sullivan, assistant chief of the communications and finance section of the department's antitrust division. He added that the department was investigating "both aspects" of scrambling, meaning the behavior of cable operators and programmers.

SPACE, which obviously welcomes Justice's investigation, has often argued that any plan to serve the TVRO market must include what legal counsel Richard Brown calls an "independent, non-cable distribution system" and a "competitive atmosphere in the marketplace." He reiterated SPACE's opposition to HBO's plan, describing it as "cable friendly" and "anti-competitive," which could indicate that SPACE will criticize any "two-retailer" plan similar to TBS' that is announced. (It should be noted, however, that TBS executives have in the past said they believe their services should be offered to other retailers to satisfy legal concerns).

The proposed consortia have raised the most serious antitrust questions, most parties agree; it was not known whether such concerns played a significant part in the TBS decision. And given the divergent opinions on the antitrust implications, the Justice Department may still end up playing a significant role in determining the shape of the C-band direct market.

One company that could benefit from the difficulties involved in putting together a consortium of any kind is Canaan Communications Inc., headed by former Warner Amex Cable executive Holmes Harden. Canaan's Satellite Broadcasting Company (SBC), Harden said, would like to market nationwide a large group of basic services with an a la carte pay option to TVRO owners. It has eighteen signed letters of intent from programmers willing to use SBC as their marketing agent, Harden said, though none with companies already part of another announced plan. SBC has also announced it will provide TVRO owners the use of a free descrambler as part of an introductory offer and will work with satellite dealers as part of the marketing operation. "We remain hopeful that our plan will move forward. There is a substantial amount of services to be provided by a

middleman," Harden said. "Our plan has been out there for almost a year and no one has made a more attractive offer. We see no reason why the networks won't say (our plan) appears to be the best way to go."

Another company vying for a piece of the programming action is start-up Viewers First National Inc., founded by four key members of the satellite industry—including Brown and SPACE president Charles "Bud" Ross of Birdview Satellite Communications, Inc. Last July, Viewers First signed an exclusive fifteen year agreement to act as the national TVRO retailing agent for SelecTV, the California-based premium movie service that has mostly served SMATV, MDS, and STV subscribers until now. Viewers First will involve earth station dealers in the retailing plan, and has tentatively set an a la carte price of \$7.95-\$9.95.

The involvement of top satellite industry trade association executives such as Brown in an outside venture has drawn criticism from both the cable and satellite industries.

Some cable executives have charged that the establishment of Viewers First proves that SPACE will continue to criticize any proposed business plan that does not cut it in on a piece of the equity pie.

Not for cable only

If cable operators and programmers are on the verge of accepting an uneasy truce for the moment, it might be time for companies to ask themselves if either side has emerged the "winner." While it looks like cable operators have made it tough for any programmer consortium to exist, they have not been able to stamp the label "cable-only programming" on the networks, either. While MSO executives would like satellite distribution to be considered part of the industry's "internal distribution system," as TCI's John Sie has said, it appears that legal concerns and economic self-interest dictate that programmers' marketing be "non-exclusive," at least on paper. As long as MSOs are programmers' primary distribution systems, it's likely they'll continue to exert influence over the marketing of satellite signals. The question is, if scrambling signals doesn't prevent someone else from marketing to the TVRO segment, will it erode cable's influence over programmers, as well as cable's market share?

And what happens when the more economical Ku-band comes along? Should MSOs scramble to get into the DBS business before someone else does—as some already are doing?

Those are some of the issues that have yet to be resolved. □

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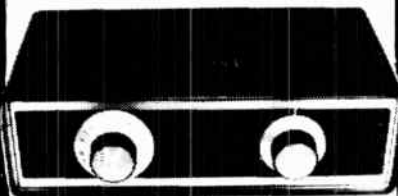
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Corporate Profile

M/A-Com progress

M/A Com Inc. is a designer and manufacturer of electronic telecommunications equipment and systems for satellite data communications, TV broadcasting and cable TV. It is also a major designer and manufacturer of microwave products for commercial and defense applications. Both the U.S. Government and the cable TV industry are major customers of the company. Operations are divided into three business segments. The component parts segment can meet nearly any microwave and millimeter requirement and the principal customers of this segment are manufacturers and users of military radar and other electronic equipment. The second business segment is cable/home communications; the main market for its products is the cable TV industry. The segment is the nation's largest maker of coaxial cable for the cable TV industry. The segment's earth station antenna capacity is highly integrated. Besides this there are solid-state microwave relay equipment, lightweight portable electronic news gathering equipment and a new generation of satellite receivers to be made in Japan for residential satellite TV use. Also in the product line are turnkey microwave transmission systems for the domestic and international markets.

The third business segment is devoted to integrated digital communications; its products are mainly directed to defense and commercial satellite communications, data communications and integrated business systems are featured.

'Zap' network. A recent development is the contract with Federal Express for an integrated satellite network with a partner. When finished it will be the largest communications satellite system in the world and the most complete and complex ever developed. It will involve 25,000 small earth station customers of Federal Express and it involves "ZAP" facsimile machines. The segment supplies the equipment and Federal Express provides the common carrier service.

The cable/home communications segment also made news recently as the company moves toward a hoped for objective of being the cable TV industry supplier of scrambling equipment with its Videocipher technology. It plans to supply decoders to affiliates of Showtime and The Movie Channel and HBO and Cinemax, as well as other programmers who choose the system. It is supplying headend units to TCI and Sammons, and expects further MSO orders.

There were 42.9 million shares outstanding as of June 29, 1985. As of September 24, the firm had a calculated market value of \$740.8 million. The indicated dividend is \$0.24 per share, resulting in a yield of 1.4 per cent. The earnings for the twelve months ended June 29, 1985 were \$1.00 per share, providing a price/earnings ratio of 17.3 times or an earnings/price

rate of 5.8 per cent. The price range of the stock for the prior 52 week period is 23½ to 15¾.

The balance sheet of the company as of June 29, 1985 showed total assets to be \$789.5 million with the majority asset category being total current assets at \$478.4 million, or 59.9 per cent, followed by plant assets, net, at \$248.8 million, or 31.2 per cent. Within the total current asset figure the lead item was inventories at \$202.1 million, or 25.3 per cent of all assets followed by accounts receivable, net, at \$165.0 million, or 20.7 per cent of all assets. On the right hand side of the balance sheet the majority item is equity at \$456.4 million, or 57.2 per cent of all assets. Long-term debt is next with \$149.9 million, or 18.7 per cent of all liabilities and equity. Total current liabilities are \$133.9 million, or 16.8 per cent of the total.

Sales of the company were \$768.4 million for the fiscal year ended at the close of September, 1984, towards which components contributed 36.6 per cent, cable/home communications 29.7 per cent and integrated digital communications 35.6 per cent.

Operating profit for fiscal 1984 was \$80.3 million. The major contributor was component products with 48.1 per cent, while cable/home communications was second with 30.5 per cent, and then integrated digital communications with 22.2 per cent. For fiscal years 1983 and 1982 these proportions were not significantly different.

Operating profit as a proportion of net sales was 10.5 per cent in fiscal 1984 for the entire company as compared to 10.9 per cent for fiscal 1983 and 13.5 per cent for fiscal 1982. For the component products segment the proportions were 13.7 per cent for 1984, 16.7 per cent for 1983, and 16.8 per cent for 1982.

For the cable/home communications segment the figures are 10.7 per cent for 1984, 10.2 per cent for 1983, and 13.0 per cent for 1982. For the integrated digital communications segment the comparable data is 6.5 per cent for 1984, 4.4 per cent for 1983, and 9.7 per cent for 1982.

At the close of fiscal year 1984, the component products segment employed 32.6 per cent of all assets, cable/home communications 17.9 per cent, and integrated digital communications 37.9 per cent. For fiscal 1983 the distribution was nearly the same and for 1982 the cable/home communications segment had 21.8 per cent and integrated digital communications 31.7 per cent.

Estimated returns. The estimated return on assets for fiscal 1984, when calculated in the manner customary for this column, was 7.0 per cent for fiscal 1984, 6.6 per cent for fiscal 1983, and 9.7 per cent for fiscal 1982. For the components products segment the return was 9.4 per cent in 1984, 9.6 per cent in 1983 and 12.5 per cent for 1982. The cable/home segment had a return of 10.7 per cent in 1984, 10.3 per cent in 1983 and 14.4 per cent in 1982. For the integrated digital communications segment the 1984 return was 4.9 per cent; 3.4 per cent in 1983; and 7.0 per cent in 1982. The return on corporate assets was 1.9 per cent in 1984, 1.8 per cent in 1983, and 2.3 per cent in 1982.

—Basil Shanahan



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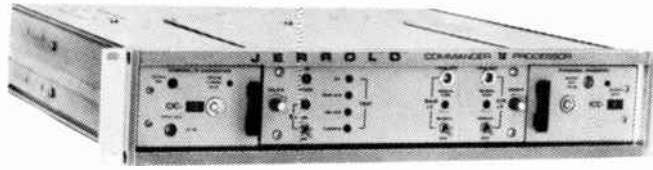
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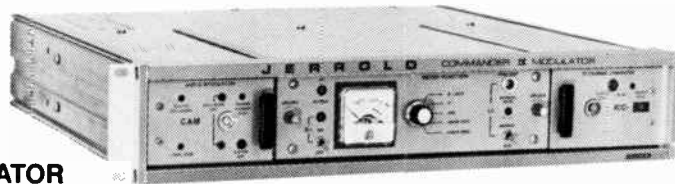
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Wall Street Report

Television advertising to rise only 5.4% in 1985: Salomon Brothers report

Overall advertising spending in 1985 will rise only 7.1 per cent in 1985, and television advertising will increase only 5.4 per cent, according to the most recent *Media Monthly* report issued by Salomon Brothers Inc.'s stock research department.

Other highlights from the report:

- Television networks represent one of the areas of greatest advertising weakness.
- Earnings per share estimates have been lowered by the brokerage firm on certain media companies it follows, including Capital Cities Communications and Times Mirror Co.

first quarter; +5.6 per cent in the second quarter) because of the previously-mentioned high '84 figures due to the Olympics and elections.

The Salomon Brothers report points out that network ad expenditures in '85 have declined for 13 of the top 25 product categories; and only three categories—confectionary and soft drinks, soaps and gasoline—have hiked their web expenditures by 20 per cent or more.

Third quarter network spending is "expected to fall by 16 per cent from the year-ago period," representing the first time that year-to-year quarterly results will have declined since 1971."

Fourth quarter '85 network spending is "expected to increase by 7.5 per cent."

Lowered EPS estimates

The Salomon Brothers analysts are lowering earnings-per-share estimates on one of the perennial favorites of the investment community—Capital Cities

Selected media companies followed by Salomon Brothers Inc.

	Earnings per share				P/E ratio		
	1984	1985E	1986E	1987E	1985E	1986E	1987E
Gannett Co., Inc.	\$2.80	\$3.35	\$4.00	\$4.60	16.4	13.8	12.0
Knight-Ridder Newspapers	2.15	2.35	2.90	3.35	15.0	12.2	10.5
New York Times Co.	2.53	2.95	3.30	3.80	13.6	12.1	10.5
Times Mirror Co. ^a	3.38	3.65	3.75	4.10	12.4	12.1	11.0
Tribune Company	2.55 ^b	3.05	3.55	4.10	14.7	12.6	10.9
Washington Post Co.	6.11	7.90 ^c	9.10	10.50	14.4	12.5	10.8
Dun & Bradstreet	3.37 ^d	3.90	4.55	5.15	18.2	15.6	13.8
McGraw-Hill, Inc.	2.86	3.00	3.40	3.90	14.3	12.6	11.0
Capital Cities Comm., Inc.	10.40	10.90	12.70 ^e	15.70 ^e	17.9	15.4	12.5
Tele-Communications, Inc.	0.38	0.00	0.00	0.00	NM	NM	NM
Time, Inc.	3.37	3.30	3.85	4.45	16.3	13.9	12.1
Viacom Int'l. Inc.	2.22	2.50	2.90	3.40	18.8	16.2	13.8

^a Includes gains from sale of assets: 1984, \$0.30; 1985, \$0.45. ^b Includes nonrecurring items that added \$0.13 per share. ^c Excludes gain from sale of assets of \$0.88 per share. ^d Restated to include A.C. Nielsen Company and excluding one-time items. ^e Assumes merger with ABC. A Actual. E Estimate. NM Not meaningful. All earnings per share are fully diluted where applicable.

- The overall media group followed by Salomon significantly underperformed the stock market during September, 1985.

Soft third quarter

The 1985 low point for all advertising, the SB report points out, is third quarter. "We believe," say analysts Edward E. Dunleavy, Lisa Donneson and Sharon M. Sedar, "that it rose by only 2-3 per cent during the period."

However, they stress that "comparisons are somewhat misleading because both Olympic- and election-related advertising greatly affected third quarter 1984 figures."

The analysts have also reduced their estimate of ad spending in 1986—"We now project that advertising spending will rise by 8.2 per cent. Our previous projection had been for an increase of 9.7 per cent.

Network TV growth, the analysts say, was "modest" for the first half of 1985 (+0.6 per cent in the

Communications. Second quarter results for the company, says the SB report, "were lower than expected due to lower-than-estimated broadcasting income. We expect ABC's second half 1985 network advertising revenue to be lower than we previously anticipated," and, "longer term, the network advertising environment is expected to be poorer than we had previously anticipated.

"Consequently, we lowered our 1986 and 1987 earnings estimates by 50¢ and 65¢ per share, respectively, for the merged company."

Despite this, however, Salomon Brothers feels the CapCities-ABC merger is "positive," because, "earnings and private market value per share are expected to increase at a faster rate if the merger takes place."

As for Times Mirror, Salomon Brothers has reduced the 1985 EPS estimate to \$3.20 from the previous \$3.35. Citing TV station income as "weak," the analysts point out that TM's second quarter earnings-per-share were "disappointing," and "an improvement in the third quarter has not occurred."

'Alternative' (from page 31)

says Steve Wasserman, vice president, news.

In the Sacramento-Stockton market, Al Jaffe, news director of KOVR(TV), considers LPN "a valuable adjunct to our news programming," especially the station's hour-long noon news broadcast, which, Jaffe says, most frequently uses LPN feature material.

"Another thing LPN is doing," he says, "is a 'Cover Story' idea—an in-depth piece on a topic in the news. It's something that will give our newscast added dimension."

LPN launched Cover Story this month, with two features, and the plan is to gear up to three or four by January, '86, according to Jim Hayden, director.

As for content, "We construct our own angle," he says, "and get ready to feed within a couple days of a major event. There will be a split audio track, so a station can either use our audio or replace it with their own."

One of October's Cover Story feeds was a three-part series on wind shear, said to be the cause of the recent Dallas air crash. Says Hayden: "The accident occurred on Friday, and we were ready to feed on Monday morning."

Hayden characterizes LPN's regular weekly "story source" feed as "Time or Newsweek-type material. We don't do spot news, per se."

However, its 'One-on-One' weekly interview service will become more news-oriented.

"We're getting it out of just Washington in order to make it more of a breaking news coverage tool. We're putting together a consortium of KU-band trucks that will allow us to get out of the studio."

Hayden emphasizes, however, that even though the mobile trucks will be KU-band, all material will be shifted

Target Television produces a biweekly three-part series anchored by investigative reporter Steve Wilson.



Wilson

onto C-band for transmission.

N.I.W.S., which started in 1979, also does not consider itself a provider of breaking news. "We are not in the day and date business," says Don Ross, executive vice president. "We're a supportive service." However, N.I.W.S.' expansion from a weekly one-hour feed to semi-weekly half-hour feeds will, he believes, "allow us to be more responsive to issues."

N.I.W.S.' bread-and-butter, Ross says, is material that is "explanatory—analyses, backgrounders." The service has established an ongoing relationship with Gannett's Washington bureau for its feeds out of the nation's capital, which also are in an interpretive vein. For instance, "we'll explain how tax reform may impact on people's lives."

A typical N.I.W.S. feed is a mixture of multi-part series, backgrounders, and reports from specialty reporters such as Kim Marriner (entertainment) and Carol Krause (personal finance).

Both feeds contain material on medical and/or health related subjects. The Tuesday feed contains a medical/health breakthrough report, anchored by KPRC-TV Houston reporter, Christi

Myers, while the Friday feed has a medical report from N.I.W.S. regular contributor, Dr. Art Ulene.

Medical/health news

The whole area of medical/health-oriented news, in fact, appears to be growing in importance among TV stations. The McHugh and Hoffman/N.I.W.S. survey indicated that, "based on perceived viewer news content interest levels, news directors see a need for increased health and medical news coverage." And conversations with news directors seem to confirm this sentiment.

At WKRN Nashville, Michael Sullivan says, "Health-related material probably has a broader range of interest than sports." Whenever possible, he says, the station tries to augment N.I.W.S.' coverage with material from "our own local medical reporter."

Adds KOVR's Al Jaffe: "Research shows that medical tests well." LPN's medical material, he feels, is "a nice adjunct to what our medical reporter does. Sometimes, it dovetails."

One of the strongest proponents of comprehensive health-oriented coverage among stations is WESH-TV Orlando-Daytona Beach-Melbourne. The station, says Bill Bauman, news director, treats health "as a regular feature, just like weather and sports."

"All good television stations," he continues, "do market research, and in our ongoing research, health just kept coming up and coming up."

In July, the station installed a daily 'Healthcast' segment in its 6 p.m. news, and a reporter, Sam Dick, was assigned to cover local and regional health matters full-time.

Bauman recalls one instance in which a young girl died from an ear infection caused by amoeba in a local lake where she had been swimming.

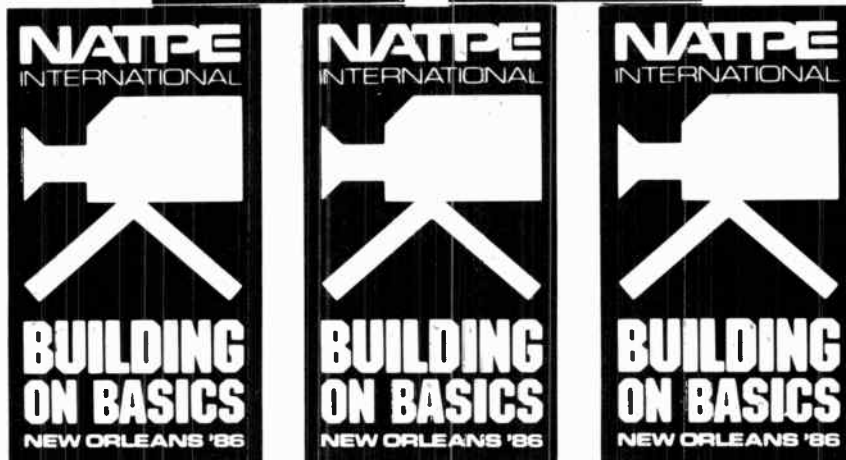
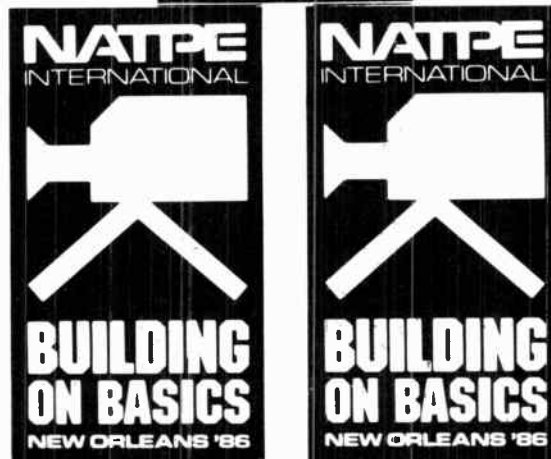
"It infected her ear, went to her brain and killed her. We did a whole series on it," pointing out the dangers, he says, of people swimming in unfamiliar bodies

In Orlando, WESH-TV treats health "as a regular feature, just like weather and sports."

Dr. 'Red' Duke with WESH-TV's Sam Dick



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of water.

"We did a three-part series on sun tanning and the dangers of skin cancer," he continues, "and after the President's operation, we did a report on colon cancer."

Medical reporter Dick recently went to Mexico to cover the activities of Orlando area doctors who flew medical and surgical supplies to earthquake victims; and the station covered this month's convention of the American Academy of Pediatric Doctors, held in San Antonio.

In addition to Dick, the station airs a syndicated medical series hosted by Dr. James H. "Red" Duke, which is produced at the University of Texas in Houston.

Houston's KHOU-TV, says news director Allen Parcell, found that, "In all our research, medical news and weather are the top two items people are interested in.

"We hired a reporter full-time to cover medical news, and we run medical series reports we receive from Newsfeed affiliates." The station also airs a half-hour syndicated program on Saturdays from Medstar Productions called *Health Matters*, which is anchored by the station's reporter. "It's like *P.M. Magazine*," Parcell explains, "in that you can use local anchors."

WMAR-TV's John Butte says there is "a tremendous appetite for medical and health news." So much so, that the Baltimore station has broken out a four or five-minute segment of its 5 p.m. news as a separate feature, also called "Healthcast." Says Butte: "It's a mininewscast within a newscast." The station's 6 p.m. anchor is also its health reporter, and, in addition, the segment includes syndicated contributions from Dr. "Red" Duke.

In Milwaukee, WTMJ-TV news director Tom Luljack says there is "no question" about the fact that medical news is "one of the top areas of interest among our viewers." The station utilizes material from both N.I.W.S. and LPN to "enhance the coverage of our full-time medical reporter. It's an opportunity to provide a scope of coverage the competition doesn't have."

More Sources

Other services that surfaced in conversations with news directors include one that has been in existence for nine years and another that is relatively new.

The veteran organization is Potomac News Service, which is utilized by KCTV(TV) Kansas City for customized Washington coverage. "They have a regular reporter on their staff," says news director Overbay, "who does all of our requests."

Michael Toscano, bureau chief, says Potomac operates seven days a week, and all of its coverage is customized. For instance, when the farm bill was being debated in Congress, PNS was interviewing specific congressmen on request.

Stations may also use the bureau's facilities when they send their own reporters to Washington.

For example, says Toscano, "when Margaret Heckler resigned, WNEV-TV (Boston) sent its own political correspondent up here."

Potomac, Toscano adds, feeds to a little more than half its affiliates on a regular basis, with "about 30 contacting us when they need something." Potomac also serves as a Washington bureau for ESPN and for Paramount, providing material for *America* and *Entertainment Tonight*.

The new service is Target Television, which produces a biweekly three-part investigative series by Steve Wilson, former investigative reporter on the defunct *Breakaway*. Among subscribers are all the Cox stations and some of the Gannett outlets.

Recent subjects have dealt with a dangerous polio vaccine and drug-testing among employees of Fortune 500 companies.

In addition to three 2½-three-minute segments, each biweekly package, according to Kathleen Kelly, producer, affiliate relations, contains aids for stations including promo clips, suggested anchor intros and local lead information so a local angle can be pursued.

Another potential service is "V.I.P. Newsmaker Interviews," a weekly satellite-fed interview service being proposed by The Visnews Group, a consortium composed of Visnews Limited, Viscom International and BrightStar Communications.

The service would provide stations with access to a weekly interview with a major news figure, plus an additional 52 interviews a year tied to breaking news events.

Sample feeds were shown to stations at the recent Radio-Television News Directors Association (RTNDA) convention and, according to a spokesman, a direct mail campaign is now underway aimed at signing up subscribers. The service is hopeful of a late fall start.

In addition to the national services, some stations have established regional and/or ad hoc networks to obtain coverage outside their immediate areas.

There are two such regional setups in the state of Florida.

The larger of the two, the Florida News Network, consists of seven stations: WJXT(TV) Jacksonville (the control center), WPLG Miami, WTSP-TV Tampa-St. Petersburg, WFTV(TV) Or-

lando-Daytona Beach-Melbourne, WCTV(TV) Tallahassee-Thomasville, WINK-TV Ft. Myers-Naples and WPTV(TV) West Palm Beach.

According to Mel Martin, vice president and news director at WJXT, the network was formed in the spring of '84 and began satellite feeds in spring '85. A daily half-hour feed consists of 12 to 15 stories ranging from breaking news to sports to soft features. Examples of coverage cited by Martin include hurricanes, an abortion trial in Pensacola and a feature on the turning of the leaves along the Blue Ridge skyline.

The other Florida-based web is an offshoot of Conus, a regional feed consisting of three stations—WSVN-TV Miami, WTVT Tampa-St. Petersburg and WESH-TV Orlando-Daytona Beach-Melbourne. A fourth station—WEVU(TV) Ft. Myers-Naples—is due to join shortly, according to Conus' Anita Klever.

In North Carolina, the Carolina News Network connects four stations via microwave. They are: WRAL-TV Raleigh-Durham, WSOC-TV Charlotte, WFMY-TV Greensboro-Winston-Salem-High Point and WWAY(TV) Wilmington.

"The assignment editors and producers have conference calls everyday," says WRAL-TV news director Ron Price. "They discuss how the stations can work together. There's a late afternoon dayfeed, each station sends a tape package and there is the capability of going live." The network, Price says, is almost three years old.

Ad hoc arrangements

There appear to be no restraints on what stations can do. For instance, what's Richard Tuininga says the Cleveland station is involved in "two or three ad hoc networks. We have one guy full-time networking with our friends around the country.

"There are our fellow Scripps Howard stations. Then we have a regional network throughout the Midwest. We talk with seven stations twice a day from southeast Michigan into Indiana, western Pennsylvania, through West Virginia, throughout Ohio and into western New York."

The third arrangement, he says, is "a looser group of friends throughout the country in strategic locations. Our friends in Atlanta alerted us on a C-band truck going out on Gloria."

In the midst of this seeming cornucopia of news and news feature footage, the three television network news operations have announced their own plans for expanded service to affiliates.

ABC and CBS will establish regional networks among their affiliates.

NBC, which undertook a major ex-

pansion of its A-News affiliate news feed three years ago, is now, in the words of Art Kent, vice president of news operations, concentrating on "non-editorial" functions, i.e., "the logistical aspects of what stations need."

A-News, he says, will continue to provide affiliate feeds four times a day, consisting of news, sports, weather information and graphics. But the operational aspects of service to affiliates will be spun off under the umbrella name, "Skycom." Says Kent: "We will attempt to provide a method whereby stations can get the technical facilities they need to do their job. We will assist them in point-to-point feeding of tape stories, in getting stories back from remote locations, in all of the things they need to reach beyond the capacity of microwave."

The "experiment" began October 15 in the Pacific and Mountain time zones. As an example, says Kent, "If a station wants to move a story from Denver to Seattle, it can call a coordinator in Burbank who will facilitate the clearing of the transponder time. This is already being done, but we're systematizing it."

By next month, NBC will begin installing the first five of 50 portable KU-band uplinks (PUPs), which it has purchased. "It takes four hours," says Kent, "to attach it to an existing downlink to convert it to an uplink." The first five locations scheduled to get the PUPs are Ft. Worth, San Francisco, Phoenix, Seattle and either New Orleans or Las Vegas.

In addition, says Kent, when RCA's newest satellite is launched late next month, there will be "a great deal more transponder time to help affiliates cover the news."

ABC's first regional network in the Southwest, consisting of 25 stations in Texas, Oklahoma, Louisiana and Arkansas, started in April. The network hopes to have similar regional webs in operation in the Southeast, on the West Coast and in the mountain states by the end of the year. The "hubs" for each of these networks will be the ABC news bureau in each region.

Expansion of the national feed from 45 minutes to two hours is planned for May, 1986. The content, says Donald Dunphy, director of affiliate news service, ABC News, will be "a tiering together of the regional feeds, with international and Washington news and sports from the network."

The ABC move, Dunphy acknowledges, is in response to "all these other services that have sprouted up, taking advantage of the technology. We feel we can do it better; we want to strengthen our relations with affiliates."

CBS started a southwestern regional

network in May, 1984, with KENS-TV San Antonio as the hub. According to Bob Horner, vice president, news services, CBS News, there are two feeds daily, one in the early evening and one for the late night news, both making "extensive use of satellite and microwave."

In July of this year, CBS established a Florida cooperative, expanding it in September to encompass the entire Southeast.

As of October 7, that network also had two daily feeds emanating from two hubs—WBTW(TV) Charlotte and WCTV Tallahassee-Thomasville. In addition, says Horner, there are daily uplinks from Atlanta, utilizing the resources of both the CBS News bureau there and WAGA-TV.

A western regional is scheduled to start today (October 28) with an afternoon feed, going to twice daily in December. Hub station is KSL-TV Salt Lake City, with "sub-hubs" at KOIN-TV Portland, Ore., and KXTV(TV) Sacramento-Stockton.

CBS, Horner says, has three other regional cooperatives on the drawing boards, all of which could possibly be up and working by early 1986. They are: central time zone, eastern Midwest (midwestern markets in the Eastern time zones such as Michigan and Ohio) and the Northeast.

All of these regional plans, says Horner, "are tied to other developments." For instance, "We now do a national feed in the afternoon. We're going to add one in the morning."

"We now feed two or three stories at night to the stations at 11 p.m. We're going to move up the station feed to approximately 10:30, before the local stations go on the air."

The other main component, he says, will be "unilateral services—where a station wants to travel. It's a legitimate role for the network to help that station."

The overall motivation for the CBS moves, Horner says, stems from the availability of satellite technology. The network, he says, "is more aware than ever before of its responsibility to the stations."

"I have heard," he continues, "that we were 'forced' into this" by the alternative services. "I personally don't think we were 'forced,'" he says, "but it certainly was one factor in helping us realize other ways we can serve affiliates."

Affiliate reaction

What do affiliates think of the networks' plans?

Byron Williams, news director of WPXI(TV), Cox NBC affiliate in Pittsburgh, is "very excited."

"We're sending reporters around all the time," he says, "and we could have used (the network's service) twice just since the RTNDA."

"We were feeding from a truck outside the courthouse during the baseball drug hearings, and we had a whole team of people down at the hurricane."

KOVR's Jaffe, who is vice chairman of the ABC News Advisory Board, is looking forward to receiving "hard news from all over the West Coast. It's going to help us a lot. It's similar to what a lot of these ad hoc networks are doing."

Regional feeds, says Bill Vance, director of news at WJBK-TV, Storer CBS affiliate in Detroit, "are something that will happen. Every station has used the good 'ol boy network for years—the only problem was speed."

"As regional feeds get better, it will infringe on the good 'ol boy network, but not entirely."

Not everyone, though, is convinced the networks mean what they say. At Cleveland's WEWS, Tuininga says, "In reality, the networks still are unable to appreciate and understand what goes on in affiliate-land. They're going to continue to skew in a different direction than affiliates. The networks' role will be less and less important in breaking stories. Probably their longterm role will be providing insight." In Jacksonville, WJXT's Martin maintains that, "the networks have designed the system to feed the network. A long time ago we gave the suggestion to CBS to start thinking about regional networks."

"The networks see a threat to their control. Anybody can be a network now. The network control is less."

Own product only

Despite the explosion of non-network sources of news and feature footage, there are stations that have resisted the impulse to jump aboard the bandwagon.

"We don't want to pay for it, and we don't need it," says Jim Holtzman, news director of KGTW(TV) a McGraw-Hill outlet in San Diego. "We fill our time with our own product."

"We plan on being part of CBS' regional network, and we hope that will get us more breaking regional stories. We hope it will be as good as they say it's going to be."

And in Hartford-New Haven, Mildred McNeil, news director of WVIT(TV), a Viacom station, says she doesn't use any non-local news other than that provided by NBC because "we only have a half hour at 6 and 11, and sometimes we're hard-pressed to cram all the local news into 30 minutes." □

that companies like Coca-Cola, Anheuser Busch, Sears Roebuck, Colgate-Palmolive, P&G, Ford and Bristol-Myers will put money into the project. And agencies also, particularly Spanish shops, he adds.

As for Hispanic station support, Caballero Spanish Media alone represents, according to its president, 65-70 per cent of all fulltime Hispanic radio stations. He says he welcomes support from the only other major Spanish radio rep, Lotus Albertini, and estimates that the two rep firms together represent about 90 per cent of all fulltime Hispanic radio stations.

Outside support

Richard Tobin, president of Strategy Research Corp., points to the *contribution* element in the Spanish research picture as an important factor in funding the Caballero project. In fact, SRC's comprehensive studies of the Spanish market in 1980 and 1984 depended heavily on "outside" support from many quarters.

The 1980 market study came out of a joint effort between SRC and the National Association of Spanish Broadcasters. The first of its kind, it received financial support from the U.S. Department of Commerce's Office of Minority Business Development Agency and J. Walter Thompson. The 1984 study, "U.S. Hispanic Market 1984," a 324-page compendium covering history, demographics, lifestyle and media habits, was supported by 40 corporations.

"The viability of a project like this depends on funding. It's not a rate card thing," explains Tobin. "Advertisers and agencies have often supported projects like this in the past."

While Tobin would not describe the specifics of his proposal, he confirmed the methodology would involve personal, in-home interviews, employing day-after-recall questions covering 24 hours. "It's the same methodology we use in our radio and TV (STAR) service."

Tobin said he had tried to syndicate an Hispanic radio rating service three years ago, but couldn't get enough support. SRC still does ad hoc reports for radio and has done "syndicated" TV reports between 1978 and the fall of '85 in New York, Los Angeles, San Antonio, Chicago, San Francisco, Phoenix, El Paso, San Diego and Corpus Christi.

SRC does not use telephone sample frames or random digit dialing but employs geographic sampling via census blocks in order to cover its entire Spanish universe. Since it queries respondents about a 24-hour period, SRC has

had to develop an algorithm in order to generate cume data.

The model, according to Tobin, is based upon a study involving seven days of interviews.

Is in-home interviewing costly? "Not in our view," answers Tobin. "We're doing it every day and our costs must be competitive. In-home interviewing is higher—but not a lot higher—than a (quality) telephone survey. Also, since we're already doing this kind of research, it's cheaper for us than for someone doing it for the first time."

The I&A proposal

The emphasis of the I&A submission is on a pilot study, since the research firm has as yet not fully committed itself to a full 15-market proposal. Roslow feels that the relatively high cost of a 15-market study—estimated at between \$500,000 and \$750,000—requires careful preliminary research.

Specifically, I&A recommends a test of three methodologies: "(1) in-home interviewing with 'yesterday' recall for average quarter hour estimates and 'day before yesterday' recall for cumes; (2) combination in-home interview and leave-behind questionnaire; with similar questionnaire recall as #1; (3) telephone interview using random-digit dialing; with similar questionnaire recall setup as #1."

While I&A is not considering the telephone methodology as a "benchmark per se," one aspect of the evaluation will be to compare results from telephone homes in methods (1) and (2) with the data from method (3).

The I&A proposal also involves tabulating the surveys in combination with one another, "weighting the no-phone homes so that their proportional representation does not change."

It is I&A's hypothesis that the optimum approach will be a combination of two of the three methods to be tested—either methods (1) and (3), i.e., in-home plus telephone interviewing or methods (2) and (3), i.e., in home interviewing with leave-behind questionnaire plus telephone interviewing, "with special weighting to insure adequate representation of no-phone homes."

Says Roslow in his proposal: "We believe telephone interviewing provides a far superior level of quality (better quality control, centrally-monitored facilities, no geographic clustering of interviews, better county-to-county sample dispersion, etc.)—and telephone interviewing is less expensive. The only drawback is the inability to include non-phone homes in the sample; thus, the suggestion of a combination approach."

The study costs will depend, of

course, on the method, or methods, used. In any case, I&A is recommending a roll-out once there's a 15-market "go" decision, rather than all-at-once field work. The recommendation calls for three sweeps to reach the 15-market maximum, viz., three to five markets for Sweep I, seven to 10 markets for Sweep II and all 15 markets in Sweep III. But the proposal adds: "We may want to manipulate the sweep period scheduling at the service's startup so that some broadcasters are not actually waiting as much as 18 months before their market is measured."

I&A is all in favor of a panel including non-broadcasters to evaluate its work. Roslow suggests an advisory council of six to nine—researchers from two or three advertisers, two or three agencies (Spanish and Anglo) and two or three stations or their reps.

Says Roslow: "Rather than have only I&A evaluate the pilot test and/or design the service, I would rather have it be more of a cooperative industry effort, with input from those who would be relying on the surveys as buying/planning or selling tools, not unlike the AGB Boston PeopleMeter test."

In an unusual cooperative effort, Birch Radio will be working with I&A, handling data processing and report generation. They will also cooperate in the development of cume models. Birch already has a way of estimating weekly cumes without actually collecting seven days of listening data.

Tom Birch, chairman and president of Birch Research Corp., one of the five research firms approached by the Caballero Council, explained: "We had to step back. We're just involved in a lot of research activity right now."

Birch, whose radio services uses the telephone to gather its audience data, not surprisingly agrees with Roslow on the proposal to test other methods besides in-home interviews.

The biggest concern with in-home interviews, says Birch is "maintaining control over interviewers," which he describes as "cumbersome." He makes the point that the research firm supervising in-home interviewing with a probability sample must make sure the interviewer gets information from the households designated. "It's an expensive methodology and its not easy to get an adequate response rate. Some residential areas may be dangerous and the interviewer may avoid them. You can't always reach families living in condominiums. But if you get to the person, then the personal interview is the best way."

The Birch technique for estimating cume audiences, which may be used by I&A, is based on the premise, says Birch, that a station's cume develops quickly, that single-day phone inter-

viewing picks up 80 to 85 per cent of a station's total come on the average. "What we do is model out the last 15 to 20 per cent. You ask the respondents about each station they say they listened to 'yesterday': 'Did you listen to the station the day before?'" Birch says that a beautiful music station will typically gather 90 per cent of its weekly come in one day. However, news stations, he adds, come much less quickly.

Roslow promises that I&A will apply for accreditation by the Electronic Media Rating Council "as quickly as possible—we estimate within a year to 18 months after startup of the fully syndicated service."

Arbitron's proposal

An Arbitron proposal to the Caballero Council is expected to be submitted early in November, but its basic methodology will not meet the specifications set out by the Council.

Rip Ridgeway, Arbitron vice president of radio sales development, would not go into detail but described the outlines of the proposal.

Arbitron will propose a diary-based, telephone-placed measurement system, something like Arbitron employs now, except that the phone contacts would be in Spanish (and the diary, too, of course) and the sample frame would be listed telephone households with Spanish surnames.

West Coast advisors



The Radio Advertising Bureau has formed a West Coast wing of its Advisory Council, whose purpose is to improve communications between ad agencies and radio. At initial meeting, standing, from l: Harry Spitzer, Southern California Broadcasters; Bud Heck, RAB-NY; Charlie Trubia, Ted Bates-N.Y.; Ralph Lewis, Grey Advertising; and J. Ray Padden, RAB-L.A. Seated, from l: Jack Valente, Marsteller; Nora Lapham, Dancer Fitzgerald Sample; Kim MacAlister, Thompson Recruitment; Mary Slatlie, J. Walter Thompson; Rod Damrow, Eisaman, Johns & Laws; and Ron Lawrence, Benton & Bowles.

Non-listed Hispanic telephone homes, while a major chunk of the Spanish market, would be too expensive to reach, says Ridgeway. "It would require too much dialing." The Arbitron executive said his company had estimated that in order to reach 1,800 in-tab Hispanic households in New York, interviewers would have to make more than 65,000 calls.

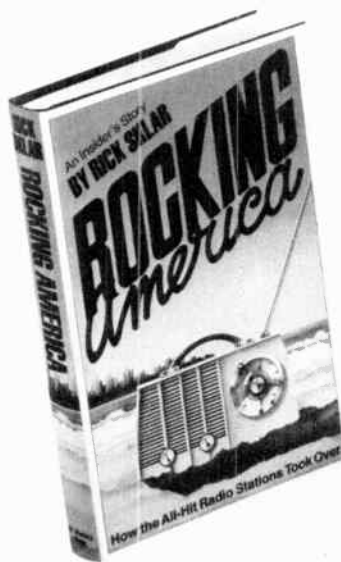
"Random-digit dialing is not enough in this case. You need street addresses." Ridgeway figures that about 60 per cent of Hispanic households in New York could be contacted via telephone listings.

Ridgeway, who worked briefly for SRC a few years ago, conceded that the Miami firm has a cost advantage in already conducting in-home interviews. He also concedes that some Arbitron estimates probably under-estimate Hispanic listening.

Ridgeway is somewhat skeptical about the Hispanic broadcast community's ability to raise enough money to meet the specifications outlined by the Caballero Council. However, the general feeling among Hispanic broadcasters appears to be that they should go for broke first and worry about compromising later. □

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and is looking to expand in other areas in merchandising of product, handling properties not only which the company may develop but also product from other companies. At this point, notes Stu Hersch, chief operating officer and general counsel, KW is negotiating with companies for licensing their

The growth of in-house licensing divisions at production houses and syndication companies has caused some concern in the merchandising business.

rights in both the kid and adult genres.

Viacom Enterprises' licensing and merchandising department, which was formed at the inception of the company, represents not only its owned properties such as *Terry Tunes* but also merchandising rights to *Gunsmoke*, *Perry Mason* and *The Beverly Hillbillies*, which were produced by others. About three years ago, Viacom acquired the licensing rights to *Cagney & Lacy*, owned by Orion Television, and, as noted earlier, to *The Twilight Zone*, a CBS production.

In the case of *Zone*, Viacom holds the rights as well to the Serling series, which debuted on CBS in 1959, according to Howard Berk, director of licensing and merchandising.

Toy industry recruit

LBS Communications' Paul Siegel, executive vice president, finance, indicates that LBS may do its own licensing down the road on its own kid shows. Siegel says that the company may go in-house in conjunction with producing new kids' shows in the near future. He continues that the company recently hired John Bohach as executive vice president of LBS Enterprises. Bohach's experience includes a stint at Kenner. He worked on toy-related products there, and his familiarity with "third party people—those who make items other than toys—makes it worth-

while for us to do our own licensing."

Harmony Gold and Filmmation, among other companies, are so high on merchandising that they have recently taken steps to stimulate that end of the business. Harmony Gold recently held its first marketing seminar, designed to bring together all the licensees involved in the merchandising activities of the company. The focus of the seminar was on *Robotech*.

Also, the company, which has a licensing and marketing division, recently named John Rocknowski as president of marketing handling the *Robotech* merchandising. Susan Christison came to HG in April as director of licensing. Irv Handelsman is vice president—licensing working out of New York. A recently signed licensee is Matchbox International, which is developing a toy line of robots and accessories, to be supported by a multi-million dollar ad campaign. *Robotech* has 85 half hours, with 45 new episodes being planned for next year's airing.

Threat to independents

The growth of in-house licensing divisions at production houses and syndication companies has caused some concern in the merchandising business. Weston of Leisure Concept says that development is "going to make it tougher and tougher for an independent to acquire product. Production companies and toy companies are setting up their own companies. We used to represent several studios. That is no longer a viable thing in this world. For an independent licensor to survive it must create its own properties."

This is what Leisure Concepts did when it went to Telepictures with the idea for the *Thundercats* characters. The two companies co-developed the animated series, and Leisure Concepts now handles licensing for its characters. Leisure Concepts will also do the licensing for *Silverhawk* and *Comic Strip*, two upcoming Telepictures series.

Commenting further on the growth of in-house licensing, Weston says, "Fifteen years ago, when my father started the company, there were only a handful of licensing companies. With the advent of *Strawberry Shortcake* and *The Smurfs*, everybody thought that licensing was the key to riches. As a result, the field got greatly over-proliferated. A lot of retailers got hurt. A lot of licensees got hurt. Now it's difficult to launch a new property. Retailers and licensees are wary."

Lorimar's vice president of licensing, Danny Simon, doesn't think in-house operations will hurt independents. "There are more and more independents than ever, and there is more li-

censed product than there ever was," he says.

Lorimar has become more aggressive in its licensing. It's merchandising books, foods, wine, chili peppers, clothing, leather goods and other products associated with such Lorimar shows as *Dallas*, *Falcon Crest* and *Knots Landing*.

Lorimar is currently offering the Southfork Collection, a lineup of products linked to *Dallas*' mythical Southfork ranch. The product is a far cry from the early days of merchandising when t-shirts seemed to be the big attraction. In their place Lorimar is offering such items as a \$1,300 barbecue grill and jewelry.

"Now we want to come out in a classier way," Simon says. "I liked the idea of a Southfork Collection as the means to create a new line of product that did not capitalize on the stars alone. We've begun a program of product that is doing extremely well. In London, where we launched the Southfork Collection clothing line, we have evening wear and casual clothes. In September, at retail, we did nearly \$1 million in U.S. currency in a month. We've got a perfume line coming out next spring called South-

"With the advent of 'Strawberry Shortcake' and 'The Smurfs', says Leisure Concepts' Steve Weston, 'everybody thought that licensing was the key to riches... The field got greatly over-proliferated.'"

fork Man and Southfork Woman. The idea is to be in the designer arena. Not that posters aren't a viable commodity, it's just that we've grown up in the world of marketing. Marketing is not just kids' toys."

Barbara Atlas, president of the New Zoo Revue Company, which produces

The New Zoo Revue, is another who handles her own product. She started doing it when *Zoo* went on the air 14 years ago because she says, "I felt I knew my own show and what I wanted. We've never licensed anything that wasn't appropriate for the show."

Harmony Gold's Rocknowski also believes it's unlikely that in-house licensing divisions will doom the independents. "There's always room for good licensing agents," he says. "There are more of them around now than I've ever seen before."

Some limitations

Viacom's Berk warns that not every program has merchandising appeal. "Every show that goes on the air is not licensable automatically. Variety shows and anthology series are virtually impossible to license. Also, a 10 p.m. show is harder to merchandise than an 8 p.m. series on a general basis. Of course, it all depends on the elements of the program, but an 8 p.m. show will, obviously have a higher percentage of kids than a later program will. The children, of course, are whom you want to reach on the toy licensing end."

One important misconception on the part of most TV copyright owners and distributors of programs for licensing is that the roads of both the licensed shows and the toys are paved with gold, points out John Claster, president of Claster Television. "Everyone is caught up in the frenzy of the marketplace, and they all believe they all will make a lot of money." However, he adds, that a successful toy doesn't automatically produce a successful TV show, or vice-versa. In some instances, Claster continues, neither the toy nor the program are doing well.

Petry Television overnights on kids' shows premiering for fall on the week of Oct. 1 show that most are doing well in their metered markets. *Jayce and the Wheeled Warriors* improved or tied its lead-in programming in all but two markets; *The Jetsons* got "great" numbers in Philadelphia on WTAJ-TV, averaging a 4.5/18; *M.A.S.K.* had a "good beginning" on WTAJ-TV with a 4.6/12; *Gobot* got an 8 share on WPIX(TV) New York, behind *Jayce* on WNEW-TV; *ThunderCats* delivered all-around solid results; and *G.I. Joe* got a 16 share on WTAJ-TV, its highest share in all the nine metered markets.

But when it comes to toy sales, *Gobots*, *Jayce* and *The Jetsons* are not among the top 10 in recent toy purchases, according to *Toys, Hobbies and Crafts* magazine.

On the other hand, *Voltron* has slipped as a program but is doing exceptionally well as a toy. *ThunderCats*, is doing well in both areas, as is *She-Ra*,

while *Transformers* is second as a toy but is getting mixed initial returns as a program.

Claster points out that it's still too early to call on which will be the losers or the winners in both cases.

"They all can't really work. The kids' marketplace has become like network television.

"Every show that goes on the air," says Viacom's Howard Berk, "is not licensable automatically. Variety shows and anthology series are virtually impossible to license."

"Kids' programming in syndication has become equal to adult programming on the network marketplace in terms of competition. The indies with competing stations are going head-to-head in these markets. We won't have a tie in every time period in every market, so some have to win and some have to lose."

Also, there's a certain danger for producers and syndicators who depend solely on toy manufacturers for their existence, says Levin of the Entertainment Network, which produces and distributes such shows as *Tranzor Z*, *Kid A Little*, and *Hollywood Television Theater*. "I don't believe in making deals exclusively with toy companies," he says. "They're fickle, they have to be. Their needs are dictated by a different situation. They usually have one product—at most two—that's hot. If they don't get it right, they can go out of business."

As an example of the risk involved, he points to the high cost of developing, manufacturing and distributing a toy, especially the new high-tech robot-type toys. "It can run into the millions," he says.

Non-toy companies can be more stable partners, he says. Such major advertisers as Campbell Soup or General Mills, he adds, "are selling a consistent product, an institution. One is an institutional buy, and the toy is an entrepreneurial buy." □

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TV-1

Agency (from page 33)

to obtain additional buying clout for PM's Seven-Up, which already qualifies for heavy broadcast discounts.

Compounding the complexity of the Seven-Up situation is the fact that it has just shifted from N W Ayer to Leo Burnett, which had been handling its international business all along. Miller Brewing Co., PM's other major non-tobacco subsidiary, a Backer & Spielvogel account, is seen as having little time placement affinity with GF's product lines and plenty of buying clout of its own.

GF buying is all centralized, with network TV handled by Grey Advertising for children's programming, Young & Rubicam for daytime and D'Arcy Masius Benton & Bowles for the rest. Spot TV buying is divided up with each GF agency buying a list of 20 or more markets for all brands.

David K. Braun, GF's director of media services, says his company tries to assign markets to agencies on the basis of performance capabilities so that "those who are doing an outstanding job get a greater share." But this is also tempered in the direction of agencies buying roughly in proportion to the amount of business they plan, he adds. With all of GF's agencies buying spot TV, commission rates for buying are sometimes worked out between the agencies and sometimes through the advertiser, he notes.

GF began its AOR setup in the early '70s, and Braun reports little resentment among agencies that give up more buying than they gain. "Everybody wants to be a buyer for a major client," he adds, but he notes that lost buying activity is not much of an economic loss in that the commission for that activity is pretty much offset by the cost of buying.

Looser approach

A somewhat less structured approach of AOR is used by Beatrice, according to trade sources, in which Leo Burnett buys all primetime network and J. Walter Thompson all daytime. For the company's grocery division, SFM Media Corp. does all spot buying. Prior to the acquisition of Esmark, it was already serving that company for Hunt-Wesson brands. Meanwhile, all buying for Esmark's Swift products still remains with Grey Advertising. Spot buying for Beatrice's remaining divisions—refrigerated food and beverages—remains with the brand agencies.

As for GM's network buying arrangement with Burnett and the others, Phil Guarascio, executive director of advertising services and until recently direc-

tor of media management at Benton & Bowles, says the arrangement that's been in place for less than a year is "not an AOR setup." He says each agency is still responsible for its own divisions: "What we have is a lead agency that serves as a point man in long-term negotiations." Its activities, he adds, are subject to prior approval by a media council composed of the advertising managers and media directors of the various divisions.

Guarascio says there is no compensation involved beyond what Burnett receives for handling the Oldsmobile division. The executive holds this "lead agency" approach "develops the advantages that come with buying consolidation" without disrupting the normal flow of activity at the agencies.

Reasons for AOR

According to the ANA report, the case for the AOR approach has become stronger because of rising costs for time, fragmentation of audiences and competition for inventory. Another reason is government deregulation. Elaborating on this, ANA vice president Herb Ahlgren notes that, with stations no longer expected to keep logs as a licensing requirement, a typical AOR function can be keeping track of proof of performance. With increased emphasis on post-buy analysis, he adds, this can be another AOR role.

The report also says that efficiencies can result from one voice speaking for an advertiser in the marketplace because that one voice has the expertise in a particular geographic region, daypart or media vehicle. It adds that central management of media placement also facilitates intra-brand tradeoffs, regional partnering and commercial partnering—especially with split 30s.

The ANA report indicates it is diffi-

cult to have an AOR setup without a fee to the buying agency, except when the advertiser is on a direct cost compensation system with its agencies. It points out that, if advertisers could balance the media billing among AORs, an inter-agency fee could be avoided but that there are too many variables working against this equalization.

Only in print has there been a general tendency to bypass fee payment, according to Gary Pranzo, senior vice president and director of local broadcast at Young & Rubicam: "It used to be that all you did was look up a rate card and put out a contract." But he says there is more negotiation in print now and that agencies are looking for ways of recapturing the cost.

Pranzo says there is a trend away from in-house buying because "clients have found it a very expensive proposition and have learned that they get a better feel for the market if they allow an agency for several agencies to negotiate for them."

In-house benefits

But Louis Rubinacci, director of media for Nabisco Brands, contends the benefit of network buying by in-house agency, Ohlmeyer Advertising, transcends cost savings: "We have some of the most capable people at Ohlmeyer. If we were to break it up, I'd like to have some of those people at our agencies."

Rubinacci says all of Nabisco's print buying will probably go to R. J. Reynolds' in-house operation, RJR Marketing Services, but that it is yet to be determined whether Ohlmeyer will do network buying for any Reynolds brands. Ohlmeyer had done magazine buying for Nabisco and also handles syndication and cable networks along with broadcast networks, retaining a

"All your problems are multiplied when you do spot buying for other brands. Any kind of change has to go out to all the agencies buying spot—schedule changes, copy changes ..."



Bill Hadlock
Director of media services
Leo Burnett

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Alec Gerster
Executive vice president
Grey Advertising

portion of the brand agencies' 15 per cent. Brand agencies are Dancer-Fitzgerald-Sample, Doyle Dane Bernbach, William Esty, Bozell & Jacobs, Ohlmeyer and Arnold & Co., Cambridge, Mass.

Spot is bought on an agency-by-agency basis for Nabisco brands, but Rubinacci discloses there has been talk about changing to an AOR approach.

Ohlmeyer, in its network buying, is commissioned with following the dictum of the marketing services department that no advertising be done on "advisory" programs—those that require advisories warning of sex or violence content.

In-house advantage

One more advantage of the in-house setup, according to Rubinacci, is that the networks can offer advantageous terms without fear that the information will leak out. In the case of outside agency buying, he contends, there is the danger of other agency accounts attempting to capitalize on knowledge of such arrangements.

But Richard Kostyra, senior vice president and media director at J. Walter Thompson, holds that an in-house agency has no negotiating advantage: "I think we negotiate quite efficiently. Our strength is in our variety of experience and our continuous dealings with the networks."

Kostyra is more positive, though, on the AOR approach for network buying. JWT has its share of the action in performing all network buying for Warner Lambert, with Ted Bates handling network radio, these two agencies splitting up spot buying and Young & Rubicam buying cable networks.

Speaking of the general practice, Kostyra says, "In most cases the client has a media department where all information is fed through it; it solicits planning requests from one agency and

distributes them to the AOR. But the media department of the advertiser also does a lot of prodding and challenging—encouraging the agency to take a route that is more economical or more visual.

"The general intent, though, is that consolidation lends efficiencies. The most efficient route is one agency buying all of a given medium. As you move away from this, certain disadvantages creep in. The client has to deal with more agencies, and this increases the cost of coordination to the client."

He concedes, though, that there is an advantage in splitting up the buying among more agencies in that "they keep more agencies involved, so the agencies are happier and there are more viewpoints on the same topic." Another thought is, "If an agency doesn't have an AOR assignment, it's going to be more critical of the other agency's performance and provide a watchdog service."

Can go too far

At Grey, Gerster adds, "There's no question in my mind that, in 90 per cent of the cases, it's to the advertiser's advantage to buy on an AOR basis." But he contends the advantage of size can go too far: "If you become too big it can work against you. Leverage is good only when the networks are worried about not getting your business. If you're too big, the networks become a must buy."

For other advertisers, says Gerster, the combined buying power can make a difference in whether the advertiser can be in the upfront market: "Even if you're a four-quarter-a-year product, you may still find you have more leverage by putting in another brand so that you're able to bring down prices in tighter buying periods."

Spot buying on an AOR basis is a much more complex situation. Y&R's Pranzo notes his agency is the spot AOR

for Clorox in addition to handling its cable buying and certain portions of its network activity. For General Foods, Y&R buys New York, Philadelphia and some 20 smaller markets.

"Spot is so labor intensive that it's a more difficult proposition," Pranzo asserts. "Clients have to set up an in-house coordinator. When you're buying for brands that you don't plan for, it's a matter of having the proper staffing on both ends."

He says that advertisers generally try to apportion markets based on the amount of brand billings so that there's a correct apportionment of dollars. But, at the end of the year, the inter-agency fee could run as low as 2 per cent and as high as 3½ per cent.

Problems with spot

Bill Hadlock, director of media services for Leo Burnett, holds, "the communications problems and the paperwork involved in spot have made the AOR approach generally undesirable. The more people involved, the more difficult it gets. All of your problems are multiplied when you do spot buying for other brands. Any kind of change has to go out to all the agencies buying spot—schedule changes, copy changes or a decision to reduce spending in a given week."

But he warns that, if stations continue to charge premiums for standalone 15s, advertisers will move in the direction of spot pools where they can combine spots into split 30s for better rates. He says his agency did a survey that

"Spot," says Y&R's Gary Pranzo, "is so labor intensive that it's a more difficult proposition. Clients have to set up an in-house coordinator."

showed nearly 50 per cent of stations now offer standalone 15s, and he believes all stations will be offering them within a year. Kostyra, though, doesn't believe the standalone 15 will become an issue, stating that marketplace pressure, even without combined buying, will eventually bring all 15s to half the price of a 30. □

In the Picture

Kenneth E. Caffrey



Executive director of media operations for Ogilvy & Mather/U.S. and now an executive vice president of the agency, emphasizes media plans "designed to be part of an integrated advertising and marketing strategy" that includes such other operations as direct response, sales promotion and public relations.

Pushes coordination of media with other marketing tools for maximum impact

"Media can no longer operate in isolation," says Ken Caffrey, executive director of media operations for Ogilvy & Mather/U.S., who was recently elected an executive vice president of the agency. The day is past, he says, "when media could sit in its corner and figure out how many GRPs the client needed to support the brand in markets A, B, and C with no thought to everything else put behind the brand."

Instead, asserts Caffrey, one of the areas O&M is emphasizing is building media plans "as part of an integrated advertising and marketing strategy that takes into account everything that our other operating companies are doing in direct response, in sales promotion, in public relations. This means that people in media have to understand the contribution of each discipline, where each fits into the overall marketing thrust, each supporting the other for maximum total impact."

Caffrey believes that such coordination of all available marketing tools is becoming more important, and it's one of the areas he emphasizes in coordinating with Ogilvy's other offices across the country. He explains that though each office is set up to run independently, he coordinates media policies and procedures "so that whether it's Los Angeles, Houston, or wherever, this agency speaks with one voice in dealing with the industry on media matters."

He also coordinates the agency's resources in broadcast network, media computer applications, training and videotex applications.

Helping clients cope

Caffrey describes other parts of his job as "a combination of reviewing plans and presenting plans, including ideas on how clients can deal with a changing media picture that includes such ongoing changes as price increases, shrinking audiences, a magazine environment of increasingly specialized publications, and a television environment that now includes 15-second commercials."

Caffrey says that some months ago, "all involved disciplines" at the agency—media, creative and research—were called together, "and the question before the house was how we maintain viewer attention levels in the face of current wisdom that tells us, on the one hand, (a) that the public is less disturbed by the number of commercials in each commercial break than by the number of program interruptions, and, on the other hand, (b) that to promote higher levels of viewer involvement in each commercial, the advertisers who are paying the freight need shorter commercial breaks? And while I understand the question, I don't purport to have the answer yet—other than trying to find ways to put more impact into each commercial, to give the advertiser a fighting chance to get his message across."

Longer commercials?

It's "quite conceivable," adds Caffrey, that as wider acceptance of more 15s adds more clutter, "One advertiser reaction may be to revert to longer commercials—to 45 seconds or to full minutes in order to try to rise above the growing noise level. Something similar is happening in magazines as more advertisers keep inventing more new kinds of pop-up and pop-out pages to gain additional attention value."

Caffrey also reminds us that television's 15s "are a response to the economics of the medium. They're an answer to the problem of rate escalation at the same time that advertiser budgets remain relatively stable. But the jury is still out on the long term effect of 15s—both on those advertisers who use them as well as their aggregate effect on viewing." As for the latter, Caffrey observes, "This is one of the evolving situations for which we need continuous, tracking research, to give us an ongoing, longitudinal picture of what's taking place, while it's happening, instead of having to rely on snapshot research that can tell us the status of what's going on only at one specific point in time."

On the subject of people meters, Caffrey says, "Given a choice, the electronic technique for audience measurement is far superior to diaries. The current move toward improved electronic measurement has been very slow in coming in the face of a need that's been apparent to so many for so long."

He recalls that in the '70s "it was apparent that the diary method was flawed. Today, with personal viewing in multi-set households having replaced Mom, Dad, and two-and-a-half kids sitting in front of the same one set, those flaws are deeper than ever. Asking the one person who keeps the diary to be able to remember when and what each of the other family members watched is quite specious."

But at the same time, he adds that whether or not people meters "as currently operated" are a complete cure for all of this "remains a question. Viewers who press their buttons conscientiously the first week or so that the equipment is installed in their homes could eventually lapse into indifference. Unless we can maintain a relatively high cooperation level among a relatively stable base, people meters may not turn out to be the panacea we're looking for."

Spot (from page 38)

dependents because of the tougher standards and practices rules for toys on the networks."

But while the toy makers have been adding more to fourth quarter spot, Katz' Goulazian says that the most disappointing category overall has been a slowdown from the major packaged goods advertisers. Goulazian observes that the economy "is no longer driven by inflation, and has been generally sluggish. A number of the larger corporations have not enjoyed their best earnings. Poor earnings translate into greater cost consciousness, and part of that is holding down increases in advertising budgets."

Barter's impact

He also points out that advertising dollars now "have more places to go. Network nighttime and sports have been soft, and that means more opportunistic buys and regional opportunities available on the networks that aren't there when network inventory is tight. And then there's the barter syndication and cable opportunities."

HRP's Ryan says that the effect of barter on spot "is not so much a problem of fewer spots to sell. In most markets there are more than enough availabilities open. The problem is the combination of expansion of barter and expansion of network inventory that adds up to siphoning off a larger share of available ad dollars."

Gluck says that barter syndication, plus cable, "depending on whose estimate you're looking at, take \$800 to \$900 million out of the television pie.



Peter Ryan, Harrington, Righter & Parsons: "In a period of slower inflation and slower economic growth, television's overall increases will be slower."

Whether it's spot or network doesn't really matter, because even if it's coming out of network to begin with, when network is soft, as it is now, the networks simply take it away from spot by forming regional network packages. The argument about whether barter dollars come out of network or spot is meaningless. Either way, dollars are being drawn out of spot, by barter, by the networks, or by both."

Harry Stecker, senior vice president, marketing, at Petry Television points out that packaged goods advertisers "aren't trying to mislead anyone when they say their syndication dollars come out of their network budgets. Their barter funds do come out of what is originally planned as network money. But it's also true that in the past, when network inventory has been tighter than it is now, there used to be an overflow of dollars, *planned* for network, that would find their way into spot. Some still does. But a big and growing piece of it no longer comes to spot because it now goes into barter syndication."

Stecker says he has no objection to stations "taking shows with a lot of audience attraction, like *Wheel of Fortune* or *America*," if barter comes with them. "But we do object to stations taking packages of old grade B movies, and old reruns of *Route 66* that they don't need, accommodating all kinds of deals that undermine the true value of their own inventory. Stations hated time banking when the agencies were doing it. We still hate it when the syndicators do it."

Stecker points to the example of a watch manufacturer who makes watches worth \$100: "But if one of his employees is walking out with 25 per cent of the inventory, it's going to be tough to sell the watches for \$100 if people can buy them on the street for \$50. Barter does the same thing to the real value of television time."

Inventory analysis

Stecker is one of the few players in the game of "Who pays for barter?" who has numbers to back up what he says. Petry looked at Nielsen VIP reports from the top 10 markets and pulled every barter program and every barter spot to determine what percentages of stations' inventory "is in the hands of the syndicators." For some stations, reports Stecker, it's as much as 30 per cent of total inventory.

Petry's pilot study found that in the 10 markets, an average of almost 79 hours of barter or cash/barter programming is aired weekly, adding up to almost 17 hours per station. Individual market totals range from around 35

hours a week in three-station markets to over 100 hours in markets with six or seven stations.

Based on the 10 audited markets, an average of 501 syndicator-sold commercials air in each market a week. And this fall, says Stecker, "A plethora of programs made their debut in which significant numbers of spots are withheld for syndicator sale." These include *America*, *INDAY*, *She-Ra* and *The New Price Is Right*. Petry estimates that this growth of syndicator-sold units in fall '85 programming will boost the average number of hours programmed with barter or cash/barter product to close to one quarter of total locally programmed hours and "create a jump of approximately 10 per cent in the number of syndicator-sold units airing in a typical broadcast week."

All this, protests Stecker, "gives syndicators a huge time bank. It's big enough so that syndicators can package and sell spots like a network. This not only syphons dollars out of spot, but at the same time sells this inventory, that would normally go to spot, at reduced, wholesale rates."

Stecker says stations should recognize "that there is a cost attached to relinquishing their inventory. Our recommendation is that broadcasters start to resist those marginal or mediocre programs that attempt to incorporate barter into their fee arrangements. By doing so, stations can begin the process of reducing the huge time banks that syndicators control. The bad news is that the problem that barter is potentially posing for local broadcasters is one we created ourselves. The good news is that the solution to this problem is also in our own hands." □



Peter Goulazian, Katz Television: "October has been nothing to write home about, but, hopefully, we'll see improvement in November and December."

Inside the FCC

James C. McKinney



The chief of the Mass Media Bureau of the Federal Communications Commission contends AM radio will disappear in the next decade unless action is taken to save it.

Mass Media chief presses need for concern about AM radio's declining fortunes

According to Jim McKinney, chief of the Mass Media Bureau of the Federal Communications Commission, if the listenership of AM radio continues to decline at the 3 per cent-a-year loss it has suffered since the 1970s, "It will wipe out in 1991." One survey says AM radio has lost 77 per cent of its listening audience in the past 10 years.

McKinney made the point recently to a group of reporters gathered in the FCC's hearing room. "Something is happening to AM radio, and it is not pleasant." He adds, "I am worried about AM."

Whatever the pace of the decline, McKinney says, AM radio is "too valuable a service to let that downward slope continue." He has been campaigning among the commissioners, so far with little positive reaction, to get the commission to take an overall view of the state of AM and to see what it can do about it.

McKinney is well aware that he is working for a commission that has as its hallmark, "Let the marketplace decide," and that the commissioners are likely to take that approach in any consideration of changes in AM. But McKinney has gotten the Policy and Rules Division to promise a full report on the present status of AM, its current health and what changes should be considered in the future to help it out. McKinney hopes the commissioners will get that report by the end of the year.

And McKinney tends to put aside the marketplace argument in the case of the survival of AM, to which he has an attachment since an AM station in his native West Virginia offered him his first broadcasting job. He even suggests his bosses made a mistake in not selecting an AM stereo system instead of leaving it to the marketplace to decide.

They feared drawn-out litigation if they had picked one system over another, McKinney says, but adds that the longest time likely to have been spent in litigation would have taken less time than the mar-

ketplace has taken.

"If it was important to get stereo out quickly," McKinney adds, "then the marketplace is a failure." He said it was time for the commission "to step back and look at AM, see if it should change the rules, if it made mistakes, and see if it can get AM radio back on a competitive level."

Past position reversal

Other possible ways to help AM radio would require a reversal of FCC past positions. McKinney expanded on those in the talk with reporters and in a speech to the Institute of Electrical and Electronics Engineers (IEEE).

What the FCC has done so far in the past two years, he told the IEEE, has been "nibbling away at some troublesome technical rules in AM. These include such matters as allowing AM signaling, easing the remote control rules, deregulating antenna proofs, eliminating audio proofs, new nighttime operation for daytimers, authorization of intermediate power levels and Class IV power increases."

Any short-run improvement of AM, he told them, is out of the hands of the engineers. "There is little you can do in the short run to help the future viability and profitability of AM radio," except in some cases replacing worn and outdated antenna systems.

AM radio could help itself by a change in format, he says. "One of the problems with AM is that broadcast operators seem to want to compete head-to-head no matter what. Well, let me warn program directors all across the country that AM radio simply cannot win a head-to-head fight with FM when the station acts as nothing more than an extension of the record industry."

All-news formats have proven successful on AM in some places, McKinney says, and he suggested, to chuckles from his audience, that perhaps some AM stations should consider retransmitting the audio portion of television soaps. He suggests there is much that can be done on the regulatory side but hastens to add that when he speaks of FCC involvement, he is speaking philosophically and not announcing an impending new FCC policy.

One thing the commission could consider, he says, is modifying the duopoly rules that prohibit a broadcaster from owning two stations with overlapping signals. Two AM stations can operate more cheaply if they are operated out of the same shop with the same staff, he says. The duopoly limits could be lifted in those cases where two AMs in close proximity are failing, he says.

Ownership limitation

But McKinney rejects as one possible solution a move to relax the 12-station limit for AMs. "That's a safety valve," he says, and after last year when Congress slapped the wrists of the FCC for suggesting a higher limit, McKinney says, "I don't want to suggest any changes in 12-12-12."

Probably hurting AM the most, McKinney says, is the fact that "it simply cannot seem to bring itself to

decide what stereo system it wants. I think it is hurting AM grievously." AM radio suffers from quality problems, he says, and if a single stereo system could be agreed upon rapidly, "a lot of quality problems would fade." Even monaural sound is aided by stereo, he says. Instead, he adds, "AM operators are still waiting for the egg to hatch."

He doubts AM radio would be in the fix it is in today if the FCC had selected an AM stereo system. But he adds that, "it is hard to start over at this stage of the game." The industry also could have helped itself by selecting one system that would later be protected by the FCC, as was done in the case of TV stereo.

Asked what the commission would do with all the losing systems if it chose to pick one to bless today, McKinney responds wryly, "I don't think I am ready to do that, but I'll think about it."

He also feels that the AM band should have been expanded by an extra 100 KHz, a move that instead of allowing more stations on the air, should be used to increase the spacing between stations beyond the current 10 KHz limit. He notes, however, that such a move would require moving the dial designations of just about every AM station in the country, an action he called impossible.

Other possible solutions McKinney throws out are allowing co-owned AM and FM stations to carry the same programming and reducing the allowable interference on the frequency from outside noises. He expanded on some of those possible solutions in his talk before the engineers. If the FCC were to throw out the existing AM rules and start over, he says, "The first thing I suspect we would do is allow AM to duplicate FM programming in all markets where AM and FM stations are co-owned.

"Just as it was logical and made good public policy sense 40 years ago to permit the profitable AM service to support the developing (and unprofitable) FM service, it seems to me the same, albeit reversed, public policy justification exists today.

"Not that I believe every co-owned AM-FM combination would begin to simulcast, for in many markets the owners choose to go after two distinct groups of listeners and to sell to two different classes of advertisers. But, a lot of AM radio could remain viable if studio production costs could be sharply curtailed."

AM's primary advantage

On the duopoly rule, he asks rhetorically, "Why would we prohibit the overlap of groundwave signals by the same owner if we wanted to fully utilize the primary advantage of AM—extended range of signal coverage? FM radio is fast becoming the truly local, community-based radio service, and it may well now serve to meet our concerns of providing that truly local service requirement, with or without AM.

"AM, which began as a regional and even national service, has been repeatedly pulled in through decades of well-intentioned rulemakings until it now exists, from a public policy perspective, as primarily

a local broadcasting service. But those rulemakings, to a large degree, deliberately ignored the strongest technical advantage that AM possesses—the ability to provide service over great distances."

On the technical side, McKinney brings up synchronous transmitters, common in other parts of the world but rare in the United States. It's an old technology whose time may have come, he says. The FCC has authorized an experimental synchronous transmitter in the Southwest, which McKinney says he hopes will produce data the commission can use in its future deliberations on that option.

"Today's sophisticated control circuits and highly stable frequency elements clearly permit the use of two or more transmitters locked on precisely the same frequency programming the same material over a wide area. It is entirely feasible today to build multiple AM transmitters along a narrow corridor (say I-95 from Washington to the North Carolina border) and provide the traveling public with continuous news, entertainment and travelers' information on a single frequency with only a minimum of disruption in the overlap areas."

Clear channel activity

He mentions three possible courses of action with regard to clear channels, but cautions that they would be feasible only if the FCC were starting from scratch with building AM:

"We might provide a small number of super-power AM stations capable of serving very large portions of the country both day and night; we might severely limit the number of clears or not provide them at all, which would enable us to license more regional service that would cover portions of states instead of several states; or we might allow clears the same as we do today, but permit them to own and operate local daytime facilities in areas they already serve after sunset so that the clears have a presence day and night in the same wide listening area."

Again on the technical side, McKinney says his agency is to blame for not keeping a lot of today's interference off the AM band. "The FCC has tolerated the incremental addition of computer noise, telephone noise, light bulb noise, and electrical static to the unique resource we call the AM broadcast band." It is fine to say the homeowner can decide for himself what level of interference he will tolerate on AM when he buys equipment, McKinney adds, "but we are becoming a nation of townhouse and condominium owners and apartment renters.

"We're no longer discussing a problem which a homeowner can solve with his own purchasing options; and U.S. and foreign manufacturers do not seem to be inclined to limit the racket their products may cause to the AM radio listener. No review of AM radio can be complete without a look at the present and projected future state of interference in the AM band."

Citing the philosophy of a majority of the commissioners, McKinney says, "I am a strong believer in the old adage, 'If it ain't broke, don't fix it.' But I believe AM radio is broke."—**Howard Fields**



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 JAMES HAHN, KRTH FM, Los Angeles

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