

**Castaways No More**

Matthew Fox and Dominic Monaghan may be *Lost*, but audiences found them this fall. The hit show has transformed ABC and is one of several to make this season's honor roll. Other network freshman shows weren't as lucky. **Page 8**



"We will act to keep News Corp. independent under the leadership of Mr. Murdoch."

—PRINCE ALWALEED BIN TALAL, SAUDI ROYAL FAMILY

NOVEMBER 22, 2004

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**MONEY TALKS**



Rupert Murdoch and John Malone

**Murdoch vs. Malone**

In a deft financial power play, cable cowboy John Malone, chairman of Liberty Media, is boosting his shares of News Corp. to 17%. Malone definitely wants something—but it's not control of Murdoch's empire. **Page 6**

# Inside the Fluff Factory

**How celebrity newsmags turn the race to cover the stars into a street fight**

By Deborah Starr Seibel

It's 5 a.m. outside Sound Stage 26 on the Paramount Studios lot, pitch black and deadly quiet. But inside, the joint newsroom for *Entertainment Tonight* and *The Insider* is bright, noisy and wide awake. "We've got the tape from Puffy's party last night," one *ET* staffer calls out to another, clutching a super-sized Starbucks. "Did you see it? It's unbelievable."

The tape in question is of party girl Tara Reid and her eye-popping Nov. 4 red-carpet wardrobe malfunction while posing for the paparazzi outside a New York restaurant at rap mogul P. Diddy's 35th birthday party. As she shrugs a fake fur off her shoulders, with it goes a strap on her satiny Christian Dior gown, revealing her left breast. For eight endless seconds, caught in cacophony of photographers' shouts and flashbulbs, the curvaceous blond seems oblivious. Until a handler runs over, Reid has no idea that she is about to become the *scandale du jour*.

"She doesn't know!"

"How could she not know?"

"Come on, she's showing off her new boobs!"

"But she looks mortified!"

As debate rages among the *ET* and *Insider* producers huddled around a monitor, the day's mission is set in motion: Get Tara Reid.

(continued on page 14)

"I need to find [Tara]. It'll do her a whole hell of a lot of good. Can you call Lizzie and make this happen?"

BRAD BESSEY, *ENTERTAINMENT TONIGHT*

Tara Reid

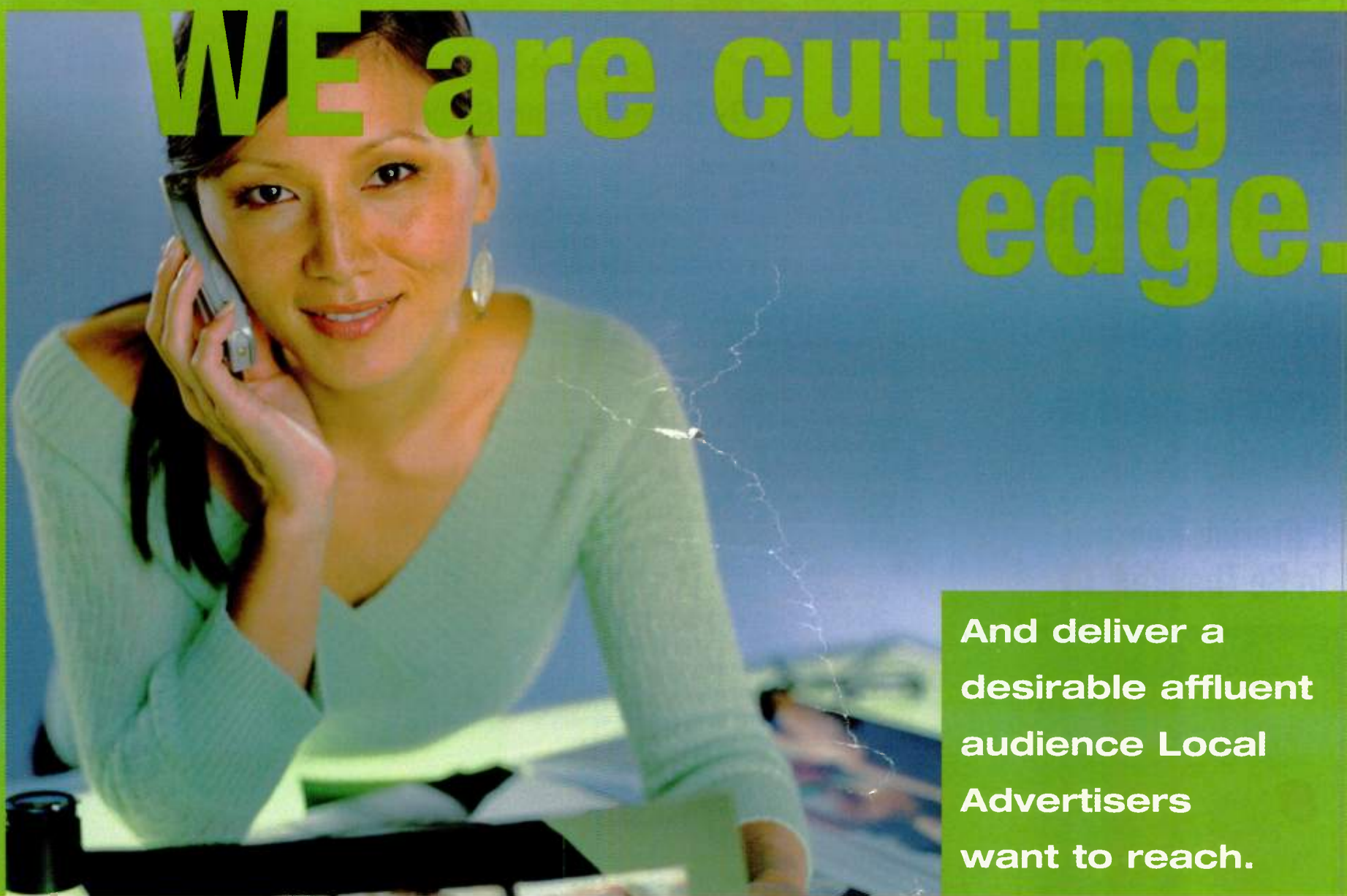
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**B&C WEEK**

Where to be and what to watch...

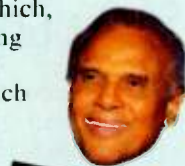
By Mark Lasswell

**Monday, Nov. 22**



Graham Norton

It will have all the trappings of that great American institution, the smoochy-smoochy celebrity awardsfest and love wallow. But the goings-on tonight at the New York Hilton Hotel will have a decidedly imported flavor. Nosy British scamp **Graham Norton** hosts the **2004 International Emmy Awards Gala**, joined by presenters that include entertainer and UNICEF Ambassador **Harry Belafonte** and the cast of the French version of *Queer Eye for the Straight Guy* (which, and we're working from memory of high school French here, translates as "Le Oeil Curieux pour le Homme Heterereau").



Harry Belafonte

**Tuesday, Nov. 23**

Ah, **TiVo**. Your users just adore you, but when your financials come up, investors continue to hit the fast-forward button. Sigh. The stock was *still* stuck at \$6 the last we checked. Today, the company reports its third-quarter earnings. Good luck, little TiVo dude. Also weighing in, as the earnings-reports season peters out: **SeaChange International**, the video-on-demand specialist, whose 3Q report will provide a good glimpse at how aggressively cable companies are rolling out the service or upgrading already-launched VOD systems. Get this: Those numbers-crunching fiends at **Jupiter Research** tell us that 18% of people who receive digital television don't even know whether or not their system offers VOD. Sounds like the old public-awareness sector could use a bit of a sea change.



TiVo dude

**Wednesday, Nov. 24**

And you thought **Fox** was mourning the fact that this sweeps month was passing without an injection

# A More 'Current Affair'?

By J. Max Robins

In this week's cover story, "Inside the Fluff Factory," Deborah Starr Seibel expertly pulls back the veil on the cutthroat syndicated-magazine world. Hundreds of millions at stake, celebrities gone wild, backstabbing competition—it's all there.

Seibel closes her tale with this tantalizing news: There's talk of bringing back that classic 1980s tube confection, *A Current Affair*. The show was created in '86 by one of Rupert Murdoch's lieutenants, fellow Australian Peter Brennan, who fueled it with the sort of sass, humor, blood, guts and energy that propels the best tabloid newspapers. Hosted with a trademark nod-and-wink ease by anchor Maury Povich, *Affair* quickly hit it big.

Soon, there were imitators, including one Brennan would eventually run: *Hard Copy*.

By 1996, with Povich long gone to do his *Oprah-meets-Springer* talk show and Brennan departed, too (he'd later launch *Judge Judy*), *Affair* had run out of gas. But so much of what it pioneered—the lurid, noir-ish coverage of murder tales from the heartland, the tongue-in-cheek celebrity reports and the dramatic re-creations—became standard operating procedure across the tube landscape, from *Dateline* to *48 Hours Mysteries*.

"When we first started, *Affair* was about the only place covering stories like the Laci Peterson murder," says Brennan. "Now everybody from the network newsmagazines to the cable news channels can't get enough of it."

Inside the Murdoch empire, word is the drive to re-launch the franchise is coming from Rupert himself and is strongly seconded by son Lachlan, who is running the Fox station group—an ideal launch pad for a post-

millennium *A Current Affair*. If that power duo wants it to happen, odds are good that, when studio, station and network brass are wheeling and dealing next January at the NATPE confab in Las Vegas, 20th Century's distribution arm will be pushing a new *Affair*.

Brennan says, if the show's a go, he's likely to saddle up again to run it. It may be a bumpy ride. The fact that *Affair*'s punk-news sensibility is now commonplace could be a mixed blessing: Yes, the show that once spooked advertisers will be an easier sell, but it might also mean that *Affair* would find it hard to stand out.

A Brennan acolyte once told me that part of the secret alchemy of *Affair*'s success was that you could report anything "no matter how sleazy if,

in telling the story, you were sure to say how just how shocked you were by the tale you were telling."

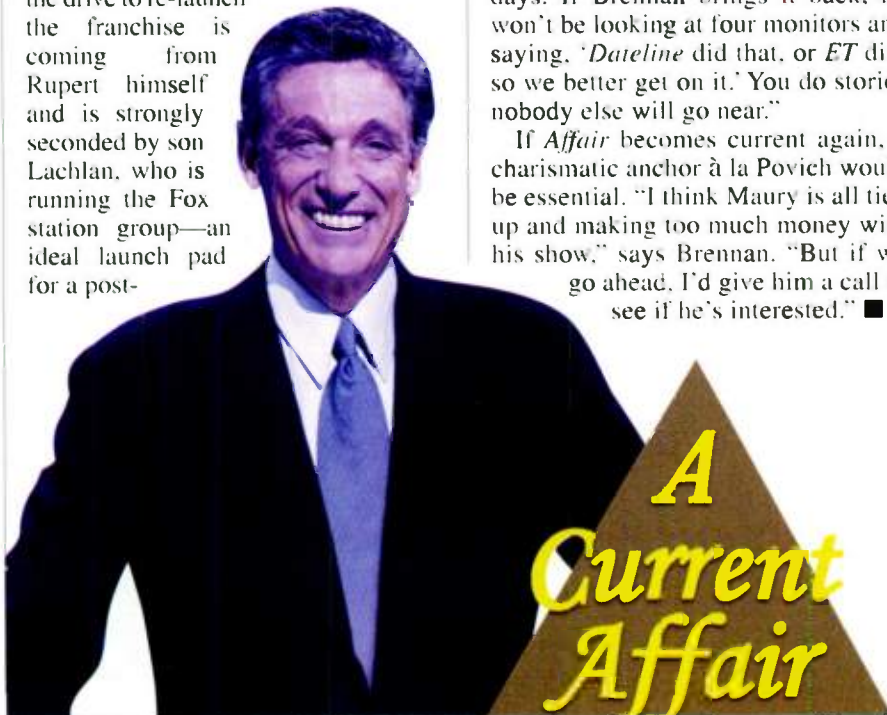
Burt Kearns, who worked with Brennan on *Affair* and chronicled their various misadventures in his 1999 book *Tabloid Baby*, says there was something more going on. "When we were at our height, we were really a red-state show," he says. "We told our stories from the viewer's perspective. We were their surrogates. We didn't do all this 'oohh, aahh' celebrity stuff that everybody out there does these

**A returning 'Current Affair' might be an easier advertising sell but might find it hard to stand out.**

days. If Brennan brings it back, he won't be looking at four monitors and saying, 'Dateline did that, or ET did, so we better get on it.' You do stories nobody else will go near."

If *Affair* becomes current again, a charismatic anchor à la Povich would be essential. "I think Maury is all tied up and making too much money with his show," says Brennan. "But if we go ahead, I'd give him a call to see if he's interested." ■

## THE ROBINS REPORT



of *American Idol*atry. Well, the show might not be returning until January, and Santa Claus won't be punching the clock until a month from now—but, what the heck, tonight brings an hour-long *American Idol* Yuletide triple threat.

**Kelly, Ruben & Fantasia: Home for Christmas**



Marilyn Manson

(9 p.m. ET). Winners from the past three seasons (Kelly Clarkson, Ruben Studdard and guess who) belt out holiday classics in between plugs for songs from their upcoming CDs. Wouldn't the show be a lot more, uh, festive if it were called "Kelly, Ruben, Fantasia & Marilyn Manson"?

Too bad, M&M—ha, ha, not **Eminem**—is booked for *Late Show with David Letterman* on CBS (11:35 p.m. ET).

**Thursday, Nov. 25**

A classic menu: **Indianapolis Colts vs. Detroit Lions** on CBS (12:30 p.m. ET); **Chicago Bears vs. Dallas Cowboys** (Fox, 4 p.m. ET); **A Charlie Brown Thanksgiving**, the half-hour animated special from 1973 (ABC,



Charlie Brown

8 p.m. ET). Do you want cranberry sauce with that?

**Friday, Nov. 26**

It's just a guess, but with the whole country feeling stunned from caloric overload, distracted by unresolved familial friction, and overwhelmed by the impending month-long shopping orgy,

what better time for CBS to dump the results of the investigation into the whole **Dan Rather/60 Minutes/forged-documents** mess? If Friday is the preferred day to admit bad news, then this post-holiday Friday is dyn-o-mite. An argument against: The network might worry that rival news operations would be so annoyed by its using a ploy favored by slippery bureaucrats that they'd make a point of keeping the story alive until...until Fantasia actually is home for Christmas.

E-mail info for B&C Week to [b&cweek@reedbusiness.com](mailto:b&cweek@reedbusiness.com)





## BREAKING

## FCC to Congress: "À la Carte" Can Get Pricey

After five months of study, FCC says that forcing cable systems to sell channels "à la carte," or one by one, would lead to higher bills for most cable customers.

The average household, in fact, would see monthly bills rise 14% to 30%, the FCC found in its study. Prompted by critics of the cable industry, Congress in May asked the FCC to study whether requiring à la carte would end years of exorbitant price hikes and could allow parents to shield kids from racy channels. Consumer advocates argue that subscribers could cut their bills by rejecting channels they don't want, especially expensive ones such as ESPN.

But the FCC found that programming networks would increase marketing expenses to persuade subscribers to take their channels and the cost would be passed on to consumers. A small group of subscribers could cut their bills, the FCC acknowledged. Those who purchase fewer than nine channels could offset the per-channel increase in prices enough to cut their total bills.

The cable industry breathed a collective sigh of relief at the FCC's thumbs-down on à la carte, which it had vociferously opposed.

"Mandatory per-channel pricing would put significant and harmful economic pressure on program networks," says Robert Sachs, president of the National Cable & Telecommunications Association.

## Broadcasters to FCC: What Smut?

Broadcast TV's top programmers defended their taste in shows and called on the FCC to clarify what qualifies as indecent. "The last time I checked, we're in the entertainment business, not politics," ABC Entertainment President Steve McPherson said Friday at an International Radio & Television Society breakfast in New York.

ABC has felt the most heat in recent days after a racy *Monday Night Football* promo with *Desperate Housewives* and after dozens of ABC affiliates preempted a Veterans Day airing of *Saving Private Ryan* over language. McPherson said he is "amazingly proud" of *Saving Private Ryan*, adding that the affiliates had to make their own decisions.

"The FCC has to provide guidelines that make sense," says Fox Entertainment President Gail Berman. "No one is clear about what their guidelines are, and you can't live in an environment where there is so much fear."

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## FAST TRACK

## Karmazin Gets Sirius



Mel Karmazin

Ex-Viacom President Mel Karmazin agreed to take the helm at satellite radio company Sirius. Karmazin will serve

as CEO of the company, bumping current CEO Joseph Clayton up to chairman. This is Sirius' second talent coup, following Howard Stern's \$100 million-a-year agreement to join the service in 2006.

## NBC/U, Nielsen Strike Group Deal

NBC Universal has signed an unprecedented seven-year deal with Nielsen for ratings covering all its TV businesses. Nielsen has similar deals covering the other networks, but this is its first of this size. It wouldn't comment on the terms, but insiders peg its worth at \$500 million.

## Naked Success

WOIO Cleveland favors full disclosure. According to early returns, its decision not to blur the nudity in a story on performance artist Spencer Tunick, which featured a WOIO anchor in the buff, was a big hit with viewers. Viewer reaction ran 2-1 in support of the show, which ran after 10 p.m. The lead-in gave the 11 p.m. newscast the best late-news numbers in the station's history: 17.1/30 share.

## ABC Gets Ratings, Not Revenue

ABC's surge in ratings isn't translating into sales at the company's broadcast network, which saw revenues drop during the most recent quarter. For the three months ended September, which is Disney's fiscal fourth quarter, the broadcast unit's revenues dropped 6% to \$1.2 billion versus the same quarter last year.

## Correction

Medialink Worldwide President/CEO is Larry Moskowitz (Special Report, 11/15, page 26).

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# What Does John Malone Want?

Liberty chairman's News Corp. ambition is anything but a takeover

**W**atching John Malone make big financial moves is fun. Watching the pundits pontificate about what he's really up to is more fun.

The Liberty Media chairman's recent moves toward Rupert Murdoch's News Corp. haven't disappointed. In a deft use of financial derivatives, Malone is about to boost his share of News Corp.'s voting stock from 9% to 17%, panicking the Murdoch family.

News Corp. Chairman Rupert Murdoch thought his 39% share of the family company's shareholder votes gave him a lock on control. Now he's scrambling to enact standard takeover defenses that most big companies adopted during the '80s' go-go days of hostile takeovers.

Last Tuesday, Murdoch said he would

**What Malone has are assets that he's betting Murdoch wants.**

ask Liberty for a standstill agreement, essentially hoping that Malone will stop while News Corp. decides how to cope with him.

Malone, of course, won't fully explain what he's up to. Take your pick of motives from analysts and the press:

1. Malone wants to swap assets with News Corp.
2. He wants to sell Starz (worth around \$3 billion).
3. He wants to buy National Geographic Channel (\$500 million).
4. He wants to sell Liberty's 50% stake in Discovery Communications (\$6 billion).
5. He wants to unload QVC (\$15 billion).
6. He wants to sell his 19% stake in InterActive Corp. (\$3 billion).
7. And my personal favorite: Malone wants to take over News Corp. That would cost a mere \$70 billion.

Since the speculators have most theories covered, one of them is bound to come true. But here's one big blind spot many of these forecasters have: betting on Malone as a corporate conqueror who's always on a takeover spree, the Darth Vader, the evil genius of media.

Kids, those days are over. Malone, 63, is tired. He's in a slowdown mode, more interested in retirement than in expansion.

Unlike Malone, Rupert seems to want to conquer business after business until they pry his cold dead hands from his desk. Now 72, he has remarried and had two children in the past three years.

With three of his adult children in the family business, Murdoch is concerned about his legacy.

Malone, in contrast, prefers to drive an RV cross-country from the Rockies to vacation in Maine each year. His two kids aren't in the business. And he likes to be alone.

So look at Malone's moves through that prism. Forget any idea of a big takeover attempt or even a major purchase of News Corp. assets. Look instead to major sales of Liberty divisions or the whole company itself.

For a hint, look at Liberty's recent spinoff of its foreign cable systems and networks, creating Liberty International. One goal was to make Liberty more appealing to stock traders turned off by heavy investment in Argentine and Japanese cable systems. But more important, it also makes Liberty easier to break up or sell whole.

The speculation over Malone is reminiscent of the days after Ted Turner sold his company to Time Warner. For months, Wall Street and the press openly speculated that Ted wanted to push out Time Warner CEO Jerry Levin and take charge of the company.

What outsiders never understood was that Ted didn't want to work that hard.



John Malone (left), a long-time ally of News Corp., is now spooking Rupert Murdoch.

He hadn't even really run his own company for years. Board members had long groused that Ted averaged three days or so a month at TBS, spending the rest of his time on his vast Montana ranch or traveling. Ted wanted authority over big decisions and the glory of being a player. But he didn't want to run anything bigger than a chain of buffalo restaurants. (I hear the burgers at Ted's Montana Grill are quite tasty.)

Malone's days as a capricious media baron are dwindling. When he controlled Tele-Communications Inc. (TCI), then

the country's largest cable operator, Malone was the gatekeeper for programmers, allowing him to dictate who won and who lost. But once he sold TCI to AT&T in 1999, he lost that leverage. Despite Malone's financial-engineering brilliance, Liberty was hurt by the same dotcom and telecommunications troubles that hit far more pedestrian corporations.

What Malone does have are assets that he's betting Murdoch wants. Liberty's pay movie network Starz would nest well with movie studio 20th Century Fox. Unfortunately, Starz is also Liberty's weakest operation.

Discovery Networks' surging cash flow is attractive, as are a host of young, overseas networks that would mesh with News Corp.'s worldwide operations.

Liberty's most appealing asset is 17% of News Corp. itself, an \$8.2 billion kitty accumulated by swapping assets like sports networks, The Family Channel and part of TV Guide Gemstar to Murdoch over the years. Those shares account for around 20% of Liberty's total assets.

Malone's not quite as far gone as Ted. He still loves gamesmanship and certainly has lots of chess pieces to play

## MONEY TALKS By John M. Higgins

### THE B&C

WEEK OF NOV. 12-18

#### THE B&C 10

WEEK YTD

1.0% -6.3%

#### BROADCAST TV GROUPS

WEEK YTD

-1.1% -15.4%

#### CABLE TV MSOs

WEEK YTD

1.7% -4.0%

#### RADIO

WEEK YTD

1.8% -26.4%

	CLOSE	WEEK	YTD
Dow Jones	10572.50	1.0%	1.1%
Nasdaq	2104.28	2.1%	5.0%

#### THE B&C 10

	CLOSE	WEEK	YTD
Clear Channel	\$34.81	2.6%	-25.7%
Comcast Corp.	\$30.00	3.0%	-4.1%
Cox Comm.	\$34.57	0.1%	0.3%
Disney	\$26.37	-0.8%	13.0%
EchoStar	\$33.13	3.8%	-2.5%
Fox Ent.	\$29.99	2.0%	2.9%
Hearst-Argyle	\$25.65	-0.2%	-6.9%
Time Warner	\$17.51	1.5%	-2.7%
Tribune	\$43.65	-0.1%	-15.4%
Viacom	\$36.55	0.1%	-17.4%

#### GOOD WEEK

Sirius	\$5.63	40.0%	49.4%
TiVo	\$6.32	15.1%	-14.6%
Paxson	\$1.35	9.8%	-64.9%
Liberty Media	\$10.37	5.3%	-12.8%
Pegasus	\$7.86	4.8%	-44.0%

#### BAD WEEK

Charter	\$2.17	-15.6%	-46.0%
Granite	\$0.41	-14.6%	-75.2%
Young Bcstg.	\$11.13	-4.6%	-44.5%
New Frontier	\$8.19	-4.1%	-11.9%
SeaChange	\$18.54	-3.7%	20.4%

### SIRIUS SOARS

**+40%**

Investors cheered when radio company Sirius snagged Mel Karmazin as CEO. Company stock ended the week up 40%.

Source: CNET Investor (investor.cnet.com). This information is based on sources believed to be reliable, and while extensive efforts are made to assure its accuracy, no guarantees can be made. CNET Investor assumes no liability for any inaccuracies. For information regarding CNET Investor's customized financial research services, please call 415-344-2836.



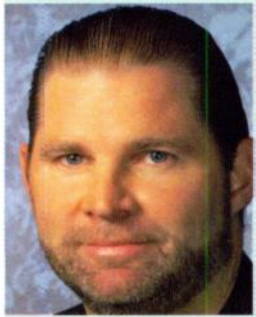


## Getting Unreal

You know television is getting oversaturated with reality programming when the company that practically invented the genre says it needs to diversify into scripted drama. Bunim/Murray Productions, which brought us MTV's *The Real World* in the early 1990s and has plenty of other reality fare on the air (including *The Simple Life* and *Starting Over*), is jumping into scripted shows and movies in an attempt to diversify revenue streams, according to newly installed CEO Joey Carson. The

**FLASH!**

move is part of a reorganization that follows the death from cancer last February of co-founder Mary-Ellis Bunim



Bunim/Murray's Carson

(co-founder Jonathan Murray is the company's president and chairman).

The new ventures include *The Look*, a series based on a 1995 novel about the seamy world of sex, drugs and fashion modeling, and *The Pedro Zamora Story*, an MTV movie about the life and death of HIV-positive and *Real World* cast member Zamora. His struggles were among the most compelling storylines in the early days of the MTV series.

# Murdoch Gives Fox the Business

When Rupert Murdoch announced last Tuesday that his long-discussed business-news channel would launch next summer, that was news even at News Corp.

Attendees at Fox Entertainment's annual shareholder meeting certainly didn't know that

the company chairman was planning to have a new channel up and running so quickly—and neither did Fox News executives. You could almost see them lunging for their planners to calculate how many hours they've got to conjure a channel from scratch.

Although the idea has been gestating for three years, Fox News hadn't even reached the point where it had a business plan for the venture. No budgets,

no strategy to persuade cable operators to carry the channel, no new on-air talent. About all anyone knew for certain was that Fox News' lead business anchor, Neil Cavuto, would play a big role. These are all things that executives tend to like to have nailed down before announcing new channels.

Fox Business News will take direct aim at CNBC, which used to be run by Fox News Chairman Roger Ailes. He knows a bit about rushing a channel into existence. Eight years ago, he got Fox News Channel on the air just five months after drafting a business plan. But expectations at the time were low.

"Expectations for the business channel will be the exact opposite," says one News Corp. executive. "It will be expected to be a roaring success out of the gate."



Neil Cavuto

That might be tough, given that Time Warner's CNN is shutting down its CNNfn operation in December. "God bless them," says one Time Warner exec. "But if the leader in the market [CNBC] is getting a 0.1 rating, how much can a new entrant expect?"

## 'Swap' Tries Stealth Pilot

Delighted by *Wife Swap*'s performance so far in its debut season, ABC is prepping two special episodes. The first, airing Dec. 1, is a self-explanatory one-off: *Wife Swap: The Husband Edition*. But the other, yet-to-be-scheduled variation, *Boss Swap*, will function as a back-door pilot that may become a standalone show, according to the network and British creator and executive producer Stephen Lambert. It's not exactly a big gamble: Lambert has already scored in the U.K. ratings with a boss-swapping spinoff of *Wife Swap*, even though the idea of trading bosses is decidedly free

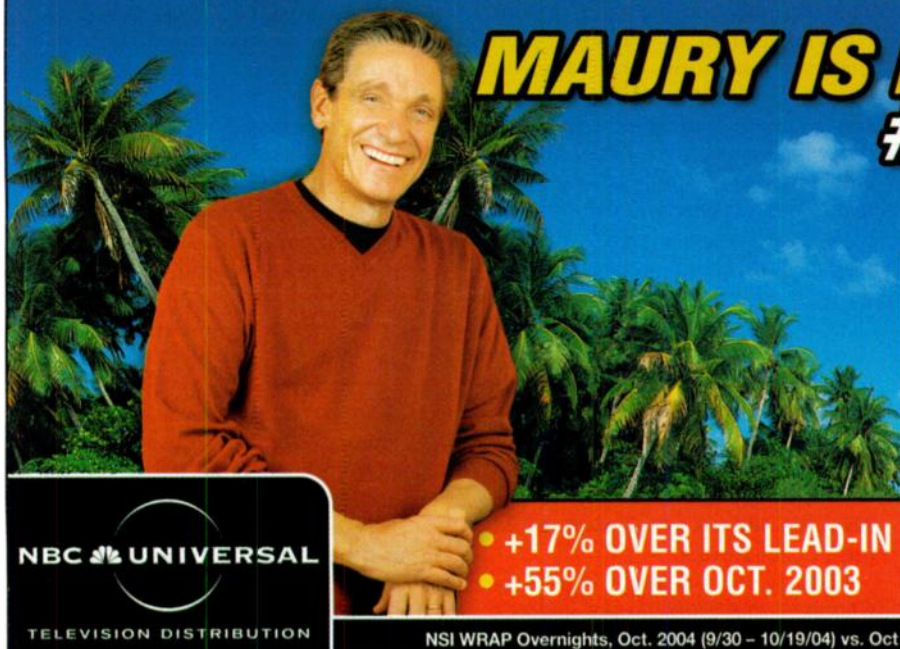


Donald Branson? Not on *Boss Swap*.

of the naughty, *Bob & Carol & Ted & Alice* connotations of the original. Then again, *Wife Swap* turned out to be an intriguing look at family-culture clashes, not marital mischief.

In keeping with Lambert's philosophy of prying participants from their comfort zones and dropping them into entirely different settings, the upcoming *Boss Swap* scenario will switch a type-A guy who runs a used-car business with a nurturing woman who heads a mostly female marketing firm. "Instead of wives," Lambert says, "we're swapping bosses who have different values as expressed in the way they manage their companies." Pity he didn't negotiate the rights to "Apprentice Rebel Billionaire," featuring Donald Trump in a hot-air balloon, ordering contestants to search the gondola for a missing cufflink as his hair madly flaps in the breeze.

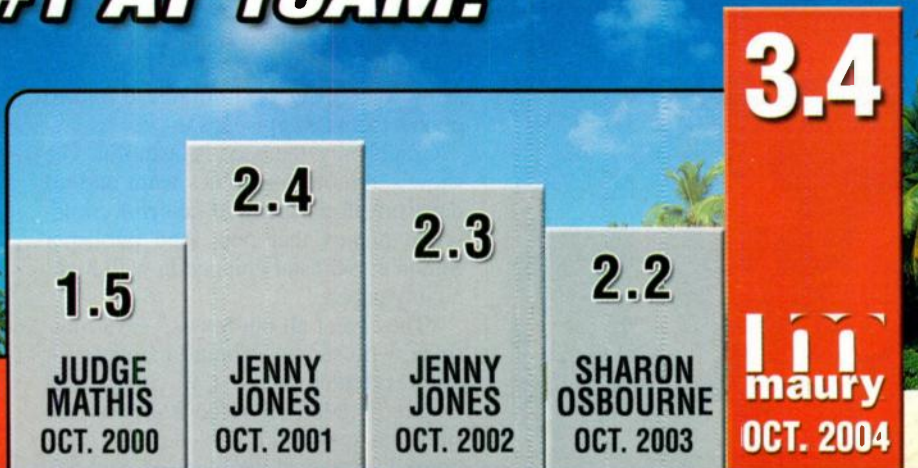
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NBC UNIVERSAL

TELEVISION DISTRIBUTION

• +17% OVER ITS LEAD-IN  
• +55% OVER OCT. 2003



NSI WRAP Overnights, Oct. 2004 (9/30 - 10/19/04) vs. Oct '03, '02, '01, and '00 Sweeps. 10 - 11am. HH Ratings. Lead-in = 1/4 Hour, Percent Change Based on Ratings.





STATION TO STATION

## ABC Happily 'Lost' and 'Desperate'

By Allison Romano

**A**BC stations are in love with horny housewives and deserted islands. This November sweeps, ABC's prime time soap *Desperate Housewives*, island thriller *Lost* and feel-good reality show *Extreme Makeover: Home Edition* are delivering big national Nielsen numbers, key 18-49 demos and loads of media attention. All of which should translate into millions of ad dollars.

"We deserve it," says WXYZ Detroit General Manager Grace Gilchrist. "We've been waiting a long time."

If the hits were 10 p.m. shows, it would be even better. Stations rely on that last hour of prime to pour viewers into their late local newscasts. CBS stations, for example, benefit from three *CSI* dramas a week; NBC stations have *Law & Order* and *ER*. Unfortunately for ABC, *Desperate Housewives* airs at 9 p.m. ET and *Lost* at 8 p.m., leaving a crucial gap before the late news.

Still, few ABC station execs are complaining. Recent seasons have been admittedly rough: ABC's schedule was weak, the marketing and promotion bland. "We were lucky to be third," says Don Lundy, vice president and general manager for WRTV Indianapolis. Not anymore.

"*Desperate Housewives* is the hottest thing in Cincinnati," says Bill Fee, vice president and general manager for WCPO. "ABC didn't have one good night, and now they have two."

Across the country, *Desperate Housewives* is sizzling, a marked



*Desperate Housewives* sizzles nationwide.

# Partner in Crime

CSI fans can feast on death's rattle **By Anne Becker**

BOOK REVIEW

**O**nce is not enough. That's why *CSI* is a franchise, and why loyal fans will dive into *CSI: Crime Scene Investigation Companion*.

Proving that dead body parts make for compelling reading as well as TV, this slick *Companion* details plot summaries of each episode from the show's first three seasons, all with an accompanying sidebar. Based on interviews with actors, writers and crew members, it's the handiwork of journalist Mike Flaherty and *CSI* associate producer Corinne Marrinan. Even creator Anthony E. Zuiker contributes this scary insight: "We have better instrumentation on our set than most crime labs in America."

Though wordy, the inside look at production and character development will appeal to die-hard fans, especially since *CSI*'s writers strive to keep it a "procedural show." Characters' personal lives are off-limits. "We don't go home with them," says Marrinan, "and that keeps everyone hungry about what makes these people tick." Plus, chapter heads, named for episodes, reflect *CSI*'s quirky style: "Crate 'n Burial," "Sex, Lies and Larvae" and "To Halve and To Hold."

**"We don't go home with them, and that keeps us hungry."**

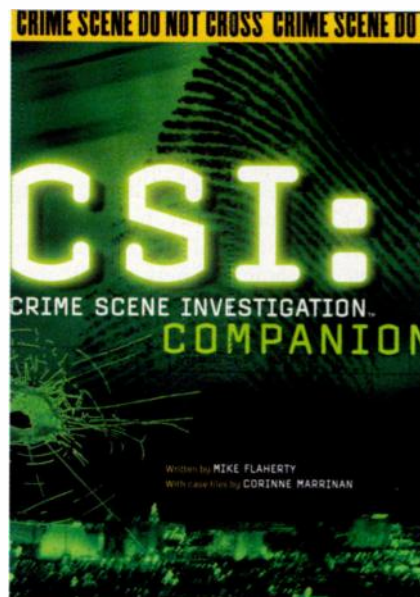
CORINNE MARRINAN, *CSI*

But the real pleasure is perusing case files interspersed throughout the 300-page opus. Re-created to look like actual police folders from *CSI* investigations, each was painstakingly assembled from show props, such as photos, newspaper clippings, receipts and evidence samples.

Marrinan and the show's props department spent more than 18 months compiling art for the folders—50% from actual show objects, the rest from freeze-framed photos from key episodes.

Graphically, the book is beautiful. The show's computer-graphics team and art department churned out colorful crime-scene photos that pop. And publisher Simon & Schuster chipped in with high-quality paper.

"They went all out for us," says Marrinan, who serves as brand manager for every product in the *CSI* commercial empire. In addition to the \$24 book, the show has spawned DVDs, novels, comic books, puzzles, board games and PC games. Who says crime doesn't pay? ■



AUTHOR BIO

Mike Flaherty

- Staff writer, *Entertainment Weekly*, 1997-2002; won a National Magazine Award for Writing, Special Interest, for *EW*'s 1998 commemorative *Seinfeld* issue
- Freelancer at *Entertainment Weekly*, 1991-96
- Senior editor of *Sassy*, 1988-94

Flaherty, a 44-year-old Brooklyn native, got hooked on *CSI* before it even hit the air: He caught a sneak peak at CBS' April 2000 upfront. That summer, he met *CSI* creator Anthony Zuiker at the Television Critics Association press tour in Pasadena, Calif., which led to some feature articles on the show. After hanging out with the cast and crew and developing a "fanatic's inside-out knowledge of the show," Flaherty made a decision.

"As *CSI* began its out-of-nowhere ascent up the Nielsen charts, I thought a viewer's guide would be really cool [and a really popular and lucrative] resource for the show's biggest fans." So the intrepid reporter e-mailed executive producer Carol Mendelsohn in December 2001, and by March 2002, he and his agent were pitching Pocket Books.

Flaherty's second book, *American Chopper: Full Throttle*, was just released last month.—A.B.

improvement over the timeslot's previous occupant, *Alias*. In New York, *Desperate Housewives* averaged an 18.5 household rating/25 share, up 203% from *Alias*'

**"ABC didn't have one good night. Now they have two."**

BILL FEE, WCPO  
CINCINNATI

marks, according to October Nielsen metered-market ratings. Pittsburgh and Detroit boast the best *Desperate Housewives* numbers: a 21.9/28 share each, triple *Alias*' ratings. The sexy show does well across the heartland, too, posting a 17.4/23 in Oklahoma City and a sweet 19.7/26 in Kansas City, Mo.

Similarly, *Lost* grabs better ratings than last fall's sitcom hour of *My Wife and Kids* and *It's All Relative*. Two of the strongest *Lost* markets are Philadelphia, with a 19.4/27, up 47% over a year ago, and Orlando, Fla., with a 16.1/23, up 125%. Metered-market household ratings give stations—and advertisers—a sense of the climate, but they cut deals based on demographic ratings recorded during sweeps. (The five markets with local people meters are exceptions, since the LPMs provide daily demo ratings.)

After November sweeps, the sales departments will have fresh data, and "these shows skew to a very saleable demo," notes Lundy.

ABC's hits, station executives say, pump up the rest of the schedule. Reruns of *Desperate Housewives* on Saturday nights are lifting that low-rated night. Morning-news ratings spike on Monday and Thursday mornings after the dramas air. (Some local general managers speculate that TV sets are still tuned to ABC from the previous night.) Plus, those huge *Desperate Housewives* and *Lost* audiences see promotions for newscasts and other programs.

For ABC's new entertainment chief, Steve McPherson, the critical and financial accolades garner him high marks. But station managers are eager to see him develop 10 p.m. shows.

Says WXYZ's Gilchrist, "That is the next frontier, and it will be a big challenge."

Send local-news items to [aromano@reedbusiness.com](mailto:aromano@reedbusiness.com)



# THE FOUNDATIONS OF SYNDICATION

When it works, syndication is a powerful audience draw and an attractive advertising vehicle. But as NATPE draws near, it's also clear syndication is a tricky and intricate business. So for five weeks beginning with the Dec. 6 edition, *Broadcasting & Cable* will detail *The Foundations of Syndication*, giving our readers an up-close look at how the hits are made. We'll look at these component parts:

**ISSUE: DECEMBER 6TH — THE VIEWERS**

**SPACE CLOSE: NOVEMBER 26TH**

The editors of *B&C* will talk to syndication and advertising research experts to find out where and who the viewers are and how demographics are evolving in a rapidly changing America. We will answer such questions as who's watching off-net - how different are young viewers from old, and how do advertisers use research to reach their target audience?

**ISSUE: DECEMBER 13TH — THE FORMATS**

**SPACE CLOSE: DECEMBER 3RD**

From game shows to talk shows to court shows, *B&C* will look at syndication's genres—what's hot and what's not, in off-net, magazines, reality and more.

**ISSUE: DECEMBER 20TH — THE PRODUCERS**

**SPACE CLOSE: DECEMBER 10TH**

Having a great idea for a show is only half the battle. Execution is key. *B&C* will look at the top producers of syndication's sturdiest hits to discover the tricks of the trade that keep some shows on top while other shows turn into flops.

**ISSUE: JANUARY 3RD — THE EXECUTIVES**

**SPACE CLOSE: DECEMBER 23RD**

They're the syndication honchos who green light what gets a "firm go" and what gets lost in the shuffle. *B&C* will talk to the top bosses at the top studios to get their view on the business, the competition and the future.

**ISSUE: JANUARY 10TH — THE STATION GROUPS**

**SPACE CLOSE: DECEMBER 30TH**

In the new consolidated world of television, shows don't happen unless big station groups sign on to turn a syndication idea into a syndication reality. *B&C* will talk to the decision makers who decide a show is going to play at 4 p.m.—or 2 a.m.

## SPECIAL REPORT: THE FOUNDATIONS OF SYNDICATION

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WASHINGTON WATCH

## FCC GOP Seat Up for Grabs?

By Bill McConnell

As South Dakota Democrat Jonathan Adelstein's reappointment to the FCC sailed toward confirmation last week, attention turned to a possible Republican vacancy if Kathleen Abernathy decides to exit the commission or the White House asks her to step aside.

Abernathy's term ended in June, but she is entitled to remain on the commission through next year or until a replacement is confirmed. Although she hasn't spoken publicly about the matter, it is widely believed that she is ready to return to the private sector.

The leading candidate to replace her is Rebecca Armendariz Klein, the former chairwoman of the Texas Public Utility Commission (PUC), who, according to several Washington policy watchers, has strong ties to President Bush. Klein, 39, stepped down from her post last year to run for Congress against Democrat Lloyd Doggett. She was handily defeated by the six-term incumbent and is now looking for another post that would keep her working in Washington with husband Dale, an assistant secretary of defense. She is a major in the Air Force Reserve and served in the first Gulf War.

She also worked as an aide to President Bush when he was Texas governor, serving as a senior attorney and then as director of the office of policy development in the late 1990s. She was named to the

**Commissioner Kathleen Abernathy is widely believed set to return to the private sector.**

state's PUC in 2001 by Bush's successor, Rick Perry.

As a Texas regulator, Klein helped to carry out the state's electric-utility deregulation and lobbied the FCC to preserve state regulators' power to oversee telecommunications companies. Klein's appointment could put her at odds with FCC Chairman Michael Powell, who generally has tried to usurp state officials' authority over new technologies, such as Internet telephone service. Klein hasn't had any dealings in media is-

# The Fall Report Card

How the freshman deck stacks up **By Jim Finkle**

Prime time network newbies generally have a one-in-three chance of being invited back for a second season. But a strong promotional push doesn't always translate into a hit.

Here's how some closely watched fall shows fared with the 18-49 demo:

### Honor Roll

**Desperate Housewives** (9.6 rating/22 share): A strong candidate for rookie of the year, this ABC show is winning accolades from all corners, including execs at rival networks. The press on the women of Wisteria Lane easily outpaces any other new player on the block.

**Lost** (6.6/18): ABC's *Lost* is a hit. That a well written and lavishly produced suspense/action show filmed on an island in the Pacific would find an audience isn't a surprise. Consider it a scripted version of *Survivor*.

**CSI: NY** (6.2/16): It's such a strong franchise that everybody expected success. What surprised insiders is that it trumped *Law*

& *Order*. Might CBS be cooking up plans for *CSI: Special Victims Unit*?

**Boston Legal** (4.6/12): This *Practice* spinoff has turned into ABC's fifth-highest-rated show among 18-49s. If it continues at this pace, renewal is a done deal.

**Nanny 911** (4.0/9): Lillian, the show's head nanny, and her crew of specialists are helping troubled American families get their lives in order. They're also delivering for Fox. It's the network's

second-highest-rated show of the season after *The Simpsons*.

### Underperforming

**Joey** (5.3/15): NBC says this show will be around "for a long time." While it's likely to make it back next season, this *Friends* spinoff just isn't generating the audience of its predecessor. The show is No. 2 in its timeslot after *Survivor*, and

*The O.C.* is grabbing its younger viewers.

### On Probation

**LAX** (2.7/7): No one in Hollywood thinks this NBC show will be flying much longer. Is it

a comedy, drama or plane wreck?

**Rebel Billionaire** (2.3/6): Richard Branson meets *The Apprentice* yet fails to score for Fox. The show might be a hit in Europe, but few Americans are sold on the Virgin impresario.

**My Big Fat Obnoxious Boss** (2.2/5): Technically, this is a sequel to *MBFO Wedding* and a satire of *The Apprentice*. But whichever class it's assigned to, it's hard to imagine it will graduate to next year.

### Father of the Pride

(3.5/9): NBC took the struggling animated comedy off the schedule for sweeps but promises to bring it back next month.

**Kevin Hill** (1.7/4): On most networks, this critics' favorite might have been pronounced dead due to weak ratings. But it has boosted UPN's Wednesday 9 p.m. ratings in adults 18-34 by almost 90% over last season. UPN has committed for at least the rest of the season.

**Listen Up** (3.3/8): CBS has just ordered enough episodes to fill up a full season of this comedy, featuring *Seinfeld* alum Jason Alexander.

### Flunking out

**Clubhouse** (2.0/5): CBS pulled this critically acclaimed show off its schedule before the beginning of sweeps.

**Hawaii** (2.2/6): Another weak show in the NBC lineup. Dano wouldn't book it, and neither did viewers. Aloha.

**Dr. Vegas** (2.1/7): Is it gone forever, or did CBS just pull it for sweeps? ■

## FALL SEASON WATCH



LAX may be grounded.

## EARLY SWEEPS

2004 vs. 2003		
NETWORK	RATING/SHARE	CHNG.
CBS	4.8/12	+14%
NBC	4.1/11	-9%
ABC	4.0/11	+11%
Fox	3.1/8	flat

SOURCE: Nielsen Media Research preliminary figures through Nov. 17

sues, and few in the business know much about her.

But her record on the Texas PUC gave her plenty of opportunity for contact with telephone companies, says Scott Cleland, telecom analyst for Washington-based Precursor Advisors. The regional Bell monopolies, which would like to be freed of state regulation to better compete against cable operators' less-regulated Internet phone services, are "quietly dismayed" by the likelihood of her appointment.

Klein could not be reached for comment last week, but candidates for White House appointments typically avoid commenting to the press until winning confirmation.

Her rival for the job appears to be Earl Comstock, who represents Earthlink and Yahoo for Washington law firm Sher & Blackwell. Comstock is a former aide to Sen. Ted Stevens (R-Alaska), who is the incoming chairman of the Commerce Committee. Stevens' committee oversees the FCC and must approve all agency commissioners. A Comstock appointment would worry cable operators, because he has lobbied on behalf of Internet service providers in the fight to be carried on cable systems' broadband platforms. Cable operators insist they have no obligation to carry rival services.

Other potential candidates include Michael Gallagher, head of the Na-



Former Texas regulator Rebecca Klein is the leading candidate.

tional Telecommunications and Information Administration, and Janice Obuchowski, a telecommunications consultant. But a candidate's odds can change quickly. Adelstein's chances for a second term were written off immediately after his chief sponsor, Senate Minority Leader Tom Daschle (D-S.D.), lost his re-election bid. But the elevation of Sen. Harry Reid (D-Nev.), another mentor, to minority leader, along with goodwill among other senators, was enough to ensure his name would be added to a list of 85 nominations that Congress was set to approve before leaving town for the Thanksgiving holiday. ■





## RATINGS 11/1-7/04

Nielsen Media Research

## Top 25 Shows

ADULTS 18-49

PROGRAM	AA	GAA
1 Everybody Loves Raymond	3.9	4.9
2 Friends	3.8	4.8
3 ESPN/NFL	3.6	NA
3 Seinfeld	3.6	4.3
3 Seinfeld (wknd)	3.6	4.3
6 Oprah Winfrey Show	3.1	3.2
7 Jeopardy!	2.8	NA
7 Wheel of Fortune	2.8	NA
9 CSI: Crime Scene Investigation	2.6	3.0
10 Entertainment Tonight	2.5	2.5
11 That '70s Show	2.2	2.7
12 Dr. Phil	2.0	2.0
12 Will & Grace	2.0	2.5
14 Everybody Loves Raymond (wknd)	1.9	1.9
14 King of the Hill	1.9	2.2
16 Judge Judy	1.8	2.7
16 King of Queens	1.8	2.2
16 Malcolm in the Middle	1.8	2.0
16 That '70s Show (wknd)	1.8	2.1
20 Home Improvement	1.7	2.2
20 King of Queens (wknd)	1.7	2.1
22 Cops	1.6	1.9
23 Friends (wknd)	1.5	1.5
24 Live With Regis and Kelly	1.4	NA
24 Maury	1.4	1.5

## Top Action Hours

ADULTS 18-49

PROGRAM	AA	GAA
1 Cops	1.6	1.9
2 Stargate SG-1	1.1	1.2
3 Andromeda	0.9	0.9
3 Maximum Exposure	0.9	0.9
3 She Spies	0.9	0.9

According to Nielsen Media Research Syndication Service Ranking Report Nov. 1-7, 2004

AA = Average Audience Rating

GAA = Gross Average Audience

One Nielsen rating point = 1,096,000 households, which represents 1% of the 109.6 million U.S. TV Households

NA = not available

# 'Raymond' Clicks on TBS

Sitcom holds its own in local markets **By Paige Albiniak**

King World's *Everybody Loves Raymond* continues to live up to its name. Once the show was added to TBS' lineup, it added a ratings point to its off-net syndie lead.

While *Raymond's* performance on TBS is flat compared with last year, when Warner Bros.' *Friends* and Sony's *Seinfeld* filled *Raymond's* spots, the cable pick-up has boosted *Raymond's* fortunes. The show is notching a 6.4 household rating season-to-date, a 14% jump. "*Raymond* has been helped by the TBS run," says Moira Coffey, senior vice president of research for King World. "But we're also holding our own as far as the local markets are concerned."

Steve Koondel, executive vice president and chief operating officer of TBS and TNT, says he's satisfied with *Raymond*. Turner is experienced enough with syndies, he adds, to know it takes time to build a following: "*Raymond* replaced shows that had been in the block for three years."

Also helping *Raymond* is timing.

The CBS show is in its last season. Sony's *Seinfeld* departed NBC in 1998, and Warner Bros.' *Friends* wrapped up last year. The two aging sitcoms still rack up big numbers on the syndie board, running neck and neck at a 5.3 each season-to-date. But while *Raymond's* star is on the rise, *Seinfeld* and *Friends* are down year-to-year: *Seinfeld* has dropped 9% in households, *Friends* 10%.

Where *Raymond* falters is in demos, appealing more to older viewers. The show scores 3.4 among adults 18-34, a 3.7 in 18-49s and a 3.9 in 25-54s. By contrast, *Friends* is almost an entire ratings point less among households but



The cable run on TBS has given *Everybody Loves Raymond* a boost in syndication.

keeps pace in key demos: 3.8 among 18-34s (highest in this demo among all the off-net sitcoms), 3.6 among 18-49s and 3.4 among 25-54s.

Flexing its demo muscle means *Friends* earns the most for a 30-second commercial, at \$229,866. *Seinfeld* comes in second at \$173,028, while *Raymond* is third at \$108,553, per Nielsen Monitor Plus.

After the big three, the off-net sitcoms drop off in ratings, with Warner Bros.' *Will & Grace* leading the second-tier shows with a 3.0 in households. Twentieth's rookie *Malcolm in the Middle* is holding its own with a 2.9 and growing, followed closely by Carsey-Werner's *That '70s Show* at a 2.9. Paramount's *Girlfriends* and Twentieth's *Yes, Dear* bring up the rear with a 1.6 and 1.5, respectively. ■

## SYNDIE INSIDER

## KOONDEL PROMOTED

Scott Koondel has been promoted to EVP of domestic television distribution at

Paramount Domestic Television and relocated to Los Angeles from New York. Previously, he served as SVP/national sales manager. In his new role, Koondel will oversee distribution of all of Paramount's first-run, off-net programming and movies, as well as sales of the syndicator's off-net library.



Steve Koondel

## 'ET' STILL NO. 1, 'INSIDER' UP

Syndies benefited from fewer hours of sunlight in the week ended Nov. 7, overcoming even election preemptions to hit season highs at the start of November sweeps.

Paramount's *The Insider* had the biggest week-to-week increase among the first-run rookies. The show hit its best ratings yet, jumping 13% from the prior week to a 2.7 in households. *Insider* also improved more than any established magazine, out-rating three of the five veterans. NBC Universal's *Access Hollywood* was unchanged at a 2.5. Warner Bros.' *Extra* logged a season-high 2.4 and was up 9%, despite being preempted by election coverage more than 20 times. And Warner Bros.' *Celebrity Justice* was up 10% to a 1.1.

Paramount's *Entertainment Tonight* remained the No. 1 magazine, jumping 10% to a 5.3 and notching its best rating of the season. It was followed by King World's *Inside Edition* at 3.4, up 3% and also equaling its season high. Among the other rookies, Buena Vista's *The Tony Danza Show* improved 8% to a 1.3, matching its series high.

## MALCOLM'S Big Growth!

## NATIONAL HH RATING



+19%

### Malcolm in the Middle

WEEK OF 10/11 10/18 10/25 11/01

Source: NSS, Galaxy Explorer, w/o 10/11, 10/18, 10/25, &amp; 11/1/2004, w/o 11/1 vs. 10/11/2004 % Growth, GAA HH Rtg





# Lights, Camera, 'Audition'

**KTLA parlays search for weathercaster into reality-TV contest**  
By Deborah Starr Seibel

**J**eff Wald, veteran news director of Tribune Broadcasting's KTLA Los Angeles, had a brainstorm. Weary of screening hundreds of audition reels to find his next on-camera weathercaster, he got creative.

Inspired by *The Apprentice* and *Survivor*, Wald and his news team took a page from reality television. They concocted *The Audition*, an on-air contest to discover someone with enough poise and pizzazz to inject life into Los Angeles' endlessly clear and sunny forecasts.

The result? Some 300 tapes poured in from around the country, and 16 semifinalists were chosen to try their luck this month in front of the KTLA *Morning News* audience. The public gets to weigh in over the Internet, but in the end, the only vote that counts is Wald's.

B&C's Deborah Starr Seibel spoke to him about the groundbreaking audition—and the fine print.

**How did you decide to make the job opening a contest?**

The idea was not to go the conventional route. I spend a good deal of my time—and so does my assistant news director, Marcia Brandwynne—going through audition tapes that are either sent by individuals or by agents nationwide. You literally go through hundreds of these tapes. So, number one, we thought this would be fun. Number two, we thought we might find that diamond in the rough.

**Did you have to ask permission of Tribune Co.?**

No. It was a station decision.

**What were the specifications for the job? Age cut-offs? Job experience?**

There were no age cut-offs, and, believe it or not, no experience was necessary.

**So you don't have to know the difference between cirrus and cumulous clouds?**

No, you don't. We can teach that. I've been living in Los Angeles for a long time, and believe me, credibility is very important. But to be honest, a lot of the information—the mechanics of this job—is really learned on the job. I would never do this for a news reporter. I would probably never do it for an entertainment reporter, because there's a lot of journalism required. With weather, if you have someone who can interpret the information from all this wonderful equipment and has a terrific personality, it's pretty easy.

**What about the problem of credibility?**

At our station, we have a reputation for breaking news. If we have weather like we had recently, with two major storms coming through, it's the lead story. And it's usually handled by our news reporters.

**There was a time in TV news when the coin of the realm was to be a meteorologist. Is that over?**

In Los Angeles, it probably is. This is a personality-driven market and has been for quite some time. But the meteorology comes in with all the weather systems we purchase. That information is digested by our weatherpeople and then disseminated to the public.

**Your KTLA Morning News executive producer Richard Goldner said that one of the contestants "had the look" of a Los Angeles weathercaster.**

**What did he mean?**

It's called "it." You almost can't describe what "it" is, but, for me, it's someone who has the communicative skills and the personality to be natural on television.

Sometimes you see a tape and the person looks great, but you bring that person in for a personal interview and you're talking to someone completely different. The people who really excel in this business are natural and real. If you look at this market, the newscasters, sportscasters and weatherpeople who have lasted are the ones who have three qualities: They are honest, natural and real to the people at home.

**Are you looking for someone who is funny?**

No, but I want someone who is interesting. You have to be interesting if you're going to survive in Los Angeles, where the weather doesn't change much.

**How did *Survivor* and *The Apprentice* inspire you to do this?**

In this business, there's a little bit of *Survivor*, in that you need to survive, and there's some of *The Apprentice* in it, too. This is a business, and we have to look at things in light of how successful we think they'll be because that will have a direct correlation to our ratings.

**Why not let the audience decide who the winner will be?**

They kind of are. It's connected to our Web site, and people are voicing their opinions there. But you have to take those things with a grain of salt. You don't know if people are voting more than once. It's very unscientific.



KTLA's morning weathercaster Mark Kriskl with contestant.

**Marcia Brandwynne watched a young female contestant and said, "Could you listen to that voice for very long?" Is it over for her?**

Probably.

**On Dec. 1, the winner will be announced. What happens then?**

We decide whether that person is going to become a permanent member of the KTLA staff. We'll know in the first month, during December, if the person is going to fit in. We will put them on the air for a month. That we have committed to.

**So he or she can win the audition but not necessarily get the job?**

That is correct. ■

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SECOND ANNUAL

THE NATPE BRANDON TARTIKOFF

# LEGACY award



Legacy Award

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On January 25, NATPE, in association with *Broadcasting & Cable*, *Multichannel News* and *Variety*, will pay tribute to a select group of outstanding television professionals who have exhibited extraordinary passion, leadership, independence and vision throughout their careers in the television industry. These are the individuals who through their work exemplify Brandon Tartikoff's philosophy, spirit and creative leadership, both in their lives and their careers.

Join *B&C*, *Multichannel News* and *Variety* as we salute these exceptional individuals in a Special Supplement that will be published in the January 24th issue of all three publications. For further information or to reserve your space please call your advertising sales representative today.

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LEGACY AWARD SUPPLEMENT

ISSUE DATE:  
January 24, 2005

SPACE CLOSE:  
January 10, 2005

MATERIALS CLOSE:  
January 12, 2005

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COVER STORY

## Inside the Fluff Factory

Continued from page 1

It will be a mission shared by no less than a half dozen syndicated entertainment-news magazines battling for a daily audience of more than 21 million viewers. Paramount's *Entertainment Tonight*, now entering its 24th season, is the granddaddy. And the list of blood-thirsty competitors backed by heavyweight studios has grown: NBC Universal's *Access Hollywood*, Warner Bros.' *Extra* and *Celebrity Justice*, CBS Enterprises and King World's *Inside Edition*, and the new kid on the block, *ET* offspring *The Insider*.

All these shows thrive on fluff and fantasy, but they execute on a very serious mission: feeding America's—and increasingly, the world's—insatiable appetite for Hollywood gossip.

**S**tations buy the celebrity newsmagazines to pull in enough viewers during access—usually around 7 p.m.—to attract premium ad dollars while funneling viewers into the stations' prime time lineup. For the heavyweight studios, these light-as-air baubles have evolved into enormous profit centers and launch pads for the studios' movies, TV shows and record sales.

*ET* alone is estimated to rake in roughly \$159 million in revenue this year for Paramount parent Viacom. According to Morgan Stanley media analyst Richard Bilotti, *Extra* should generate around \$76 million,

*Inside Edition* roughly \$33 million and *The Insider*, fresh out of the blocks (but with considerable startup costs), about \$10 million. Now the genre has gone global. Cable's E! Entertainment, which reaches 75 million U.S. viewers, recently launched E! France and E! Italy, with additional feeds into the UK, the Middle East and Latin America.

**“After a while, imitation is not the sincerest form of flattery. Get your own damn playbook.”**

LISA GEGORISCH-DEMPSEY, *ENTERTAINMENT TONIGHT*

With so much at stake and so many look-alike shows on the TV landscape, it's no wonder they're throwing elbows on the red carpet. *ET* senior producer Brad Bessey, who handles delicate negotiations with the stars, is praying for a line through to Tara Reid. He calls a friend at the *New York Post*. “I need to find her. It'll do her a whole hell of a lot of good. Can you call Lizzie and make this happen? ... Cool, darling.” He hangs up. “I know through personal friends that Tara has vacationed at [publicist] Lizzie Grubman's house in the Hamptons. But I'm working against the clock.”

The deadlines are punishing. Produced in Los Angeles, the Hollywood newsmagazines have to be ready to “bird”—that is, be edited and ready to be fed to the satellites—between noon and 2 p.m. to make

their timeslots on the East Coast. When a celebrity makes news, everyone wants to chew on the same carcass. The only questions are who will tear off the most fresh meat and how they'll prepare that meat for the viewing public.

It's 8:20 a.m., and Bessey has scored Reid's cell-phone number. But before he can pick up the phone,

veteran executive producer Linda Bell Blue, a blond whirling dervish who oversees both *ET* and *The Insider*, blasts into the show-runners' offices to set the tone for the story. “The Energizer Bunny's got nothing on her,” says *ET* weekend anchor Jann Carl.

Bell Blue has been running this newsroom for eight years; before that, she steered the ship at the now-defunct *Hard Copy*. A former local-TV-news executive, she wants to lead both shows with the Reid meltdown. But she tempers the approach. “It's very important that we take a sympathetic view of this,” she instructs her producers. “It could happen to anybody.”

The reason Bell Blue and her staff have now come down on Reid's side is that *ET* correspondent Maria Menounos was inside the Puffy party and confirmed





A phalanx of photographers and cameramen go elbow-to-elbow to capture the stars in action.

that the actress was crying and upset all night. If he gets her on the phone, Bessey plans to use that information to persuade her to get on the air. "If people don't know her side of the story," he says, "then they're going to say, 'Oh my God, she's a little tramp.'" But they don't have her yet; Bessey called and got her answering service.

**T**he adrenaline rush of the chase is palpable as *Insider* host Pat O'Brien enters the newsroom and grabs Bell Blue in a crushing bear hug. He has just seen the overnights, the first night's tallies for November sweeps.

"We did an 8 [rating] in Philadelphia!" he says, the new show's best ever.

Bell Blue is like a kid on Christmas morning. "First night of the book, baby!" she congratulates him.

But there is no time to crow. While Paramount's *ET* is still the ratings champ by far, all celebrity magazines have taken a hit in the ratings, along with the larger broadcast industry. *ET* is down this year by 11%, *Inside Edition* 14%, *Extra* 8% and *Access Hollywood* 7%. The audience erosion can be explained in part by the continuing exodus to cable, to such networks as E! Entertainment Television and VH1. There is also, of course, the pitched battles with each other.

In selected major markets, including New York and Los Angeles, *ET*'s Mary Hart and company get walloped regularly by the younger-skewing *Access Hollywood*. In such a fierce turf war, *AH* executive

producer Rob Silverstein doesn't pull his punches. "*Access Hollywood* is what *ET* was 10 years ago, when people still cared about Mary Hart's legs," says Silverstein, who has been with the show for eight years. "We're younger, smarter and faster. And the best thing we don't do is something we call 'anticipoint.' We're not going to tease something over and over again and not deliver. Younger viewers can see through all of that."

At *Extra* and *Celebrity Justice*, senior executive producer Lisa Gregorisch-Dempsey doesn't mind the competition; what she minds is being ripped off. "This is really a hot button for me," says the former consultant for the Fox Television Stations Group, where she hired talent for 22 Fox owned-and-operated stations. First, *Extra* weekend anchor Jon Kelley started pop quizzes with the stars, which she says *ET* lifted to create their segment "Stump the Star." Then she claims similarities between the *Extra* segment "Rumor Control" and *ET*'s "Yes It's True, No It's Not." Says Gregorisch-Dempsey, "You know what? After a while, imitation is not the sincerest form of flattery. Get your own damn playbook."

There is, of course, one big reason for the intense rivalry: the Sept. 13 arrival of *The Insider*. Paramount has designed the two shows to flow into one another, marketing the combo as the "Hour of Power" in local markets. The shows replaced *Hollywood Squares* and *Who Wants To Be a Millionaire* in many markets and was another bad break for those battling to unseat *ET*.

Even *Insider* host O'Brien, who famously jumped ship from *Access Hollywood* (and was initially sued for breach of contract) says his many years of experience on the red carpet didn't do much good against the *ET* juggernaut. "I fought them and fought them, working on *Access Hollywood*," he says. "But I didn't make much of a dent." Now, even though he's playing for the same management, O'Brien still wants to take the champion down. "My goal," he says, "is to beat *ET*. You can quote me on that."

**B**ut first, he's going to have to get past the woman power-walking toward the cameras on the *ET* set. By 11 a.m., Mary Hart, *ET*'s seemingly unbeatable 23-year veteran, is ready to shoot the show's open: "Forget the Super Bowl. Did you see Tara Reid's red-carpet dress disaster? It's the one thing you never want to have happen in front of the cameras. Hi, everybody. I'm Mary Hart." It's a perfect take, and Hart walks off camera. She's not buying Reid's obliviousness. "How could a woman not know she's out of her dress?"

She turns to the crew. "Did you guys see this, this morning?" Then she smiles. "You probably saw it a lot of times."

Hart's Ultrabrite smile and aerobics-instructor body belie a laser-like focus on the business side: "I look at

*Continued on page 16*



## Inside the Fluff Factory

Continued from page 15

those numbers [the ratings] every single night"—and those numbers include *The Insider*.

Today, Hart is forced to take a back seat, because the powers that be have decided that O'Brien is the best person to place the next Tara Reid call. The reason? He has had the most face time with her in the past.

O'Brien, like other celeb-

rity hosts, knows that going soft on stars in interviews has its advantages. "That's what [Paramount] bought: years of contacts and not making people angry so they come back."

Indeed, *The Insider* has moved up from a 2.4 to a 2.7 national rating in its first eight weeks on the air. That translates into third place, behind *ET* and *Inside Edition*—and

ahead of veteran *Access Hollywood*. Paramount President of Domestic Television John Nogawski says those numbers "are spectacular and actually ahead of schedule," but the new show is still getting only about half of *ET*'s audience. It trails its famous parent by 49% in households, 55% in adults 18-49 and 52% among adults 25-54. But, says Dawn Abel, head of Paramount research, "there are no alarm bells going off yet."

Except in the newsroom. In light of recent indecency fines levied by the FCC, Paramount lawyer Joseph Jerome arrives to make sure the video is family-friendly. "I've got to watch out for the affiliates," he says.

He needn't have worried. Staffers are putting together as many as 70 pieces of videotape for tonight's 12 stories on *ET*, including Reid, heavily pixellated, and several dozen more for the nine sto-

ries on *The Insider*. How do they stay excited about the fame game? "I think it's the thrill of winning," says Bell Blue, who recalls "sleeping on the floor" of her office the night Britney Spears got married. Ratings, she says, "are like a report card, except that you can't fudge it and you can't hide from your parents."

On set, O'Brien tells *ET* co-host Mark Steines that he advised Reid (who refused to be recorded) that "everything goes away in 72 hours" and that "she has a nice career ahead of her."

*Access Hollywood*'s Silverstein, once a good friend of O'Brien's, is less than impressed by the commentary. "None of which a real journalist would say," says Silverstein. "We will never go in that direction. We're not lap dogs. We don't lie to people. We're not, like, 'Oh my God, Tara Reid's top fell off!' Everyone else did it as this serious story. We went the less obvious way. We had someone analyze. John Madden-like, what happened."

*Extra*, also refusing to overhype, will fold Tara's dress drama into a brief, 15-second piece on the P. Diddy birthday party.

No matter how it's presented, simply stringing together a half-hour of Tinseltown news does not guarantee an audience. Fox's *A Current Affair* was cancelled in 1996 after nine years on the air. *Hard Copy* lasted 10 years, then got the hook in 1999. *Celebrity Justice*, an *Extra* segment spun off into its own series and now registering a paltry 1.1 rating, may be in trouble. Even the *ET/Insider* combo faces an uphill battle in the five markets—Austin, Texas; Denver; Knoxville, Tenn.; Minneapolis; and Pittsburgh—where the two shows don't run back to back but compete head to head.

"That's just the inevitability of a lack of real estate," says Paramount's Nagowski. "We'll end up knocking somebody off the air, and we'll limit the competition as time goes on."

With so many shows competing, is there room for another? Fox programmers are now looking at *Current Affair*, which at the time of its 1996 cancellation, was posting a 3.2 national rating—sensational by today's standards.

Will it be revived? Says a 20th Television spokesman, "It's under discussion." ■

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FOR THE SECOND TIME THIS YEAR, *Multichannel News* and *Broadcasting & Cable* join with CTAM's On Demand Consortium for a Special Supplement focused on driving awareness of key issues impacting the On Demand segment. This Special Supplement will appear in both *Multichannel News* and *B&C* and is slated for the December 13 issues.

### SOME OF THE HIGHLIGHTS THAT WILL BE COVERED IN THIS SPECIAL SUPPLEMENT ARE:

- ▶ New research on consumer usage of On Demand TV.
- ▶ Roundtable Interview: Cable marketing executives discuss consumer perceptions of On Demand and a look at how the industry promoting it.
- ▶ The CTAM On Demand Consortium's PR efforts to introduce and educate the media on On Demand.
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ISSUE DATE:  
December 13, 2004

SPACE CLOSE:  
November 29, 2004

MATERIALS CLOSE:  
December 1, 2004





# Comparison Shopping

How the Kmart/Sears merger will impact TV and its ad agencies **By Joe Mandese**



Home-retail giants Kmart and Sears boast a combined ad budget of more than \$1 billion.

**T**he merger of Kmart and Sears. Roebuck & Co. has enormous ramifications for television.

First, it marries two powerful TV retail advertisers into a single entity that will dwarf Wal-Mart, its nearest competitor in the home-retailing category, in ad spending. With a combined ad budget of more than \$1 billion, the new company, destined to operate under the Sears corporate banner, already spends about three-quarters of its ad dollars on TV outlets, especially national ones.

Second, while Wal-Mart still dominates local ad spending in the category by a two-to-one margin, a newly consolidated Sears corporate media department may be a huge concern for TV stations and national telecasters alike.

Both Kmart and Sears, like most players in the home-retailing category, are among the most TV-centric advertisers. The combination of two big buying organizations will afford the new Sears marketing team and its agencies a rare opportunity: to compare notes on TV ad prices.

That move is likely to spark a wave of negotiations between Sears' media agencies and local and national TV

outlets, especially major players like the broadcast networks.

"From a TV point of view, the most interesting part of this is that they get to compare rates," says a Sears media insider, who speculates the combined entity would likely seek to reset all its ad agreements based on the company with the better deal.

"Let's say Sears has the higher base and Kmart is paying 10% less. That's 10% that's coming out of the networks' pockets," he says.

It will take some time for the merger to settle and for the impact on both retailers' marketing organizations and ad agencies to shake out. But the initial expectation is clear.

Even though Kmart is the acquirer, Sears, armed with sharper marketing and media teams, is the stronger brand. Perianne Grignon, Sears vice president, media services and also chair of the Association of National Advertisers' influential Television Advertising Committee, is widely credited with helping to turn Sears into a media powerhouse.

Big ripples will be felt on Madison Avenue, although it is not immediately apparent what this means for each company's respective ad agencies.

**S**ears is handled by long-time media agency MindShare, while Kmart is serviced by MediaCom, which is being acquired by MindShare's parent company, WPP Group. WPP is expected to continue operating MediaCom as a separate media-buying network from MindShare following the merger, though it's less certain how either would address the consolidated Sears business.

Whatever the outcome, the result is likely to have a more profound impact

on national TV outlets than on local stations. Sears and Kmart prefer national brand-building strategies to the local traffic-building ones championed by Wal-Mart and Home Depot. And both use a higher percentage of local TV ad time to attract customers.

Before the merger, Sears was outspending its bigger retail rivals Wal-Mart and Home Depot by considerable margins, in terms of overall ad expenditure and TV ad budgets.

For example, in 2003, Sears' all-TV spending, which includes broadcast, cable syndication and Hispanic TV, totaled \$556 million. Wal-Mart's tab was \$456 million and Home Depot's was \$343 million.

And while Sears still trails other retailers in terms of total sales, its problems are considered retail-related rather than marketing-related.

Kmart has also stepped up its ad

spending since emerging from Chapter 11 bankruptcy protection in 2003, although it is the smaller marketing force coming into the merger. The combination of the two is expected to lead to some shakeout within the marketing departments, resulting in an even stronger consolidated team.

One thing that may not change as a result of the merger is Kmart's and Sears' success in utilizing big names to fuel their ad campaigns. Sears has a tie-in with home-improvement guru Bob Vila; Kmart has enjoyed a long association with domestic diva Martha Stewart.

In addition, Sears has emerged as a leader in the arena dubbed "branded entertainment," which consists of product-placement deals that tie advertisers and brands into the inception of TV programs.

**O**ne of the most visible examples is Sears' successful partnership with ABC in the creation of *Extreme Makeover: Home Edition*, in which the Sears brand has become an integral part of the series and the retailer's off-air advertising is used to reinforce and promote it. The spots, featuring host Ty Pennington and carrying the "Good Life" tagline, have connected with viewers.

That effort, which spotlights Sears' focus on both image and lifestyle, may serve as a blueprint for the future of the new company's advertising. ■

## TV SPENDING BY TOP RETAIL ADVERTISERS

	2003 (in millions)				
	WAL-MART	HOME DEPOT	SEARS	KMART	SEARS/KMART
Broadcast network	\$181.2	\$153.1	\$210.9	\$46.9	\$257.8
Cable	\$96.1	\$111.3	\$143.7	\$7.2	\$150.9
Syndication	\$31.8	\$8.1	\$27.5	\$10.5	\$38.0
Spot	\$157.3	\$43.6	\$54.4	\$8.9	\$63.3
Hispanic	\$29.0	\$27.4	\$119.6	\$2.0	\$121.6
All TV	\$495.4	\$343.5	\$556.1	\$75.5	\$631.6
All media	\$524.5	\$485.0	\$734.9	\$148.1	\$883.0
TV share	94%	71%	76%	51%	72%

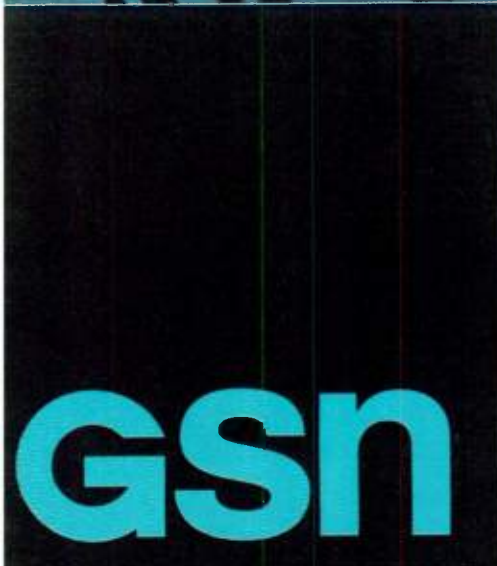
  

	January-August 2004 (in millions)				
	WAL-MART	HOME DEPOT	SEARS	KMART	SEARS/KMART
Broadcast network	\$138.1	\$118.5	\$122.2	\$62.8	\$185.0
Cable	\$49.6	\$105.6	\$72.1	\$12.7	\$84.8
Syndication	\$18.2	\$2.8	\$22.2	\$6.0	\$28.2
Spot	\$61.1	\$13.1	\$28.2	\$6.5	\$34.7
Hispanic	\$29.8	\$15.0	\$47.1	\$3.3	\$50.4
All TV	\$296.8	\$255.0	\$291.8	\$91.3	\$383.1
All media	\$337.4	\$333.6	\$385.8	\$121.1	\$506.9
TV share	88%	76%	76%	75%	76%

SOURCE: B&C analysis of Nielsen Monitor-Plus data

**Both Sears and Kmart prefer national brand-building strategies to the local traffic-building ones championed by Wal-Mart and Home Depot.**



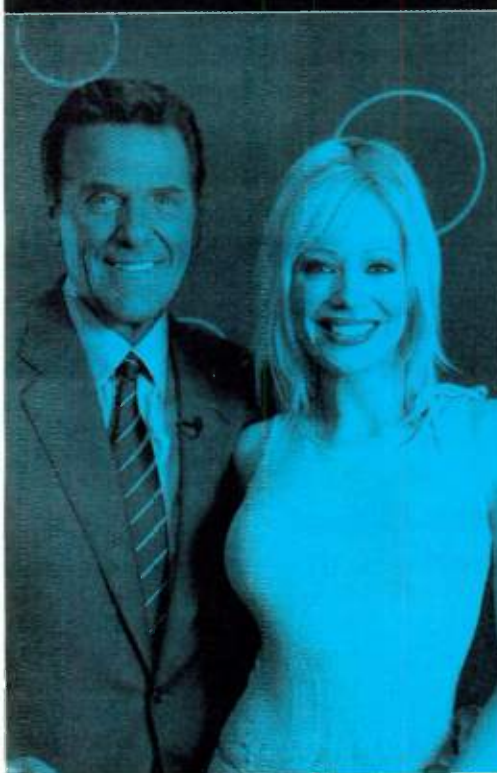


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# WeatherPlus To Storm U.S.

NBC and stations hope to challenge The Weather Channel's supremacy **By Ken Kerschbaumer**

**T**here is a cold front coming, and The Weather Channel should keep a close watch on it.

NBC's WeatherPlus, a 24/7 digital broadcast service that airs local and national weather, kicked off Nov. 15, courtesy of WNBC New York. NBC hopes its allure will spread to hundreds of affiliates nationwide.

Supported by a dedicated staff at NBC Newschannel headquarters in

While the new service competes with The Weather Channel (TWC), its first hurdle is its inability to reach a wide audience. At present, it's available only to Time Warner digital cable subscribers and viewers capable of receiving over-the-air HDTV signals. But NBC believes the channel's emphasis on local weather is its trump card in attracting viewers and advertisers.

TWC President Patrick Scott isn't convinced. "Assuming we don't do local weather 24/7 is just wrong," says

International Channels & Business Development, NBC Universal.

While the Weather Channel provides local information "on the 8s," a value proposition based primarily on national weather isn't as strong as WeatherPlus' local emphasis, Mackin says. "We're trying to turn The Weather Channel upside down. Ours is local first, then regional, then national," he says. "We combine the best of both worlds."

Scott counters that TWC will monitor the progress of the new channel

when viewers would tune in to catch a music video and then leave. Over the years, TWC has developed programming that has hooked the weather fan.

"Weather reports aren't just about hot, cold, wet, dry," says TWC's Scott. "A big portion of the viewers aren't satisfied with that." Even if it fails, WeatherPlus will be notable for one major reason: It's the first broadcast service in the country to use the words DTV and revenue in the same sentence.



NBC's WeatherPlus will allow affiliates to craft a 50/50 mix of local and national weather reports.

Charlotte, N.C., the service is available to affiliates free of charge. Both sides then split revenues equally.

Here's how it works: New York viewers who tune into the new service, available via digital over-the-air and digital cable systems, get familiar WNBC meteorological talent and anchors from NBC and MSNBC. Quality graphics and forecast data allow a 50/50 mix of local and national weather. Graphics wrapping the screen provide constant local forecasts and conditions.

READY TO GO	
WeatherPlus launches in 14 markets in the next 90 days	
KCRA	Sacramento, Calif.
KFOR	Oklahoma City
KGW	Portland, Ore
KING	Seattle
KPRC	Houston
KXAS	Dallas-Ft. Worth
WCNC	Charlotte, N.C.
WDIV	Detroit
WESH	Orlando, Fla.
WMAQ	Chicago
WNCN	Raleigh, N.C.
WRC	Washington, D.C.
WTVJ	Miami-Ft. Lauderdale
WXII	Winston-Salem, N.C.
SOURCE: NBC	

Scott. "Viewers could just as easily tune to us and get the same information. No one should expect [WeatherPlus] to be the answer to a maiden's prayer."

For one thing, affiliates that take the new service must budget for capital costs: Each station will need to install about \$110,000 of equipment, including new graphic and forecast products from Weather Central as well as automation gear. Stations will receive the feed via satellite and have scheduled times for local reports to be added.

"If viewers want weather at 2:43 in the morning and we aren't doing a local newscast, we're inviting them to go elsewhere," says Terry Mackin, chairman of the NBC Affiliate Committee and executive vice president, Hearst-Argyle Television. "We can have the best meteorologists and the best technology, but we need to extend the brand to provide information when they need it."

**M**ackin also wants a piece of the action. The Weather Channel doesn't share its revenue figures, but Kagan Research puts annual revenue around \$300 million.

"If we don't get our fair share of that category in the next three to five years, shame on us," says Brandon Burgess, executive vice president, Digital Media,

but other, similar services, launched as occasional one-offs by stations like WRAL Raleigh-Durham N.C., haven't affected TWC's bottom line. "We're nationally reaching 90 million homes," he says. "WeatherPlus will be available in a section of a market on a high-numbered digital cable channel that requires a digital set-top box."

Can WeatherPlus realistically find a place alongside TWC? Its success is

**"We're trying to turn The Weather Channel upside down. Ours is local first, then regional, then national."**  
TERRY MACKIN, NBC

heavily reliant on successful cable carriage deals, since only about 3 million U.S. homes are enabled for over-the-air HD reception. "Our only revenue is advertising, so if we don't get carriage by the cable operators [aside from Time Warner], it's going to be hard to get advertising," says Burgess.

Although there is concern that local cable operators may balk at giving local broadcasters an additional DTV channel, Brandon is optimistic, arguing it could help drive digital cable subscriptions.

A second concern is viewers themselves. WeatherPlus has to avoid the problem MTV faced in the mid '80s,

To date, the DTV transition has meant that broadcasters invest billions for transmission gear that sends out a digital simulcast of their analog signal. That simulcast, while a treat to the approximately 9% of viewers who have splurged on an HDTV set, has yet to show a return on investment. NBC hopes that pattern is about to end.

"We think this will be a competitive product [with The Weather Channel],"

says Mackin. "Advertisers understand that weather is used by almost every viewer in a marketplace. Our take will make advertisers see us as doing a better brand of local weather than The Weather Channel."

Scott believes TWC's emphasis on science and up-to-date reporting can offset any local-anchor advantage. Plus, he says, WeatherPlus has to prove itself worthy in a corporate environment not accustomed to the entrepreneurial patience new offerings demand.

"It will come down to the numbers," Scott says. "[NBC parent] GE isn't known for being forgiving of people who don't deliver the numbers." ■



# TELEVISION ONDEMAND SUMMIT

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**LETTER TO OUR READERS**

Dear Reader

This Television on Demand Sponsored Supplement is a special project focused on the critical issues of on-demand television from management to advertising, marketing and technical perspectives.

This supplement reflects the Television on Demand Summit held November 16th and 17th in Philadelphia, hosted by our magazines. Over 100 key executives in the cable industry joined eight leading providers to discuss the opportunities of on-demand.

Successfully implementing technologies and business models for television on demand can be crucial to the financial future for cable operators. Numerous issues are addressed in this supplement: defining the right programming for TVOD, finding a delicate balance between VOD and DVRS, seizing the potential of on-demand advertising, successfully marketing TVOD, plus many more.

One of the primary editorial missions of Broadcasting & Cable, CED and Multichannel News is to provide television executives the information they need to achieve a successful and profitable implementation of television on demand. We hope this special effort provides insight that is helpful to the readers of all three magazines.

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**C O N T E N T S**

**TELEVISION ON DEMAND:**  
 Defining the Right Programming .....3A

**VOD AND DVRS: A Delicate Balance** .....15A

**ON DEMAND ADVERTISING: Seizing Its Potential** .....20A

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**SUCCESSFULLY MARKETING TELEVISION ON DEMAND** ...29A

**ON DEMAND BUSINESS MODELS FOR THE FUTURE** .....31A



# TELEVISION ONDEMAND

## DEFINING THE RIGHT PROGRAMMING MIX

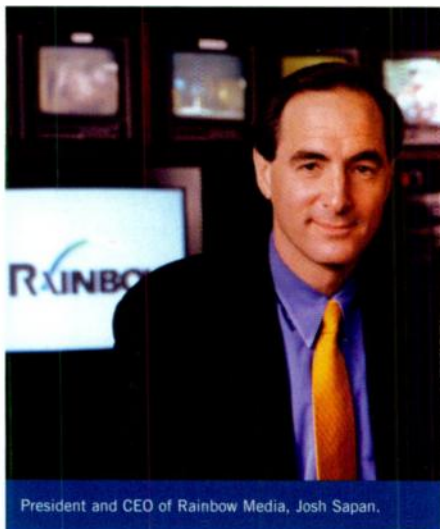
### OPERATORS, CONTENT PROVIDERS LOOK TO GROW THE VOD AUDIENCE

As Television On Demand has evolved from transactional video-on-demand (VOD) offerings of movies and special events to encompass subscription video-on-demand (SVOD) and "free-on-demand" content, programming the on-demand platform has become a stiffer challenge. Cable operators are looking to provide the right mix of content to get viewers to first try television-on-demand and then return to participate in lucrative SVOD and transactional viewing. And they are hoping that broadcast and cable programmers will partner with them to reap the full potential of the on-demand platform.

**"I think our particular contribution can be vital if we focus on material that is made for VOD."**

— Josh Sapan, Rainbow Media

One of the most experienced VOD programmers is Rainbow Media Holdings LLC, the Cablevision subsidiary that runs cable networks including AMC, Fuse, Independent Film



President and CEO of Rainbow Media, Josh Sapan.

Channel (IFC) and WE: Women's Entertainment. Rainbow launched its first VOD service, Mag Rack, in September 2001. Mag Rack, which is designed exclusively for on-demand and features enthusiast programming on topics including fitness, the arts and automobiles, now reaches three million digital cable subscribers from Cablevision, Insight, Mediacom, Adelphia and Charter.

Rainbow followed up on Mag Rack with Sportskool, the first VOD network dedicated to expert sports instruction and coaching; IFC Films On Demand, an SVOD service offering select IFC films; World Picks On Demand, four SVOD services which provide in-language programming directly from the country of origin: Mandarin, Latin, Hindi and Russian; and Uncensored On Demand, an SVOD service developed to showcase programming that has been literally or figuratively banned from mainstream TV.

Rainbow's on-demand strategy is to develop original content that is exclusive to the VOD platform. As such, beginning in January 2005, Mag Rack will devote 75% of its programming budget to original programming (25% of its monthly 40-hour offering), including the Q1 launch of two new instructional programs: "Let's Dance" and "The Everyday Low Carb Gourmet." Mag Rack will also expand on its popular "Guitar Xpress" program in 2005 with a package of at least eight new song titles in the first quarter that are exclusive to the program including classic hits from rock legends The Grateful Dead and Peter Frampton. Mag Rack will also offer new episodes of "Street Licks," an original series profiling street musicians around the country.



The instructional music program Guitar Xpress is the #3 most watched program on Rainbow Media's Mag Rack service. Mag Rack is focused on developing original content that is exclusive to the VOD platform and offers 20 enthusiast and special-interest titles covering topics such as bird-watching, fitness, nutrition, automobiles and video games.

Josh Sapan, president and CEO of Rainbow Media, acknowledges the value in repurposing popular movies and broadcast and network content for free-on-demand applications. But he thinks there is a larger opportunity in creating content that is tailored specifically for the VOD platform.

"I think our particular contribution can be vital if we focus on material that is made for VOD," says Sapan. "I would say that's not where most programmers are readily going—they are almost entirely doing what's on their linear channel and creating an on-demand companion based on what they have on air. There is a great facility to that, and it's a great way to utilize server capacity to introduce the virtues of on demand. But I think it misses something potentially critical for the success of on demand for the entire industry."

Sapan draws an analogy with the World Wide Web, noting that many established media properties such as Time, Newsweek and CNN created web incarnations of their exist-





**Building new business opportunities by protecting digital content in the home and beyond**

**The problem**

As digital content moves to digital storage and re-distribution, it is increasingly susceptible to perfect pirated copies. Broadband Internet makes distribution of pirated copies possible on a massive scale and the global nature of the Internet makes law enforcement more difficult. The increasing availability of sophisticated equipment and large computing power to hackers raises the security stakes.

The stakes are high with the future of a \$500 billion industry in the balance. Many parties have a strong stake in the outcome:

- Rights holders and content providers — such as studios, animators and anyone who create content — expect to receive compensation for their creativity and production costs. They do not want to sell their digital content unless it can be safeguarded.
- Platform operators generate revenues by selling this content to subscribers and would like to extend their reach and their revenues beyond today's traditional models. They also need access to the best digital content to remain competitive.
- Consumer electronics manufacturers want to be able to sell new systems that people can use to consume content.
- The consumer wants digital technology and the vision of moving high quality content across consumer devices. As long as consumers can easily access premium content when and where they want — on a TV, DVR, or portable device — they will be willing to pay for it.

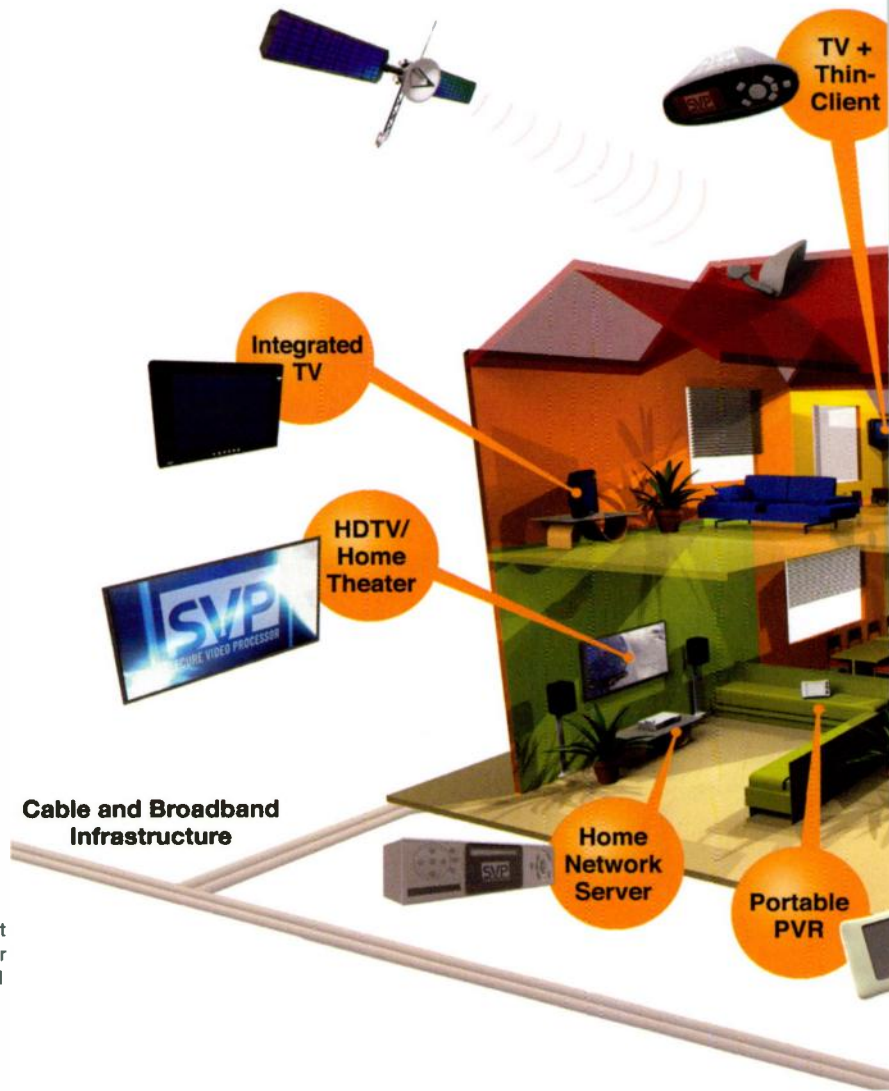
**The SVP Alliance has an answer**

SVP Alliance is a growing group of industry players who are committed to open standards based digital content protection solutions. SVP (Secure Video Processor) is an open technology specification that extends the rights and business reach of content owners, distributors and operators by protecting content on any SVP-enabled device.



While traditional Digital Rights Management (DRM) or conditional access (CA) solutions protect content and enable business models in a closed network, they cannot do the same in an open environment with many different types of consumer devices. To meet the consumers' needs, a single, openly licensed standard that is interoperable with a multiplicity of DRM and CA products must be available. SVP is not tied in to a specific type of DRM or conditional access, but it uses their existing system. SVP will extend a variety of existing security products, enabling CA and DRM suppliers to expand their activities and sphere of protection.

The SVP Licensing Authority will license SVP, an open specification, on fair and non-discriminatory terms to any qualified company involved in digital entertainment. As it is adopted around the world, SVP will benefit all players. The SVP open specification is



extendable and can interoperate with other content protection standards. SVP is a future-proof standard because it protects the content and not specific devices or links between them.

It easily adapts to emerging technologies and will continue to enable new business opportunities.



**How is SVP implemented?**

The process is straightforward:

- The content creator defines the rights to their creation
- The platform operator assigns rights for that content within the distribution system
- The home consumer electronics receives the transmission and implements the home network extension of the distribution system
- SVP exercises the assigned rights through the system and the consumer hardware
- The consumer enjoys the benefits of the content as appropriately and fairly defined by the content creator

The key is adding extra gates to a standard video processing chip design, making it SVP-enabled. The chip can then be embedded in any consumer electronics device, such as a digital television, set-top box (STB), DVR, or portable device. Each of these embedded chips receives a unique, secure SVP device certificate.

With SVP, content remains secure throughout the distribution chain. The SVP standard permits decrypting and decompressing content only





within the confines of the chip, subject to usage rules defined by the content distributor's conditional access or DRM system. All decryption, decompression, decoding, and rendering are handled in a tamper-resistant license, ensuring that content can never be accessed in its clear digital format. The content is secure all the way until it appears on the glass.

### Beyond the set-top box — some examples

The rise of 'on-demand' services and mass storage devices such as XTV™, the NDS DVR solution, means that people will be recording more and more content to watch at a later time or on the move. 'On-demand' and DVRs have already changed the way people enjoy content, but the future will bring even greater shifts in consumption patterns. For example:

- In a multi-TV home, you are watching CSI in the living room, which is stored on a DVR, and want to go to the bedroom and continue watching it there. You can move content over your wired or wireless home network to a low cost thin-client STB and you can carry on where you left off, if you have the right to do so. SVP securely protects the content while at the same providing consumer convenience and service.
- You have bought a pay-per-view movie and stored it on the DVR. You are flying to the coast the next day, and you'd like to take it with you on a portable device. SVP keeps this content — which you have paid for — safe, while at the same time providing seamless service so that you can see the movie at your leisure.



## Everybody wins with SVP

SVP ensures that everyone in the content value chain benefits.

- Content creator's efforts are secure, ensuring that they will receive the payment they deserve for their creative work.
- By expanding services and implementing new business models, network operators can deploy secure and low-cost 'thin-client' STBs within the home, secured by an SVP-enabled chip. They can also further extend their reach by delivering secured content to devices once considered to be external to their platforms.
- By making this chip widely available, CE vendors will be able to sell more devices to a wider range of consumers. They can enter the lucrative STB market with off-the-shelf retail boxes as network operators are freed from the proprietary-only distribution model. Content providers' rights are protected from end-to-end, and they benefit from more ways to package, sell, and distribute content.
- Best of all, consumers can access and enjoy high value content when and where they want. Consumers may not care about rights protection but they do care that they get what they want, when they want it, and that the system fits together and works without question or confusion.



SVP can do it all.

### The SVP Alliance

The SVP Alliance is a consortium of several companies, including STMicroelectronics, Thomson and Broadcom. The SVP Alliance is working to achieve broad adoption of SVP content protection technology in digital home networks. The SVP Alliance aims to make SVP a leading international standard for secure content protection by ensuring its broad adoption and proposing its specifications to relevant standards and other industry bodies.

You can make a difference by joining the SVP Alliance.

### NDS and SVP

One of the companies within that alliance is NDS. NDS has been at the forefront of content protection technology since the early days of the pay-TV industry and is now the recognized market leader in conditional access solutions, serving more than 48 million set-top boxes worldwide with its NDS VideoGuard® conditional access. VideoGuard conditional access is used by more than 37 digital TV platforms around the world including DIRECTV, BSKyB, RCN, Cablevision, VOO, FOXTEL, Sky Italia, and CCTV to protect more than \$20 billion of service revenues.

NDS has also extended its capabilities to include the secure delivery of pay-TV content across IP Broadband networks, as well as to mobile phones. Today, NDS is extending its capabilities again in addressing the need for content protection within and beyond the digital home.

NDS recognizes that content protection is an industry issue that must be enforced by the industry itself. NDS has successfully protected content for more than 15 years and views this next challenge as critical to the survival of the digital TV business.

NDS is committed to the establishment of the SVP Alliance, and is asking the industry to join the alliance and embrace the standard.

#### To find out more about SVP, please contact:

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#### Or visit the SVP website at:

www.svpla.com



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G-cluster Games:  
Chromium B.S.U

SeaChange



CHROMIUM  
B.S.U.

Watch  
Go Back

Rating: G Price: No Charge

Destroy the Alien space ships before they get past you! But watch out for those space mines they'll wear your shields down quickly leaving you exposed to an attack!

Format: 5.1 Audio  
Available Until: 12/31/2004  
Running Time: 0hr:30min

Gaming applications, such as this offering from SeaChange, are seen as a huge opportunity on the on-demand platform.

Universal properties like NBC, USA and Bravo, is crucial to bringing new viewers to the on-demand platform.

"I think the most successful programs, the franchise series like the 'Sopranos,' 'Law and Order,' 'Vegas,' 'Queer Eye,' and 'Monk,' they can bring a strong awareness of on demand," says Perrette. "They have an existing audience that's familiar with the brand and the title, and in terms of the initial phase of building out a VOD service, it's helpful to have those brands."

Perrette says the challenge of the VOD rollout today is that

24seven  
gamer  
247G

"24seven gamer" is Mag Rack's #2 most watched program. Mag Rack plans to double its gaming content.

previously and will hurt the value of downstream windows. The VOD platform is terrific and provides an access point for consumers, but it decreases the value of our downstream windows."

"We're also putting stuff on the platform today that could risk the advertising revenue sold on the linear service as viewers ultimately start watching content on the VOD platform," he adds. "So we're taking all the risk, and we want to know how we're getting paid."

For programmers like NBC Universal, the true cost of putting content on the VOD platform is that it can't be monetized today, says Perrette. "It costs us ad sales dollars, and then there is the whole technical risk and cost of getting the platform up and running," he says. "So we need to be compensated."

Once those thorny ratings issues have been worked out and programmers have drawn viewers to the on-demand service with established shows, says Perrette, then they can take full advantage of the VOD platform's ability to deliver tailored and unique niche programming. He cites Anime Network, an on-demand network featuring a Japanese style of animation known as anime, as one successful example of such niche content.

ing services that attempted to emulate their look and feel.

"They were all good, but the ones that we think really defined the Web were the ones developed for its unique capabilities and unique logic," he says. "In our view what separates Ebay, Amazon and Mapquest from everything else dot-com is that they were made for the Web. What VOD should do early in its development is have programmers making things for the particular way people are using on demand."

Sapan says that programmers should try to create "VOD hits" through content exclusive to the on-demand platform that hooks viewers on the new service.

"For example, on Mag Rack we have developed 'Everyday Low-Carb Gourmet,'" says Sapan. "That's not anywhere on television today, and for people using it as a diet guide, that can be incredibly vital. You can also look at 'Let's Dance'—people are uncomfortable with dancing, and they want to learn privately before they go out. We've already had that experience with 'Guitar Xpress,' people go to it like crazy... People don't often talk about the amazing things available on demand, but they should. We're focused on making that occur."

Jean-Briac Perrette, senior vice president of new media for NBC Universal Cable, has a different view on what type of content will drive VOD adoption. Perrette believes that repurposing popular content, including shows from NBC

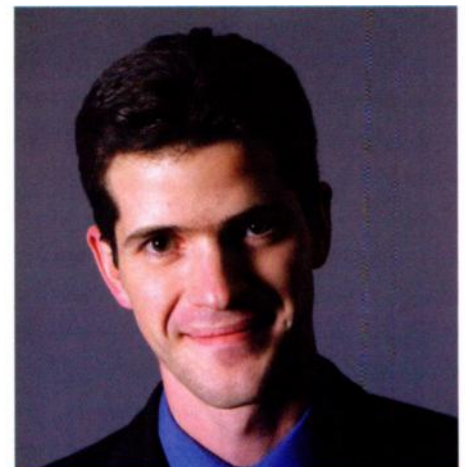
content with mass appeal, such as network programming, is still not on the service. "Part of attracting the biggest audience for on demand is getting the broadest network content and some of the franchise cable shows," he says. "Repurposing has a huge benefit to the VOD business, to bring awareness and to bring a mass audience to on demand, to say this is now available on the new platform."

"We're raising an entire generation that is consuming on-demand."

— Joseph Ambeault, SeaChange

NBC Universal is experimenting with providing "free-on-demand" content to Comcast, including NBC network programming and some local news, that viewers can watch with DVR-like functionality. But Perrette says that NBC Universal is "purely on a test basis with Comcast" and that going forward it will be seeking some form of compensation for content, particularly for cable networks like Bravo and Sci-Fi and movies from Universal Studios' library.

"It gets to an economics discussion prior to the service being rated," says Perrette. "As a programmer you're facing two dilemmas. The VOD window is truly that, a new window, and there is content getting put on a platform that didn't exist



Director of Broadband Systems for SeaChange, Joseph Ambeault



What's going to

**MAKE VOD A SUCCESS  
ON YOUR SYSTEM?**





NBC Universal is cross-promoting movies like "Chronicles of Riddick" with associated video games on Comcast's G4 on-demand network, including adding movie footage within the game.

"Clearly there is an opportunity to develop new content for underserved markets, whether it be ethnic programming or new genre-based programming," he says. "Mag Rack has done a good job of getting out with new product in that genre. We'll have some as well."

Joseph Ambeault, director of broadband systems for VOD vendor SeaChange, says the correct mix for on-demand programming is "a lot and varied," with a focus on individualized services and a choice of free-on-demand, SVOD and premium movies.

"The right mix is a breadth of content and they all sort of help each other out," says Ambeault. "A couple of our customers who launched free-on-demand saw a lift in their premium services from the cross-promotional benefit."

He notes that children easily adapt to on-demand services, citing research that VOD households with children consume 18 on-demand sessions per month compared to three sessions per month for households without children.

"We're raising an entire generation that is consuming on-demand," says Ambeault.

VOD can be a great way for linear networks to acquire audiences for episodic television, adds Ambeault, particularly for shows like "24" or "Alias" with complicated plot lines that make it difficult to start watching a show in mid-season.

"VOD is a great way to catch people up," he says. "That's another reason to do free-

on-demand."

Ken Papagan, Executive VP of VOD measurement and reporting firm Rentrak Corporation, notes that on-demand offers true narrowcasting if not "microcasting" opportunities where very specific content can be directly targeted to the specific needs of particular consumers. Providing such content could also represent an enhanced source of advertising revenue, he says.

"On demand could be a golden opportunity for advertisers," says Papagan. "The example I like to use is

'Yachting' magazine or 'Popular Photography'; if you removed the advertising I do not know if the remaining editorial would satisfy the magazines' audiences. This capacity could show great promise for advertisers looking to acquire and follow new customers."

A new content area for on-demand that both operators and programmers are exploring is providing Games On Demand. Games appeal to the "early adopters" most likely to try VOD, and they also offer tremendous potential for advertisers to tie in with movie openings or product introductions.

"It's a big opportunity," says NBC Universal's Perrette. "We have explored a series of cross-promotional ideas, the latest one includes featuring 'making of game' footage in the film release. With



Ken Papagan, Executive VP of Rentrak Corporation

things like "Van Helsing" and "Chronicles of Riddick," we're releasing parts of movies as a bonus package that's tied to related footage and tied to a gaming opportunity on [Comcast's] G4. We're doing that with G4 to cross-promote our titles and the gaming possibilities."

**"As the VOD product evolves to a broader audience through more network shows and more cable shows, we're seeing the audience expand to take more of the traditional network and cable demo, with a broader mix of men and women and a wider age range."**

— Jean-Briac Perrette,  
NBC Universal Cable

"24seven gamer" is Mag Rack's #2 most watched program, says Rainbow's Sapan. Given the program's success, Mag Rack plans to double its monthly programming geared toward console and computer gaming fans.

Stuart Lipson, VP of Content Solutions for SeaChange, agrees that on-demand gaming represents a "huge market."

"Our system provides for the provisioning of DVD games that are presented to the consumer as a VOD stream, and allow for the playing of games without a disk or a player," says Lipson, who adds that operators are very interested in its development.

As programmers look to expand their VOD offerings, they also want to learn more about the current demographics of the on-demand audience and how they may change with new content offerings.

NBC Universal's Perrette says the initial demographics for transactional VOD were typical



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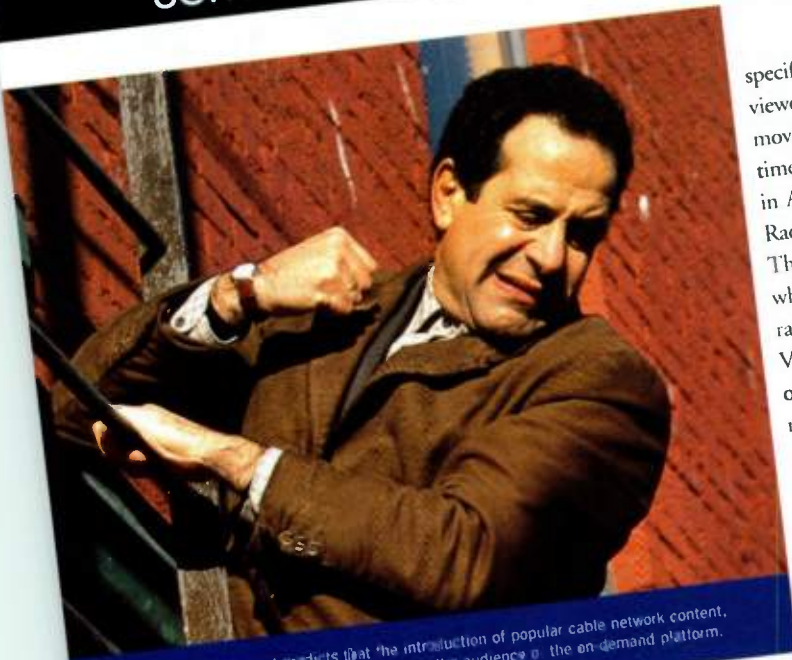


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NBC Universal predicts that the introduction of popular cable network content, such as USA's "Menk," will broaden the audience of the on-demand platform.

"early adopters": predominantly males in the 18 to 34 age group. Those demographics were attributable both to the technical challenge of VOD, says Perrette, and also to early on-demand content: movies, sporting events and adult fare that skewed more to a younger male demographic.

"Now that the content is no longer limited to that, we're seeing it expand to a broader demo," says Perrette. "As the VOD product evolves to a broader audience through more network shows and more cable shows, we're seeing the audience expand to take more of the traditional network and cable demo, with a broader mix of men and women and a wider age range."

Mag Rack's current 40-hour model is heavily based on consumer research and VOD usage analysis in its affiliated systems, says Gregg Hill, Executive VP of Affiliate Sales & Marketing for Rainbow Networks Sales. Hill says that a comparison of Mag Rack users to the national average shows that its demographic matches digital cable customers: an even male/female ratio; younger; and more upscale.

Mag Rack recently completed a customer survey with Magid Research to better identify the network's appeal to cable operators and other content partners, by conducting a telephone survey among digital customers in a cross-section of three MSO affiliates. The findings were that 66% of Mag Rack viewers buy on-demand movies, compared to only 35% of non-viewers; in a

specific example, Mag Rack viewers bought the on-demand movie, "School of Rock," 1.4 times more than non-viewers in April and May during Mag Rack's movie tie-in promotion. The Magid research also shows what free VOD complements rather than competes with VOD-buying periods, as 80% of Mag Rack usage is during non-primetime.

"The demographic changes as VOD penetration and usage changes," notes Hill. "It's become broader, and we're already moving away from the early adopters."

Rentrak's Papagan says that while some may think that on demand skews younger because it is a "new media" platform attractive to early adopters, there probably is no "core" demographic for on demand.

"Rather, it is more correlative to the quality of the content and how easily that same content can be accessed elsewhere," says Papagan. "A proper mix of movies, compelling network content and ad-supported content will enable the economics. But the demographics are more likely to be set by the content. If there are measurement tools in place operators and programmers will be able to determine the proper refreshment rates required to retain and attract new subscribers to on demand."

As VOD is deployed more broadly, there has been a great deal of speculation on how adjusting "windows" for premium content such as movies may help drive more on-demand transactions. Perrette of NBC Universal says that making VOD windows more competitive is a "potential game changer," but that it has to be done in a way that won't cannibalize studios' lucrative home video business of DVD and VHS releases.

"There is a hope that it would drive greater interest in on-demand platforms when rather than going to a Blockbuster Video store you just click on your TV," he says. "To have the VOD release the same day as a home video release of a movie would be a huge breakthrough, but we're not there yet....It's absolutely something we'll be

exploring, but the biggest issue is doing it in a way that's sensitive to the fact that VOD is still a small business as it relates to the home video business. We would like to partner with operators to find ways to test it, and we hope the result is truly incremental to them and incremental to us as a studio. But we need to do it in a smart, sensitive way."

Rainbow's Sapan says that modifying VOD windows represents a "very fertile area." He says that IFC has already experimented with altering windows for the movies it produces and releases.

"We have experimented with moving windows up, and it can be very meaningful along with increased server capacity," says Sapan. "As people are becoming more familiar with notable original programming, this is an area that will emerge with some importance."

Cathy Hetzel, SVP of Rentrak's OnDemand Essentials business, notes that the initial concept behind VOD was that it was destined to be a replacement for pay-per-view, and primarily based on movies. While the content mix has obviously changed somewhat, Hetzel says "big movies will generate higher take rates and the closer they are offered to the home video window the greater the take could be without cannibalizing sell-through or rental."

Hetzel adds that on demand offers unique opportunities for "sleeper" and catalog films that otherwise might find difficulty getting shelf space. "Moreover, one should not rule out branded, non-feature content which can be highly targeted, provided there is accurate usage measurement available on a daily basis to affect program marketing and to enable switching out content that is not finding an audience," she says.

SeaChange's Lipson thinks programmers and operators should enhance premium VOD movies by giving them the same user interface and extra features as DVD titles, a capability that SeaChange is already supporting on its VOD platform.

"With on demand films today, you still have a VHS experience versus a DVD experience, and that is a disadvantage when I can go to Blockbuster or Netflix to rent a DVD and experience all that extra stuff," says Lipson. "To the extent the process can be upgraded, that can only help operators."



# VOD AND DVRS A DELICATE BALANCE

OPERATORS LOOK TO MATCH SATELLITE WHILE DIFFERENTIATING WITH VOD



Scientific-Atlanta believes that DVR usage actually encourages the use of VOD services.

In addition to offering various on-demand services from headend servers, cable operators are also deploying an increasing number of set-top boxes equipped with digital video recorder (DVR) technology that gives viewers the ability to timeshift content and pause, rewind or fast forward during a live program.

**"The technology that underlies DVR is more than just an enabler of one service; it is a platform for the future on which operators can build an overall entertainment experience."**

— Dave Davies, Scientific-Atlanta

Most operators who are leasing DVR-equipped set-tops to subscribers are motivated by a competitive desire to match the DVR [also known as personal video recorder or PVR] offerings from their satellite competitors, though

some industry players predict that DVRs will evolve in the future into home servers that MSOs will intentionally push content to and that subscribers will use to store non-video content.

"At Scientific-Atlanta, we believe that network-based on-demand services such as VOD and SVOD and locally-based on-demand services through DVR are complementary," says Dave Davies, VP of strategy and product marketing, Scientific-Atlanta. "Consumers see both services as enabling them to watch what they want when they want, whether the content is distributed via commercial broadcast channels or not. Additionally, research indicates that DVR actually encourages the use of VOD and other network-based on demand services."

Davies points to a 2004 Lyra Research study that found that DVR users watched over 30% more free VOD programs and nearly 60% more paid VOD programs than non-DVR users. In that vein, he believes the best business case for Television On Demand is with a full range of network- and locally-based on demand services.

"For Scientific-Atlanta, the technology that underlies DVR is more than just an enabler of one service; it is a platform for the future on which operators can build an overall entertainment experience," says Davies.

Scientific-Atlanta already offers set-tops that can deliver HDTV and multi-room services that extend DVR functionality throughout the home. The company is also developing a next-generation DVR with built-in DVD recording capability, which it envisions being used in a "Cable Anywhere" service that would let people

take the cable programming they love with them wherever they go.

"There are a variety of possible business models for such a service," says Davies. "Operators could offer the opportunity to own a DVD recording of any program for a fee. Likewise, the VOD paradigm could be greatly expanded by following any VOD stream with the opportunity to own the program for a small surcharge."

Scientific-Atlanta predicts that set-top storage will open the door for operators to offer a personalized TV environment in which subscribers customize their TV environment, much as they do with their computer desktops. The hard drive in the set-top could enable storage of all kinds of content in addition to cable video programming, as subscribers could "lease" a section of the hard drive to store home videos, family photos, MP3s and games that could be played against other people in the home – or other subscribers in the cable system.

"Ultimately, the set-top hard drive could house all this, as well as other downloadable applications and programs that have yet to be imagined," says Davies. "In this way, the cable



VP of Strategy and Product Marketing for Scientific-Atlanta, Dave Davies



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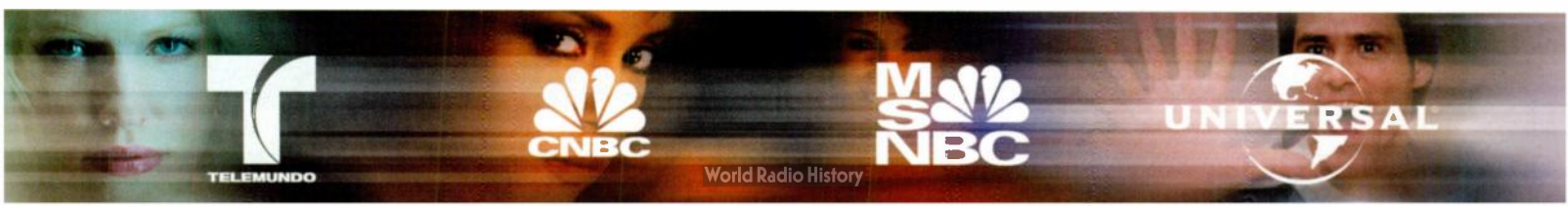




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Network-based DVR systems that rely on headend video servers, such as this Concurrent system, are helping cable operators provide timeshifted "free-on-demand" content.

operator enables the family room TV – or every TV – to become a complete, integrated entertainment center for the household.”

Jean-Briac Perrette, senior vice president of new media, NBC Universal Cable, admits it is

**“DVRs do a great job if you plan for it, but they do a lousy job on Friday morning of going and getting Thursday night’s content.”**

— Steve Necessary, Concurrent

hard for a programmer to like DVRs when one considers the threat they represent to traditional network advertising sales and the 30-second spot.

“I clearly hate the concept,” says Perrette. “That said, I’m fully cognizant of the fact that the technology is here and viewers like it. So I’m clearly not going to be blind to the advent of technology. What we need to do for both DVRs and the VOD platform is to find ways to get services rated. We need to ensure that we transition in a smart way and don’t cannibalize our existing revenue stream by bringing content to market. Ratings is a big issue.”

Looking at DVR and VOD from a technology perspective, Perrette thinks that VOD has a short-

term edge because of its much greater storage capacity, one that he hopes programmers can take advantage of.

“It’s fascinating in that they are two technologies that while they are very similar, are still very different,” says Perrette, “On demand has an opportunity, a short-term technology lead in the sense that server capacity and the amount of content that can be rolled out compared to the amount of content saved on a DVR box is much greater. Comcast is talking about 10,000 hours of content, while the average DVR box will store 80 hours.

That will change and we will soon have a much larger housing capability on the DVR box, which will minimize the short-term technical advantage that VOD has. The bigger issue is you have the opportunity in VOD to make this richer platform that provides more original content, and is organized in a way that’s easier for the user to access.”

Steve Necessary, president of VOD for Concurrent Computer Corporation, thinks that VOD and DVR are “an overwhelming complement” to one another and are only minimally competitive. Necessary says that since DBS operators have DVRs, cable operators also have to provide them to maintain competitive parity. But cable’s advantage is that it has VOD as a differentiator on top of DVRs.

“Both have the capability to move viewers away from the appointment TV, linear viewing model to an on demand model,” says Necessary. “You either pull it off the headend server or off the hard disk, and one feeds the other. Our kids or grandkids are going to wonder, ‘What do you mean had to watch ‘ER’ at 10 o’clock on Thursday night?’”

DVRs do a terrific job of allowing consumers to proactively build their own customized programming library, says Necessary. Their main drawback, however, is

that despite some intuitive software they still require viewers to be proactive.

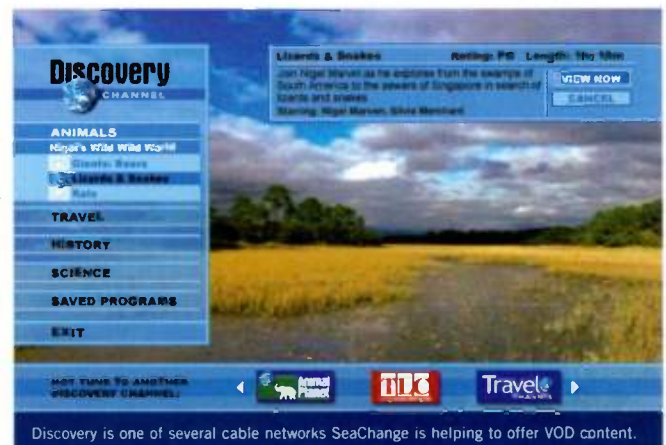
“DVRs do a great job if you plan for it, but they do a lousy job on Friday morning of going and getting Thursday night’s content,” says Necessary. “The network DVR does a terrific job of that. Obviously, you have to work through the rights issues, but the network DVR can do a great job of ‘after the fact’ content aggregation for consumers.”

Necessary adds that DVRs are attractive from an ROI perspective, as they generate ten dollars per month of leasing revenue. While the initial cost for a DVR-equipped set-top is higher, the monthly lease fees still add up to a “pretty good return,” he says. In comparison, the ROI for VOD has more variables, depending on the quality and variety of content an operator is offering.

“Of course, to the extent you can quantify reduced digital churn or reduced overall subscriber churn that you can attribute to VOD, then that swings the economics significantly,” notes Necessary.

While some operators and vendors have mulled the idea of using DVRs as a sort of “edge server” that they could push content to, much as DBS operators do, Concurrent’s experience with customers such as Comcast, Time Warner Cable, Cox, Charter and Mediacom suggests that this is inefficient, he adds.

“You could do it, absolutely, but why would you?” says Necessary. “The overwhelming majority of set-tops in digital homes don’t have hard drives in them, and you have got to have a solution for the rest of the homes. You have to look at, ‘What are my tradeoffs? How hard is it for me to allocate a little bit of spectrum per node for on-demand purposes?’ It might shift your peaks a lit-





tle, but that hasn't been a real problem."

"From my perspective, it doesn't really tax the infrastructure much to do [SVOD and VOD], and it adds so much to the complexity and cost if you had to rely on a box to do that," says Necessary. "Notwithstanding the early challenges that HBO On Demand had, we haven't seen those problems for literally years. So I think the question it falls into is just because you can do something doesn't mean you necessarily should."

Ken Papagan, Executive VP of VOD measurement and reporting firm Rentrak Corporation, agrees that VOD and DVR technologies can only benefit each other.

**"When operators have DVRs deployed, there is a much lower churn rate. There is a lot of loyalty there."**

— Joseph Ambeault, SeaChange

"DVRs and VOD are actually quite compatible and can be effectively used to promote each other," says Papagan. "For example, the limitless amount of content that could be streamed on demand can compensate for the very limited storage capability of a DVR. Additionally, the advantage of a DVR strategy to complement on demand is that certain programming rights may not be available for on demand or the economics may not be suitable. Therefore, the ability to time shift those programs easily can be greatly facilitated by a DVR."

SeaChange is another big fan of DVR technology, says Joseph Ambeault, director of broadband systems for the VOD vendor.

"DVRs acclimate consumers to also using on demand," he says. "They are similar technologies, and they all have benefits. One of the biggest limitations on VOD is content licensing, as it becomes a public display, and DVRs help address that."

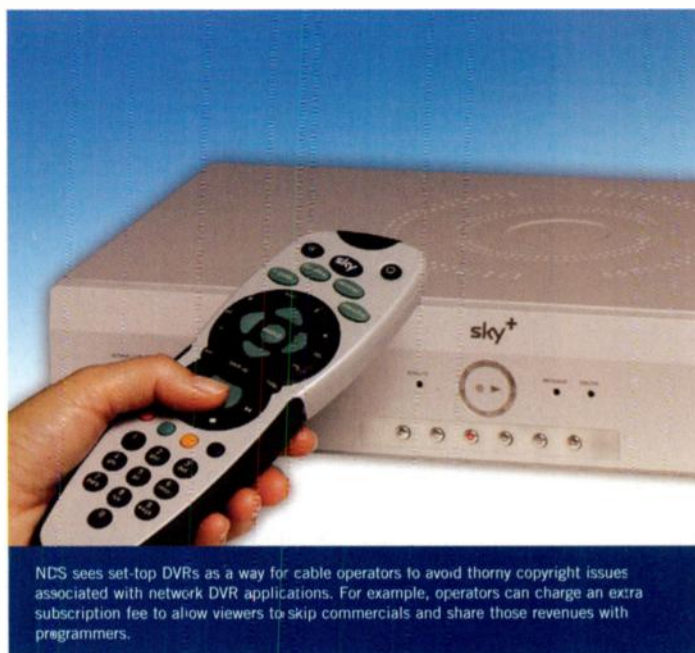
"When operators have DVRs deployed, there is a much lower churn rate," adds Ambeault. "There is a lot of loyalty there. The cable DVR technology is the same as satellite but these subscribers also have VOD. You want to look at

VOD as more of an impulse kind of thing. A differentiation between the products from a programming standpoint as opposed to technology is the way to go, particularly if VOD content is exclusive."

Edmond Shapiro, director of project delivery, Americas for middleware vendor NDS, also notes that content licensing issues are a big driver behind DVRs and says the major reason for cable operators to offer DVRs is commercial, not technical. He points to the failure of Maestro, an ambitious network-based DVR service that had trouble getting programming agreements from operators because of copyright issues.

"The commercial issue is this: there is the ability for the consumer to record broadcast content, as result of the Betamax ruling on fair use," says Shapiro. "The PVR is considered legally as a replacement for the VCR, so the consumer who records content onto disk is functionally taking advantage of a legal precedent. The cable operator doesn't have to pay an additional fee to broadcasters, and that's understood. What's not so clear is that the same theories apply to headend storage, where the cable operator is storing information from the broadcast signal and sharing with the consumer over a network."

Another reason to have DVRs, says Shapiro, is that even with a very robust on demand service, such as one with 10,000 hours of content, there



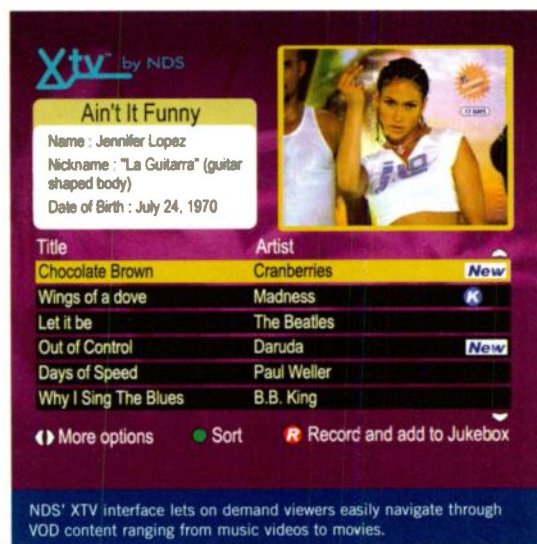
NCS sees set-top DVRs as a way for cable operators to avoid thorny copyright issues associated with network DVR applications. For example, operators can charge an extra subscription fee to allow viewers to skip commercials and share those revenues with programmers.

will still be viewers who are looking for different niche content. The DVR gives them the ability to record that content themselves, he notes.

"You could have 500,000 hours of content and be taking 10,000 hours of that and putting it on an on demand server," says Shapiro. "What if you are in the group of consumers whose favorite programming doesn't get into that 10,000 hours? Will you move over to satellite to get that? That's why it's very clear that DVR is a defensive play for operators—they aren't going to lose the guys who are not interested in those 10,000 hours."

Josh Sapan, President and CEO of cable programmer Rainbow Media Holdings LLC, says that in his experience, households who have DVRs before VOD "habituate much more slowly to VOD because they essentially create their own on demand experience through the DVR." As such, he says, the growth of DVR technology should give programmers even greater impetus to create original, exclusive content for the VOD platform that can't be found anywhere else, something Rainbow is doing with its Mag Rack and Sportskool services.

"If over time DVRs proliferate significantly, and I think they will, just as VOD will, then the importance of original programming for on demand increases dramatically," he says.



NDS' XTV interface lets on demand viewers easily navigate through VOD content ranging from music videos to movies.





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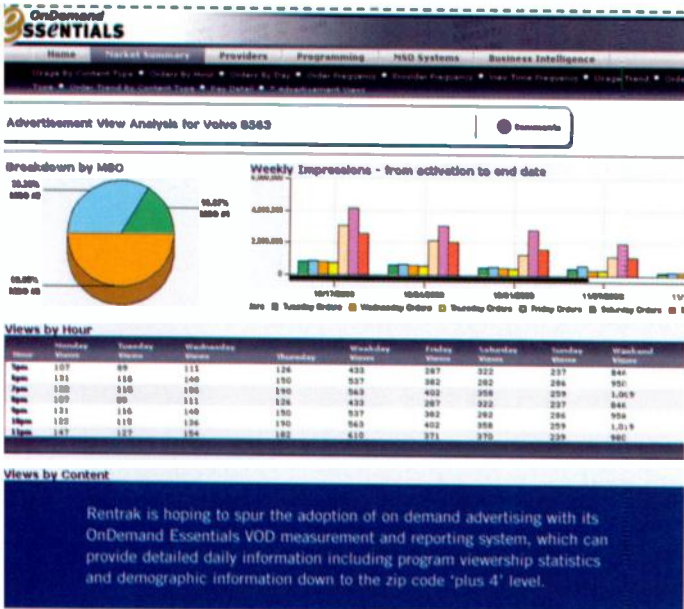
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# ON DEMAND ADVERTISING SEIZING ITS POTENTIAL

OPERATORS, PROGRAMMERS SEEK TO GROW REVENUE IN AN EVOLVING TV ENVIRONMENT



target customers, and we'll be able to get much more feedback on who's watching and buying."

NBC Universal's advertising group is currently discussing the possibilities of on demand as well as other new platforms such as HDTV. The challenge of VOD, says Perrette, is getting advertisers the necessary rating information.

"Advertisers are chomping at the bit to find new ways to touch consumers, more creative ways," says Perrette. "But they clearly all want data. Right now, one of the big things we lack is the ability to properly give them

need will benefit operators in two ways. First, it will allow them to make on demand programming better and ensure it is "the completely different product" from satellite offerings that cable wants on demand to be. Advertising will also allow operators to generate a new revenue stream for the on demand platform that will help reduce their programming costs.

"Advertising is a huge way to soften and amortize the cost of programming," says Perrette.

Cathy Hetzel, Senior VP of On Demand Essentials for VOD measurement firm Rentrak Corporation, says her company's data reporting services are ready to help operators and programmers take advantage of on demand advertising.

"VOD offers a much more targeted approach to advertising," Hetzel notes. "Because consumers select specific programs, the ads can be targeted much more closely to the same target for which the program was created. Rentrak's OnDemand Essentials provides daily access to program viewership statistics and can provide demographic information to zip code 'plus 4.' As the industry's ability to switch out advertising increases, networks and cable operators will be able to quickly assess and adjust advertising based

Television On Demand obviously has the potential to grow subscription and transactional revenues for cable operators while reducing digital churn. It also represents a fresh venue for programmers to market their content.

But the growing acceptance of the on-demand platform represents a significant shift in traditional viewing patterns, one that threatens the proven model of linear TV networks, rated appointment viewing and the advertising sales based on them. Despite this challenge, programmers and operators are hopeful they can harness the power of on demand to deliver more targeted and effective advertising and not only maintain, but grow, their advertising revenues.

"It does provide an opportunity for much more targeted advertising, and much more creative advertising in many ways," says Jean-Briac Perrette, senior vice president of new media for NBC Universal Cable. "As we get away from the 30-second spot, we're going to be seeing more sponsorship-driven programming and long form commercials. That will provide new avenues to

the information they want on how the service rates and who's watching. Clearly there is an opportunity with on demand advertising. The one thing missing as a business is data. So we need to have a better relationship with operators and third-party ratings firms, whether it's Rentrak, Nielsen or whomever."

Perrette says that cable operators are sensitive to programmers' concerns and are trying to push third-party ratings for on demand, but he thinks the earliest they will be available is another 12 to 18 months down the road. He notes that operators are already in a strong position to take advantage of on demand to sell their own local avails.

"They're in the best position possible," he says. "They have the data, they have the ad sales team already, and they can go out and package the data they have and use it for a local ad sales initiative. We're left out of that a bit, but we're confident we can work together to find the right partnership."

In the end, says Perrette, providing programmers and advertisers with the ratings data they



Cathy Hetzel, SVP of OnDemand Essentials, Rentrak



on transactional statistics, not just sampling.”

For example, OnDemand Essentials includes a “Title Follow-up” report that tracks a movie or program promotion and shows how many set-top boxes watched the promo and then watched the program. The timing can be set from 15 minutes to 7 days, and the system draws a histogram that compares unique set-top boxes watching each piece of content.

Hetzel acknowledges there are still issues to be worked out between the networks and operators regarding who sells what real estate in on demand.

“In the end both entities have to make money for the category to be viable and I believe that will entail a combination of paid content plus advertising revenue splits, similar to the way it works in linear cable TV,” she says.

**“As the industry’s ability to switch out advertising increases, networks and cable operators will be able to quickly assess and adjust advertising based on transactional statistics, not just sampling.”**

— Cathy Hetzel, Rentrak Corporation

Hetzel says the technology is here today for operators to receive daily data, as Rentrak’s OnDemand reporting system provides a web-based system that may be accessed 24x7 and gives the operator the ability to see the data in hundreds of report formats created on the fly.

“I think there is a misunderstanding in the marketplace about the operators’ unwillingness to share information,” says Hetzel. “To be fair, prior to OnDemand Essentials, the process of collecting and manually reporting data has been a challenge. In my conversations with operators it is more about managing the process effectively than about holding back information.”

It is very important for advertisers and operators to agree on what metrics are appropriate for on demand, such as information about program viewing, while the on demand category is still an

early stage platform for advertisers, says Hetzel.

“I think everyone understands and agrees that we can get very specific about ‘who watches what’ but we have to be careful about when we release that information,” she adds.

Steve Necessary, president of VOD for Concurrent Computer Corporation, agrees that the challenge of managing reams of on demand data has been a bigger stumbling block for VOID measurement than operators’ relationship with programmers.

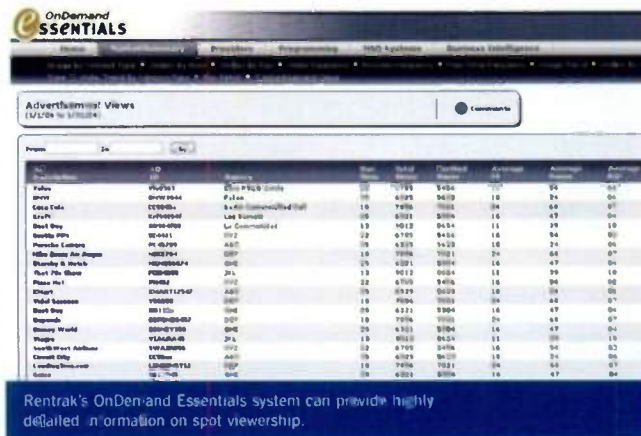
“From my perspective, it has more to do with wading through and distilling down the dramatically large amounts of data that can be generated,” says Necessary. “The good news is that in a two-way environment, you can generate actual event logs, and you can capture consumer behavior. You can know that 12 minutes and 40 seconds into the product offering, the viewer paused or rewound. And that sort of information can be correlated to on demand advertising.”

“The challenge is, my gosh, it’s a lot of data,” Necessary continues. “To correlate that, and distill it down so that you know that out of 4700 people that watched this content, 40 percent watched it with all the ads, and 27 percent of the people fast-forwarded through the ads, that’s a pretty significant amount of backend database work and database correlation that needs to be done. So the technical challenge is in the database management that’s associated with it.”

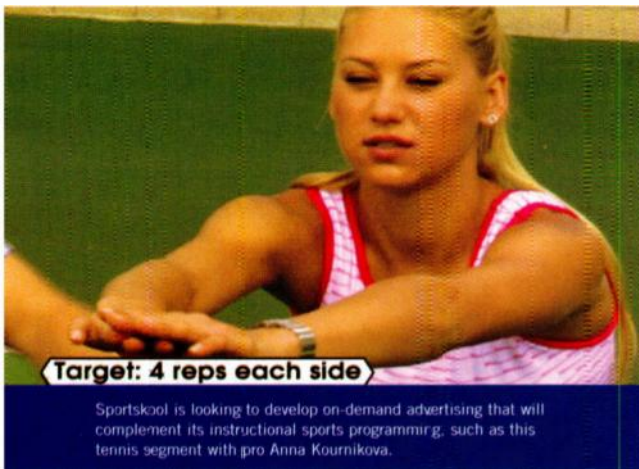
Concurrent has developed a product called



Steve Necessary, President of VOD, Concurrent







competitive pressures will spur programmers to make content available, even if all the advertising issues are not yet ironed out with operators.

"If you're not going to connect with viewers in on demand, then your competitor will," says Ambeault. "The best example is Anime Network. Through on demand, they went from a tradeshow booth to twenty million homes in two years. Programmers need to look at VOD as another channel, and a lot of people are not going to turn it down. A lot of folks are going to look at it as an incremental opportunity... You have to look at the totality of the opportunity: How much is this going to be worth to my organization five years from now?"

Stuart Lipson, VP of Content Solutions for SeaChange, says that when it comes to on demand advertising, programmers need to view on demand as less of a technology platform and more of a programming platform. And he says that content providers should be thinking of ways to cross-promote programming between their linear networks and VOD.

"The question is how much inventory on the linear network do you devote to marketing and promotion to drive viewers to the on demand platform?" says Lipson.

Programmers can also take the opposite tack by using the on-demand platform to promote appointment viewing on their linear networks, says Lipson. For example, if a reality show like the "Apprentice" was in free-on-demand, NBC could not only include long-form promos for the next show but could also create extra promotional features, such as producing two-minute interviews with the contestants that are designed for the free VOD platform.

"That content would not be repurposed or rereleased, and actually would have real value," says Lipson. "By looking at viewing data, you could also find out what contestants people are going for, and that could inform what you are producing in the free VOD category in the next week."

Dan Ronayne, Senior Vice President and General Manager for Mag Rack, Rainbow Media's on demand service, says that on demand advertising is a big focus for both Mag Rack and

Sportskool, Rainbow's instructional sports network, in 2005. But it won't be pursued at the expense of the unique specialist programming found on the two services.

"It's something we want to figure out in the next year, how to include advertising and sponsorship in both Mag Rack and Sportskool in the future," says Ronayne. "We have talked to advertising agencies and operators about how we would go about doing it. But the entertainment and editorial [value] of our programming is sacrosanct. You can't approach it with the advertising model of conventional television. People come to VOD to get away from that."

**"If you're not going to connect with viewers in on demand, then your competitor will."**

— Joseph Ambeault, SeaChange

So Mag Rack, which specializes in serving different affinity groups such as bird watchers or guitarists, is looking for a close relationship between the programming and the advertising itself. But it won't be showing infomercials.

"If you look at specialty publications such as 'Sound & Vision' or 'Car & Driver,' the ads work because they don't interrupt the editorial flow for the customer," says Ronayne. "That same kind of approach needs to be brought to Mag Rack and other VOD programmers. We're looking at things that run the gamut, from program entitlement and sponsorship, such as 'Brought to you by...,'

to billboards and graphics in the programming. The goal is to incorporate advertising more organically into the programming itself. But it would not be done in a way that would change the editorial integrity at all."

For example, a Sportskool program on improving one's golf swing could be followed by the humorous American Express commercial in which Tiger Woods reprises Bill Murray's role in 'Caddyshack.'

"That was a great advertisement, and as a golfer I loved it," says Ronayne. "I could see at the end of a golf lesson that would be an example of an advertising treat; you wouldn't see it in the middle. That kind of advertising can work well because first, the advertisement is great, and it's on target with the product and the demographic."

Dave Davies, VP of strategy and product marketing for Scientific Atlanta, also thinks on demand television offers programmers and cable operators a unique opportunity to sell program sponsorship, badging and banner opportunities to advertisers. He also expects an increase in sophisticated product placement within programming.

"Research shows that DVR users exercise the instant replay feature during the Super Bowl to replay ads more than plays in the game," says Davies. "With that in mind, advertisers may choose to invest in more creative and engaging ads to be shown during a variety of events and shows."

According to Davies, the most significant opportunity for cable MSOs to have new, more lucrative relationships with advertisers stems from the fact that storage-based capabilities and services give them the ability to narrowly and directly target specific subscribers. As such, operators can provide opportunities for advertisements that also function as programming, such as the online BMW ads created by famous directors and featuring famous actors.

"After all, when time-slots are no longer an issue, the length of a show is irrelevant," says Davies. "Will people actively choose to watch a three minute ad with adrenaline-pumping action and/or emotion-tearing storylines? Will people get hooked on ads that tell a serialized story over time? Will people want to watch performances of their favorite actors or learn more about a product for which they've expressed interest? Don't be surprised if the answer is yes."



# Use Video To Sell More VOD

Only Concurrent offers unique technology and software marketing tools that enable cable operators to educate their consumers and promote VOD like never before.

Concurrent's latest marketing and branding software technology enables full motion video to be automatically scaled and streamed to the program guide barker window — through each layer of navigation. When operators use Concurrent's marketing tools, their subscribers will see content previews, instructional and promotional videos as well as advertisements, relevant to the choices they make while navigating. The scaled video can also be packaged with server-generated graphics, such as unique branded backgrounds. Combined with Concurrent's patent pending in-band streaming technology, these tools don't need separate dedicated broadcast channels, as required by out-of-band streaming.

The richer menu graphics and tiered video improve the subscriber VOD experience and enable operators and content providers to brand and market VOD and advertise within the program guide like never before.

To learn more about Concurrent VOD marketing tools, please visit [www.ccur.com/vodmarketing](http://www.ccur.com/vodmarketing)

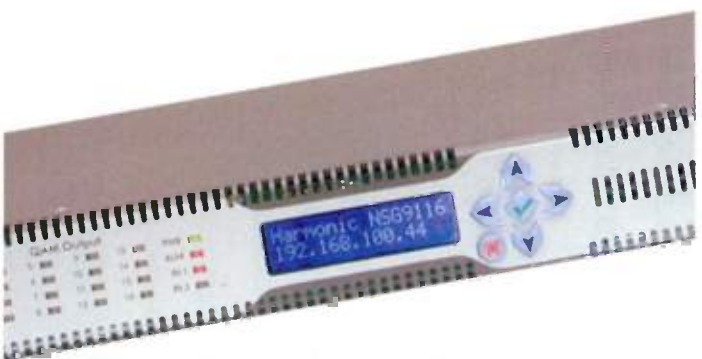
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# ON DEMAND TECHNOLOGY GROWS UP

## CURRENT VOD SYSTEMS ARE FUNCTIONING WELL, BUT INTEROPERABILITY REMAINS A CHALLENGE



Harmonic invests a lot of time in the lab making sure its edge QAM devices and encoders integrate with as many VOD systems as possible. While falling storage costs and the proliferation of Gigabit Ethernet networking have made it easier for operators to scale up VOD systems, there are still challenges in integrating devices from multiple vendors as opposed to working in a closed system.

Deploying a successful Television On Demand service presents cable operators with myriad technical challenges, ranging from providing adequate content storage, management and streaming to building growth potential into their plant. Navigational interfaces for viewers are also a big decision, as their ease of use can make or break a subscribers' initial on demand experience.

Despite these complexities, technology vendors say most MSOs are well-positioned with their current VOD deployments, as they have been able to take advantage of falling storage costs and commodity networking technology like Gigabit Ethernet (GigE).

"I think that for the scale of what you have today for VOD, it's a very robust platform," says Nimrod Ben-Natan, senior director of cable solutions for Harmonic. "If you have what you need and you like it, there's no reason to change. I wouldn't say that there weren't technical issues with VOD in the past, but most of them were addressed. Going forward the industry wants to

do more, and new technical challenges and issues are becoming relevant. We are working on some of them."

Ben-Natan says that integrating VOD technologies from different vendors into one system remains a challenge, though with Harmonic's experience it has gotten easier.

"There are two big pieces," he says. "One is integrating VOD applications into the set-top, which is beyond our technology in the VOD chain. We have spent a lot of time at VOD vendors working with set-top vendors and EPG guys on that. The other piece is more straightforward. We have invested time with VOD vendors to make integrations [with Harmonic encoders and edge devices]. In the past I have spent a lot of time in cable systems to do integrations, but not anymore. The technology is much more mature."

Opening up the VOD interface to multiple vendors is still a challenge, says Ben-Natan. "A closed system is easier to integrate, as there are much less vendors involved with that. Companies like [VOD software vendor] N2 Broadband have spent a lot of money at the lab to integrate with different systems, and they are proud of that. But anytime there is a release of new software they have to verify that it integrates with all VOD components."

Ben-Natan recently attended a CableLabs meeting on VOD integration issues. While CableLabs will be certifying VOD products as being open, he says, it was clear that when it comes to deploying technology in a system, if there is an integration issue it is not CableLabs'

responsibility, but a vendor-specific responsibility.

"That's why at Harmonic we have all the VOD servers, set-tops and edge QAMs being tested in the lab in all combinations," says Ben-Natan.

**"I think that for the scale of what you have today for VOD, it's a very robust platform,"**

— Nimrod Ben-Natan, Harmonic

He notes that if an operator chooses a closed VOD system from primarily one vendor, then integration issues remain at a minimum. But if an operator wants to use "best of breed" components from different vendors, or scale up an existing VOD system to offer new services like network DVR capabilities, then there will be integration challenges.

"Theoretically if I have an open architecture, then without changing the architecture, by communicating with a different device I can enable a



Nimrod Ben-Natan, Senior Director of Cable Solutions, Harmonic



OnDemand Essentials is Rentrak Corporation's web-based real-time reporting system that electronically captures massive amounts of aggregated anonymous transaction viewing data from video servers. As an independent third party, OnDemand Essentials provides cable companies, content providers and advertisers a daily view of information needed to review, analyze and adjust programming, marketing and promotional spending based on actual consumer behavior. Your knowledge of your business coupled with our ability to collect and interpret data creates a winning team.

### *Cable Operators*

OnDemand Essentials helps cable operators automate the formerly labor intensive manual report process of aggregating data from disparate video server vendors. Our easy to use pull down menu system gives operators the ability to view on demand performance data in a myriad of ways electronically.

- Real-time tracking and reporting to analyze content performance
- Meets contractual obligations to content providers without manual report creation
- Increases viability of on demand category through better marketing capability



**ONDEMAND HOME PAGE SCREEN SAMPLE**

Shows the recent trend in orders, percent of set-top-boxes using OnDemand, order rate and buy rate; along with the Top 10 providers and titles for the last four weeks



**TITLE FOLLOWUP HISTOGRAM SAMPLE**

Shows the amount of time subscribers waited between placing orders for two different pieces of content

### *Content Providers*

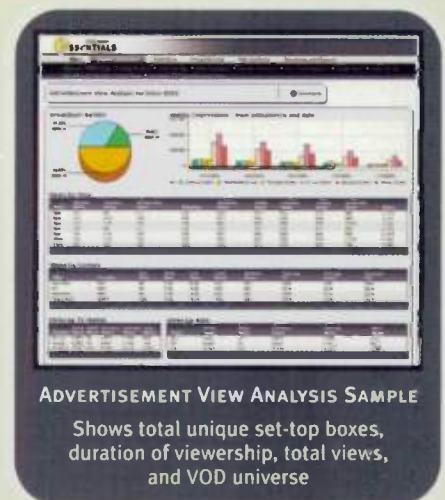
The business model for providing on demand programming for content providers is highly dependent on receiving accurate and timely data from an independent third party. OnDemand Essentials:

- Provides a central reporting system that aggregates disparate data from multiple vendors daily
- Identifies trends for more effective scheduling and promotion
- Delivers daily statistics including fast forward, re-wind and pause activity

### *Advertisers & Agencies*

OnDemand television presents new opportunities for advertisers and will increasingly depend on the availability of direct reporting. Rentrak's OnDemand Essentials provides census level data from a trusted third party with the proven capacity to securely process the billions of transactions generated by video on demand viewers.

- Data based on actual market transactions not just market based sampling
- Uniform reporting across all platforms and markets dynamically
- Timely and actionable data to allow media placement adjustments quickly



**ADVERTISEMENT VIEW ANALYSIS SAMPLE**

Shows total unique set-top boxes, duration of viewership, total views, and VOD universe





Harmonic's next-generation encoders are helping operators offer more VOD streams per QAM by achieving the same picture quality at a lower data rate. Movies today are generally encoded at 3.75 Mb/s, allowing for 10 VOD streams on a 256-QAM cable channel, but Harmonic says that data rates can be driven much lower, even for sports programming.

new application," says Ben-Natan. "I can have a new application in the set-top box, and order it through the same infrastructure using the same devices. But when you start talking about such cases there are a lot of technical issues: how does the new server talk to the old one; who actually manages bandwidth and tells a server stream with this attribute, under this session resource manager, to address a specific question."

**"A great way to differentiate is through additional applications. When we talk with customers, we try to get them to look at their VOD system as not just a media pump, but as an application server."**

— Joseph Ambeault, SeaChange

As a leading provider of encoders and edge QAM devices, Harmonic strives to be open to as many applications as possible. "We want to drive on-demand usage, as the more usage there is, the more need there is for edge QAMs," says Ben-Natan. "The industry is expecting significant revenue from VOD—for the first time operators are talking about revenue from VOD and not just

reducing churn."

In that vein, Harmonic is focusing on enabling on demand advertising, both by using its MPEG processing technology to minimize the bandwidth requirements of targeted advertising delivery and by developing software to help manage the process. One particular requirement of on demand advertising, says Ben-Natan, is the ability to switch advertising in real time based on a subscriber's profile, such as dropping a national advertisement and replacing it with a more relevant local spot.

"We're very active in enabling

that, and we have splicing applications up and running in the market today," says Ben-Natan. "But you don't really need a splicer. The concept is for the server to go through a playlist in its playout mode, but not play one sequential file but instead move from one file to another. Downstream in the network, you need to re-stamp and process the output from the server so it will be compatible with the set-top. So technically you would never be doing splicing, but instead downstream in the network you would be reprocessing the VOD stream itself... This all has to be driven by a business case for targeted advertising, but our sense is there is one. The lower the capital expenditure to enable that, the better."

Another challenge for operators looking to scale to new on demand services is to maximize their bandwidth to handle a greater number of compressed VOD streams. Here Harmonic can leverage its next-generation encoding technology.

"There is a lot of activity within the storage encoding domain, and we are trying to help MSOs centrally or locally encode content very efficiently," says Ben-Natan.

Movies today are encoded at 3.75 Mb/s, allowing operators to support 10 streams on a 256-QAM cable channel, while sports generally requires a higher bit rate. Ben-Natan says that Harmonic is working with one MSO on a very demanding on-demand sports package.

"They are using our encoding technology, and

it looks great," he says. "They can go back into the traditional 3.75 Mb/s, and some content will be good to go at 2.5 Mb/s. The idea of that is at the end of the day you can create a variety of content on the server and increase the number of streams per QAM. If you have local content that is very popular, encoding at a lower bit rate will increase the number of customers that can use it."

Scientific-Atlanta is also focused on helping operators manage their bandwidth for VOD, both by squeezing more performance out of existing networks and by expanding bandwidth, says Dave Davies, VP of Strategy and Product Marketing for Scientific-Atlanta. Its Automated Broadcast and Select product is one innovative approach to VOD network scalability that delivers a streamlined, efficient solution for dynamically tuning receivers to any wavelength with one device.

"This can help lower operating costs and support more efficient configuration of optical networks on demand," says Davies. "The architecture optimizes the unidirectional nature of VOD networking to efficiently provide the required components needed to deliver on demand services."

Joseph Ambeault, director of broadband systems for SeaChange, doesn't see any major bandwidth challenges for his customers in the next 18 to 24 months. SeaChange's largest deployed VOD site represents 150,000 streams serving 1.5 million subscribers, while its average VOD installation is around 50,000 streams reaching half a



SeaChange's average VOD installation supports 50,000 streams reaching half a million cable subscribers.



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Scientific-Atlanta offers equipment across the VOD distribution chain, ranging from edge QAMs through optical transmission gear to set-top clients. The company is focused on helping operators squeeze more bandwidth for VOD out of their existing networks.

million subs. On the storage front, most SeaChange sites deploy around 5,000 hours of content, but some systems are scaling to 10,000 hours and beyond.

"Most of the storage sits on the edge of the network, and in a lot of environments, we're centralizing library servers for less popular content and putting in place hierarchical storage," says Ambeault. "So 'I Love Lucy' could sit in a central regional repository serving one or more DMAs. If the content becomes popular, then we can use software to propagate it to the edge."

The proliferation of GigE networking and

**"The implementation of multiple-vendor VOD is a challenge, as there is no standard for session resource management."**

— Edmond Shapiro, NDS

improvements in session resource management software mean that content can be routed from any server to any subscriber, says Ambeault, instead of the old model of using a subset of servers to satisfy a request. Improvements in network transport technology also mean that content can be routed over greater distances within cable plants. That means that operators can store more

unique content and don't have to duplicate assets. For example, SeaChange is currently working on an installation for a New England operator that will put one large server complex in Boston that can serve both southern New Hampshire and parts of Connecticut.

Ambeault says one of the most important factors in the success of the VOD platform is the ability to quickly and efficiently launch multiple applications for subscribers. As examples, he cites the news-on-

demand application SeaChange has launched with Comcast as well as SeaChange's VOD movie application that emulates a DVD experience with a DVD-like interface and extra features such as bonus content.

"The DirecTV response to cable's on demand product is, 'We have twenty hours of DVR storage, and we can download to it,'" says Ambeault. "We can say that's not on demand, but to my mom, what's the difference between the two? A great way to differentiate is through additional applications. When we talk with customers, we try to get them to look at their VOD system as not just a media pump, but as an application server. If you look at on demand video games, you have games being played on the server, with graphics processing at the headend that is turning graphics into an MPEG stream. So we're looking at VOD as a set of application servers using video to deliver applications. We think that's key to on demand's success going forward."

The challenge, says Ambeault, is to have an open platform that you can easily add applications onto. Right now, there are no standards regarding how operations or automation software integrates with VOD servers,

making each installation a custom integration. Ambeault thinks the solution is to have VOD interoperability standards defined by an industry committee, which should also help to reduce costs.

"A standards-based system is outrageously important for both operators and vendors," says Ambeault. "There are plenty of specifications out there by operators. The question is, does everybody get to vote?"

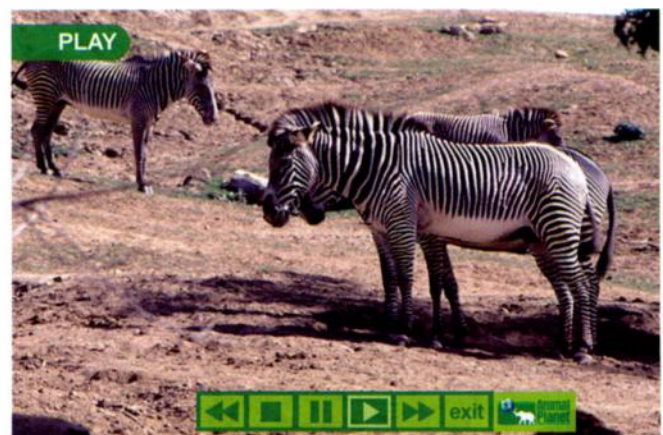
Edmond Shapiro, director of project delivery, Americas for NDS, would also like to see VOD standards.

"At RCN, we're the system integrator and we have to integrate systems from 14 different vendors to make it become an open solution, including integrating BigBand and Harmonic edge devices with SeaChange VOD servers," says Shapiro. "The implementation of multiple-vendor VOD is a challenge, as there is no standard for session resource management."

"Let's say a set-top says it wants to open a session with a VOD server," Shapiro explains. "The problem today is there are a lot of proprietary solutions for session requests on the set-top. There aren't standards, like for conditional access, so it's always an integration issue... Ideally there will be standardization, with a standard SRM announcement from a set-top that I'm out here and I want a VOD session."

As for other technical hurdles with VOD, Shapiro notes that server storage is hardly an issue anymore now that commodity storage has gotten so cheap.

"You could put together a terabyte of storage for under \$500 and put your own VOD network together in your apartment, with more content than you could watch in a year," he says.



SeaChange is focused on developing new server applications, such as bringing DVD-like functionality to the VOD platform.



# SUCCESSFULLY MARKETING TELEVISION ON DEMAND

OPERATORS, PROGRAMMERS LOOK TO DRIVE VOD USAGE THROUGH PROMOTIONS, IMPROVED NAVIGATION



Rainbow's Sportskool organized a recent promotional event with star female athletes. (l to r) Soccer great Mia Hamm, Sportskool VP Dan Ronayne, WNBA star Sue Bird, and Olympic softball gold medalist Jennie Finch.

but you had a very homogenous product. That's not the case here. I agree with the emphasis that there is a need for generating awareness of the initial trials. But I'm not sure an industry-wide, single-threaded campaign is very practical."

Consumer education and brand awareness are key factors to the success of on-demand, says Josh

Sapan, President and CEO, Rainbow Media Holdings LLC. Sapan predicts that in an already crowded channel universe that has the potential to expand to hundreds if not thousands of channels, branding will become a key differentiator in driving usage. So Rainbow is working in tandem with its affiliates to raise awareness and usage of VOD through multi-faceted marketing initiatives.

"The fact is, shows are only the beginning – the brand is what creates the navigation point," says Sapan. "Regardless of how good the content is – if

the brand is not there, no one's going to see it."

Rainbow has been pursuing some unique marketing initiatives for its Mag Rack and Sportskool on demand services, says Dan Ronayne, Senior Vice President and General Manager for Mag Rack.

**"The need is clearly there for generating awareness of VOD's availability and to help generate initial trial usage."**

— Steve Necessary, Concurrent Computer Corporation

Now that Television On Demand is successfully being deployed, there is still a need to raise consumer awareness and combat confusion among other digital offerings such as HDTV, PVRs and DVD. Some industry players have suggested that cable launch an industry-wide "Got VOD?" type of campaign, emulating the effective "Got Milk?" campaign organized by the dairy industry in recent years. Others are not so sure that a generic marketing effort will do much to spur VOD's growth.

"The need is clearly there for generating awareness of VOD's availability and to help generate initial trial usage," says Steve Necessary, president of VOD for Concurrent Computer Corporation. "That trial usage does not have to be on a revenue-generating basis, as free content is a great way to get a trial going. That's how you build a groundswell of interest on a local basis."

"The 'Got Milk' campaign was very successful, and it's a broadly emulated approach," adds Necessary. "But that parallel may fall apart pretty quickly with VOD in that VOD is branded differently by operators, and content that is available is widely varying by the individual operators. With milk, you had a bunch of producers,



Jean-Briac Perrette, senior VP of new media, NBC Universal Cable

Mag Rack offers comprehensive, turn-key marketing packages to affiliates to promote awareness and usage of VOD in their systems, including localized promotion designed to drive usage supported by extensive CSR training and cross-channel promotions; successful on-demand tie-ins with major motion picture studios for movies like "School of Rock," "Cheaper by the Dozen," and "Starsky & Hutch"; thematic program promotions, such as "Holidays On Demand"; and creative publicity stunts such as its first-ever "Guitar Face" contest and sweepstakes.

Guitar Face proved to be a deceptively simple platform through which Mag Rack gained national exposure with affiliates, the press and tens of thousands of music-lovers, says Ronayne. During August 2004, Mag Rack produced five local Guitar Face events in affiliate markets, at which the on-site 'guitar face' photo booth promoted entries to the contest via radio, print and





new on-demand product demos.

Mag Rack's "Click to Win Sweepstakes," which counts operators Blue Ridge, Charter and Insight as participants, uses every view of a program or promo as an entry into the sweepstakes, with prizes including home theater systems or automobiles. The promotion is supported by an array of marketing tactics to build awareness. Charter uses direct mail, CSR training and a mystery caller program, along with hand-outs in walk-in centers. Blue Ridge uses local newspaper ads and radio spots, while Insight relies on bill-stuffers, radio, local ads and a mystery caller program. Early results in Charter's system (10/1-10/10) show an average 183% increase in usage over September in nine headends, says Ronayne.

Earlier this month, Sportskool used grass-roots marketing to organize "Sportskool Champions On Demand," a tremendously successful promotional event in Long Island, New York. Sportskool partnered with Cablevision, the Women's Sports Foundation and local schools to bring 3,000 teenage girls to the Nassau Coliseum to meet and hear presentations from star female athletes including soccer legend Mia Hamm, WNBA star and Olympic basketball gold medalist Sue Bird and Olympic softball gold medalist and pitching ace Jennie Finch. The attendees also got demonstrations of the Sportskool on demand service, which offers instruction in a wide variety of team and individual sports.

"They talked about the importance of fitness and sports to them as young girls, and they talked about Sportskool and what a great learning

resource it is," says Ronayne. "Mia Hamm said she wishes she had something like Sportskool as a kid. Those are pretty indelible impressions. There was a lot of media there, and there were a lot of parents. So it was a great opportunity to build the Sportskool brand, to get the brand out there and create awareness for it."

Jean-Briac Perrette, senior VP of new media for NBC Universal Cable, thinks Comcast is pursuing the right marketing strategy by cutting through the technology clutter and rallying around VOD as their differentiator.

"They've made VOD their platform," says Perrette. "In PR, in marketing, every week Comcast is coming out with something new, and they're pursuing it on all corporate fronts. VOD is their rallying cry. I think the industry would benefit immensely by getting consumers to have a greater awareness of the on demand service and how it works. Generally, the data would show you that once they are there, people are generally satisfied with on demand and their experience is pretty good. So what needs to happen is partly marketing, and partly broader content."

Many operators and programmers see VOD navigation as a critical marketing tool, as the customer is confused about on demand and VOD navigation must help customers understand what is available. Perrette agrees that current VOD interfaces have room for improvement.

"Clearly, navigation and the user interface is a critical piece of getting viewers comfortable with the platform," he says. "You need to develop a GUI [graphical user interface] that has two to three clicks ideally, so you're not searching 10 levels deep to get to the content you want. So you need ease of navigation, and recognizable brands and key art as visuals to help people associate with the service, whether that's an NBC peacock or a USA logo."

Concurrent's Necessary says that if an on-demand interface is too difficult for a first-time user, "it may well sour them completely" on the service. He notes that as operators rapidly expand the amount of VOD content they offer, they have to make sure their navigational software keeps pace.

"To hear Comcast talk about getting 10,000 hours of content, as a VOD technology provider

we love that as it will break the consumer behavior of linear programming and really grow on demand," says Necessary. "But how in the world do you navigate through that wide wealth of content, both as a new user and an experienced user? It implies that as a user you should be able to customize the navigation."

Necessary says it is the age-old interface question, whether VOD navigation should be menu-driven or command-driven.

"A menu is easier for a novice, while commands are easier for experienced users," he says. "We all start as novices. But you can get frustrated as an experienced user when you really know you want to get into the comedy genre, but you still have to drill through four or five menus. You say, 'Hey, give me a limited number of menus or a couple keystrokes.'"

Mag Rack's Ronayne says that cable operator affiliates are looking to provide richer interfaces and more viewer-friendly features. Through usability tests, Mag Rack has created a fluid navigation that is now customizable to almost any interface platform, although not all features are available on every platform. Key differentiated features include distinct branding, intuitive navigation, original program formats and a 100% monthly refresh rate, with 20 personal interest programs arranged by category and title on the IPG (interactive program guide).

"The ultimate goal is to create an interface that is a TV experience, not a PC experience," says Ronayne.

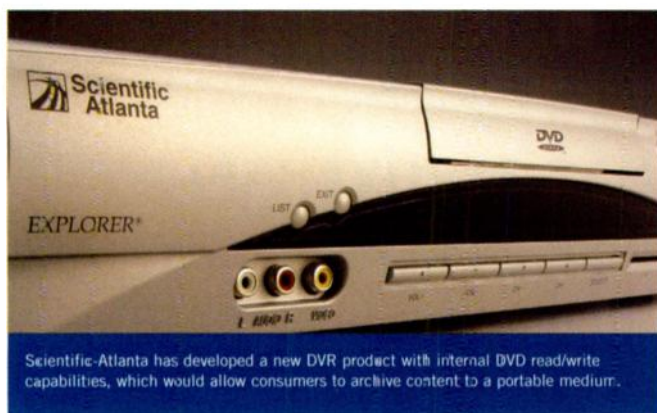
With its XTV middleware for VOD and PVR applications, NDS is trying to make on demand viewing more widely understood, says Edmond Shapiro, director of project delivery, Americas for NDS.

"We're training customers to use VOD," says Shapiro. "It is not at all inherent, even for a digital subscriber, to start using a remote control like a VCR control. You need to be putting together a compelling story on the set-top box that ties the pieces together along with search capability. If you want to watch Jack Nicholson, you don't just want to know what's being broadcast, but also what's available through on demand resources. You need to tie them together so the consumer experience of ordering a movie is as easy as finding a broadcast event."



# ON DEMAND BUSINESS MODELS FOR THE FUTURE

## OPERATORS, PROGRAMMERS EYE HOME NETWORKING AND PORTABILITY



Scientific-Atlanta has developed a new DVR product with internal DVD read/write capabilities, which would allow consumers to archive content to a portable medium.

Most cable operators, programmers and technology vendors are keeping plenty busy with rolling out a basic VOD programming service or gradually expanding their existing platform to include SVOD, free-on-demand and network DVR functionality. But that doesn't mean they aren't looking ahead to future applications that could be tied into the on demand service, such as home networking or the ability to use home servers to transfer on demand content to portable viewing devices.

Scientific-Atlanta believes strongly in the home networking paradigm, says Dave Davies, VP of strategy and product marketing, and over the past two years has conducted extensive primary research of consumers who use its DVR products.

"The results are clear," says Davies. "Consumers with DVR say they want 'access to their recorded content in every room.'"

This consumer desire is the basis behind the company's innovative Multi-Room™ system, which allows content stored on a main Explorer 8300 Multi-Room DVR to be accessed and controlled on as many as three additional televisions in the home. Those televisions can be connected either to new Scientific-Atlanta set-tops or to most of the nearly 18 million legacy Explorer set-tops that Scientific-Atlanta has shipped over the past six years.

"Multi-Room DVR delivers exceptional functionality and flexibility for consumers," says Davies. "A family can watch and control four different recorded programs at once – or even the same recorded show at different points in the recording – from virtually any room in the home, using the friendly, familiar interface they

already know. Operators would be able to derive benefits from the set-tops they've already purchased. And because the video network runs over existing coaxial cable in the home, installation is simple. In fact, installation of a multi-room system doesn't take much longer than installation of a single DVR set-top."

Scientific-Atlanta's research has also led the company to develop a new DVR product with internal DVD read/write capabilities. This next-generation product would allow consumers to archive content to a more permanent, portable medium while potentially opening new business models for network operators.

Making on-demand content portable is also a big focus for middleware supplier NDS, says Edmond Shapiro, director of project delivery, Americas for NDS. Shapiro says that the viewing convenience of on-demand and DVR technologies will naturally condition consumers to expect content to become portable, too.

"It's one of the main questions operators are going to have to deal with in the near future," says Shapiro. "Once you whet people's appetite by letting them watch content whenever they want, they almost immediately get greedy. If the content is recorded in the living room, then they want to watch it in the bedroom. The next step,

which we're seeing more in Europe, are devices like the Lyra, a portable 'watchman' device that allows you to store hours and hours of video. How can an operator leverage their existing content to portable digital video recorders like that to enable the demand that is going to grow?"

While Shapiro notes that Scientific-Atlanta and TiVo have delivered "intermediate solutions" to the portable media challenge, he would like to see an open technology standard that would enable portability to be incorporated into a wide range of digital video devices. NDS has formed a consortium with other technology vendors and content providers to try to develop digital rights management (DRM) and copy protection standards that could be licensed to silicon chip manufacturers and incorporated into consumer electronics devices.

NDS is working closely with chip vendors like Broadcom and STMicroelectronics to incorporate secure video processor technology. "The model is that there is copy protection separated from DRM," says Shapiro. "The copy protection is only worried about content as it flows from one device to another, and it is kept in encrypted format until actual display. So content remains encrypted as it flows through the network and it is re-encrypted in the hardware chip."

Jean-Briac Perrette, senior vp of new media for NBC Universal Cable, says his company would be amenable to making its on-demand content available on portable devices, provided that its copyrights are well protected.

"At the end of the day, we're platform-neutral," says Perrette. "We really want to provide content in as many ways as possible. The big caveat is we have to do it in a way that ensures our intellectual property is protected and that the economics are fair, so programmers and content owners are being fairly compensated in multiple ways. In terms of taking content off a portable device, I have no objection if it is done in a secure fashion."





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# The Price Is Right

Sony HDV gives broadcasters high-def advantage for less **By Ken Kerschbaumer**

**S**ony's new professional HDV camcorder and videotape recorder (VTR) destroy the myth that working in high resolution means high costs. With a camcorder priced below \$5,000 and a videotape recorder at less than \$3,800, HD production has become affordable.

The equipment, which begins shipping in February, gives broadcasters and cable networks a chance to dabble in widescreen and HD produc-

higher-resolution performance at such low prices does require some compromises. In the case of HDV, it's having 1440 pixels across the picture screen vs. 1920. The tradeoff is that the pictures aren't as sharp or detailed.

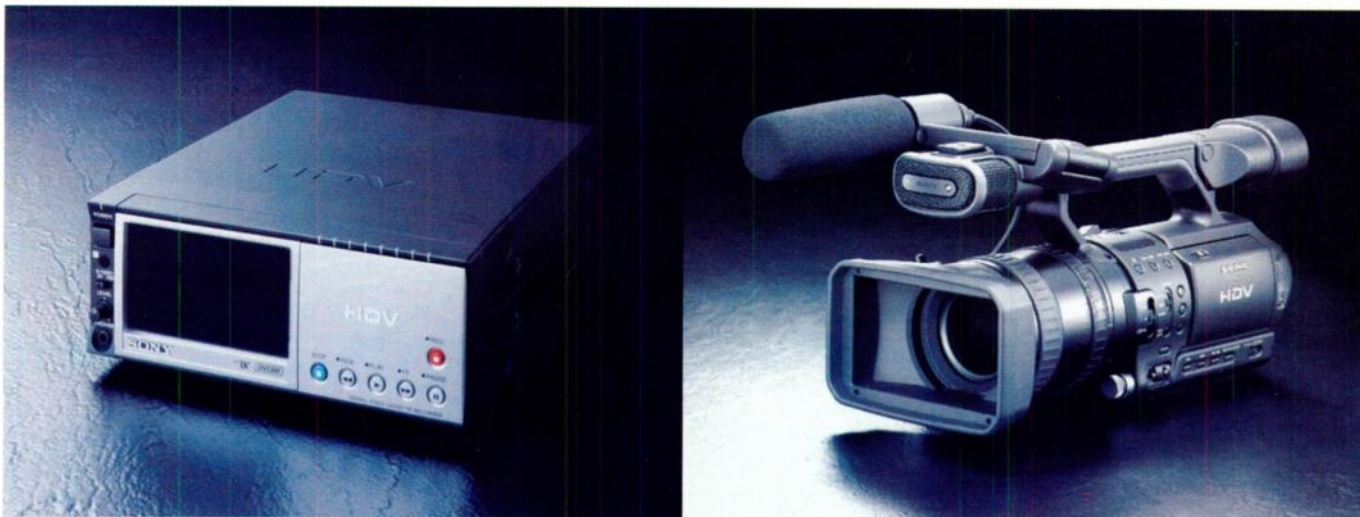
For some broadcasters, that means waiting for the next generation of XDCAM, Sony's optical-disk-based recording format. (It will be on display in an HD-capable version at NAB next spring.) This newer version will have full HDTV resolution and the additional features pertaining to audio and picture

HDV content around as files," he adds.

One big change from previous HDV units is the use of three 1/3-inch Super-HAD CCDs. "Those deliver [imaging] performance far beyond single-chip cameras," says Bob Ott, vice president of professional audio and video products for Sony Electronics Broadcast and Production Systems Division.

On the technical side, the camera boasts versatility.

It records in interlace format and can output 1080i at either 60 or 50 frames per second. It also has a new feature,



Sony's HDV gear: VTR (left) is priced below \$3,800, camcorder at less than \$5,000.

tions—for news, local TV specials, or commercials—without spending tens of thousands of dollars for broadcast-quality equipment. A low-priced Sony HDCAM camcorder is approximately \$40,000; the deck, another \$30,000. Potentially, the cost is dropping from \$75,000 for a camcorder, deck, editor and monitor to \$13,000. And price is just one of its pluses.

"It's a very interesting format and has some attributes, like being able to shoot in both SD and HD and up- and downconvert," says Gordon Castle, CNN senior vice president, technology. "We're looking for devices that can help us bridge to HD."

**T**he HDV format, a high-definition version of the popular DV format, has already been embraced by Sony, Canon, JVC and Sharp. To date, products released in the format have been geared more toward the consumer and the low-end professional market, particularly the JVC gear. Sony hopes to change that with the HVR-Z1U camcorder and the HVR-M10U VTR. Given the low cost of the gear, its uses are almost limitless.

An important caveat: Achieving

control that broadcasters demand.

But the upside to the HDV format is pronounced.

"The sweet spot for HDV equipment is production. That's where a small station could go out and produce a commercial in HD and service clients without having to spend a lot of money," says Del Parks, Sinclair Broadcast vice president of engineering and operations. Forty-eight of Sinclair's stations are passing DTV, and 42 are passing HD signals. By the end of the year, just about all 48 will be broadcasting HD.

"[Eventually,] the idea might be to produce local commercials in bigger markets in HD and make a couple of bucks out of HD," Parks adds.

Gordon is equally enthusiastic. CNN, which has embraced the standard-definition cousin of the HVR-Z1U (Sony's

**"The sweet spot for HDV equipment is production."**

**DEL PARKS, SINCLAIR BROADCASTING**

PD-170), sees it as an alternative to future PD-170 purchases. Gordon has seen a demo of the camcorder and says it seems to be compatible with existing editing systems. "We can also move the

CineFrame, which makes the output look as if it had been shot on film. Other features include dual-channel audio and a widescreen LCD for use in playback and as a viewfinder.

**S**till, Parks says, the format's attractiveness to Sinclair is limited: The group just finished getting its standard-definition news operations up and running. "Each station will address HD news when the time is correct, and that's nothing more than market forces at work," he says.

"Replacing all the news cameras is a big deal for a station, and each will approach it in a different way. The decision is economic, based in part on how many people are watching on 16:9 sets."

For now, stations play a waiting

game. But February is fast approaching, and with it the HDV camcorder, VTR and nonlinear editing package for an estimated \$10,000. Stations may be ready sooner than they think. ■

## TECH Q&A

### Mix and Match Music Choice's VOD

Music just wasn't enough for Music Choice. The company recently launched a VOD-based video service with Comcast, which will roll out to every cable system that carries Music Choice by the end of 2006. Why was expansion in the cards? Music Choice President and CEO David Del Beccaro lays out the strategy.

#### Why launch a VOD music-video service when fans have MTV2 or Fuse?

From a programming perspective, MTV2 is better than MTV, which has become more of a lifestyle channel. But if you like music, you're only going to like MTV2 some of the time. You can't possibly like it 24/7. If you're into metal, you won't like rap; if you're into rap, you won't like metal. But we have an environment where even a relatively obscure music format can offer videos 24/7.

#### How does it work?

About 2,000-3,000 videos will reside on the VOD server and be updated frequently. We also developed an application that can interface with whatever VOD server a cable operator uses. As for viewers, they'll pull up a display on their TV that will give access to the videos or allow them to create their own video channels. You can take a single format and get more specific. You can mix channels together.

#### But VOD hasn't been a home run for operators. Why should this be different?

It works better for us because the short-form video content lends itself to VOD. Second, there just aren't a lot of music videos accessible to the public. The record companies like this because it gives them a good way to get their videos out and gain revenue.

#### What revenue?

There's a 15-second commercial that will run before each video. And for the first time, advertisers will get exact measurements. They can buy 2 million actual impressions, not just hoped impressions. We can tell if someone watched a commercial or fast-forwarded through it. Advertisers can buy into tight demos because we have 45 music channels. They can't get that kind of demo delivery anywhere else on TV.



# Local Cable Wins War, Loses Election

Even without a bump from political spending, 2004 spot cable is expected to jump 14%

By Kathy Haley

**R**esults aren't all in yet, and fourth-quarter business is alarmingly weak, but cable operators appear to have dodged a bullet this year. Somehow, they pulled off healthy gains in local, regional and national spot advertising.

The gains come in spite of disappointing national political advertising, as well as widespread softness in the spot TV market, particularly at the national level. Slower-than-expected automotive and retail sales and a consolidating telecommunications industry have dragged down ad growth.

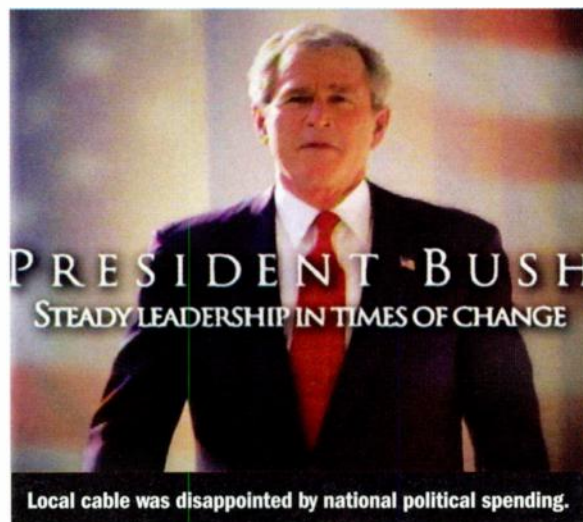
Even with all that, cable operators are poised to finish 2004 with a nearly 20% jump in national spot business and a 9% increase in local and regional sales, according to the Cabletelevision Advertising Bureau, confirming reports from cable operators. That adds up to a 14% gain overall. That's slightly under what the CAB estimated going into 2004 but well above some analysts' predictions.

Spot cable's 2004 numbers compare favorably with last year's. In 2003, operators posted an 18% rise in national, a 7%-8% increase in local and a combined boost of 11% overall. But Chris Rohrs, the president of the rival Television Bureau of Advertising (TVB), which touts local broadcast advertising, points out that the increases are from a small base. Local cable ad sales may be a \$5 billion business, but local broadcast spot will rake in more than five times as much this year, Rohrs says.

And where broadcast spot murdered local cable this year was in political advertising. Although such spending was far less than cable operators wanted, it did help a smidgen. Several operators and National Cable Communications (NCC), the local spot consortium

owned by Cox, Time Warner and Comcast, confirm that the industry generated about \$70 million in political revenue at the national spot level. That's a drop in the bucket compared with the more than \$1 billion generated by broadcast stations but about twice what cable generated four years ago.

Local political advertising—for statewide or local candidates or issues, for example—hasn't yet been tallied for the industry, but it apparently wasn't bad.



Hank Oster, senior vice president of Comcast Spotlight, the cable operator's local-ad-sales division, says, when those figures are counted, the total political take will be "considerably higher" than \$70 million. Comcast itself netted \$46 million in total political sales, including national spot. Says Oster, "We outperformed our budget goals."

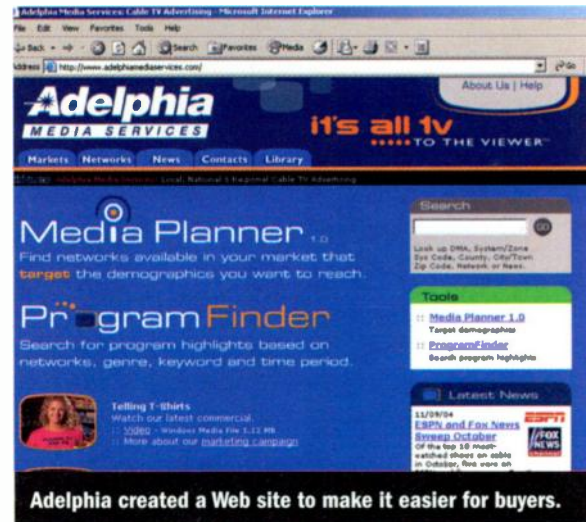
Clearly, though, the lackluster advertising for the presidential race was disappointing. Sonja Farrand, who leads the sales effort for Mediacom Communications' On Media, says few national political dollars trickled her way until the first few days of October, "and then boom, it flooded, and it became a problem to clear [political ads]," she says. But that wasn't because campaign managers saw the light, she adds: "I supposed that had something to do with the broadcast stations' being sold out."

**O**perators' biggest political disappointment occurred despite a massive effort to dent what has long been a broadcast-industry windfall. NCC dedicated a sales manager to the Bush-Kerry race. But neither side, particularly the Bush camp, used much national spot cable until mid-September.

"They bought the two most efficient places," TVB's Rohrs says. "Local broadcast and national cable." Cost per thousand (CPM) on cable networks is much less than on broadcast networks. On the other hand, he says, local broadcast CPMs are more efficient than

local cable, and there are more spots available.

That national-cable-versus-local-cable is a tough hurdle for buyers. "There was the issue of, where's the breaking point? How many markets do I buy locally before I buy a national cable spot at the same price?" asks Jack Olson, senior vice president of Adelphia Media Services. "By the time [advertisers] heaved up, they were exceeding the aggregate spot rate that they'd get on ESPN."



There were also some technical problems. The presidential campaigns' ad agencies weren't equipped to interact electronically with NCC and other cable operators for placing orders and receiving invoices. But NCC President Greg Schaeffer says NCC was able to work around these issues when they occurred.

**T**he bigger problem, he and others say, was in the campaigns' and their agencies' attitudes. "Traditional political shops reverted to very old ways of evaluating media," Oster says. "Spot cable should have been at the top of their mix, and it wasn't."

Cable operators will address the issue of political advertising at a meeting early next year, says Jim Heneghan, senior vice president of marketing and ad sales at Charter Communications. The likely message: By 2008, cable operators will have to educate political operatives that local cable is worth the effort, and get a bigger share of the presidential pie.

With cable operators pulling in what one source estimates was the same percentage of political dollars as in 2000, the industry had to eke out some of its spot TV gains from other sectors.

Here, operators and NCC faced a jittery marketplace. "It was a little softer than we anticipated," says Kevin Gallagher, senior vice president and director of the local-investment group at Starcom MediaVest Group.

He blames uncertainties over the Iraq war and U.S.

*Continued on page 24*

## 2004 SPOT CABLE GROWTH

Although political advertising was a disappointment, cable local ad sales will end 2004 just about where experts predicted

National	+20%
Regional/local	+9%
National/regional/local	+14%

SOURCE: Cable operators, CAB, NCC



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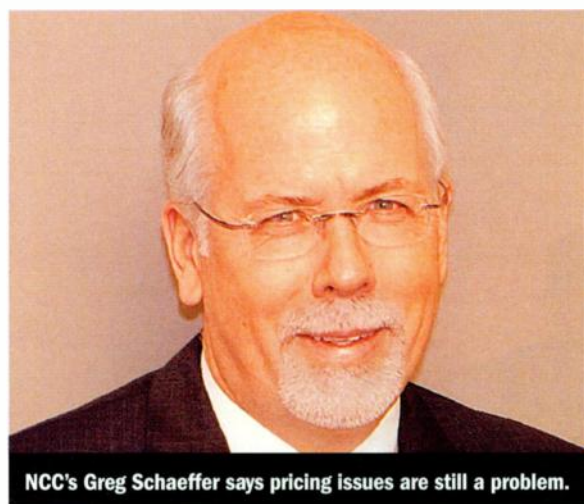
## Wins War, Loses Election

Continued from page 22

economic growth. "Anytime you have a conflict, marketers will pull back a little," he says, "and it was an election year. There were doubts in people's minds about where the economy was headed, who was going to be in charge and what was going on in Iraq."

One measure of the market's stress level can be found in broadcast national spot TV, where an anticipated sales gain of 12%-14% could actually end up in the high single digits, despite a political windfall of what some estimate at over a billion dollars. Several sources confirm that, with political increases removed, broadcast national spot business will finish the year flat or up only slightly.

Spot cable avoided a similar fate in part because it is a newer, far less mature industry but also because advertisers have been taking note of long-running audience gains. "Clearly, the local-people-meter markets are now showing that cable is a much more viable



NCC's Greg Schaeffer says pricing issues are still a problem.

medium, but even in the non-LPM markets, cable continues to add money," says Kathy Crawford, president of local broadcast at MindShare.

Advertisers are looking more often at spot cable and would use it more often if audience measurement were better, says Janice Finkel Greene, executive vice president and associate local broadcast director at Initiative Media.

"Outside the LPM markets," she says, "there are issues with computing questions about who is really watching."

Cable clearly benefited this year from an ongoing effort to complete interconnects, even in smaller markets. With hard interconnects operating now in 135 markets, including 43 of the top 50 Nielsen TV markets, operators can compete more effectively at selling to advertisers that need to cover most or all of a market.

"Four years ago, if Sonic Drive-Ins of Kansas City wanted to put 14 stores into a co-op buy and cable could reach only 10 of those stores, the advertiser would simply say, 'I'll buy TV,'" says Charter's Heneghan. "Since then, we've solved that problem by adding the 'ma-and-pa' cable systems to the interconnect."

The improvement in interconnects has boosted demand for cable spot time. It has also brought spot cable to a marketing crossroads.

Operators have fought hard this year to protect the rates for their highest-rated inventory, bolstering revenue gains but causing agencies to balk at the prices they often face.

"They sell Monday-Friday 6 p.m.-midnight, and they want the prime time rate for all that," Crawford says. "They don't have enough avails, so they won't package the time the way we've been planning on. So we have to go market by market,

negotiating in each one, and it's a big job. They are not set up to do fixed spots."

Large cable operators are hedging their bets by offering advertisers opportunities to test on-demand and by sharpening selling tools. Charter has been adding specialists who work exclusively on automotive or co-op sales, for example, and Adelphia has unveiled It'sAllTV.com, a Web site that allows time buyers to easily access data on the networks available in Adelphia markets and the demographic groups each reaches. The site cuts down the time account executives must spend on the way to closing a sale.

Cox Media changed all of its dayparts about nine months ago, making them match up with those on local broadcast, but that doesn't mean it's selling spots the way stations do. "The big dilemma now is, what is prime," says Billy Farina, vice president of advertising sales at Cox Media. "If you want to reach men 18-25, they're watching at midnight."

"TV viewing has changed dramatically since those dayparts were created," Farina continues. "Can't we start with a clean slate and figure out the dayparts that advertisers really want to buy?"

Charter's Heneghan believes the answer lies in better packaging of cable spots. "We live in a supply-and-demand world. Either I have to get a premium for my [highest-rated] time, or advertisers have to buy more-

horizontally, over eight, 10 or 12 networks all tracking the same demographic."

NCC's Schaeffer admits cable "stubbed its toe" over pricing issues this year. "The challenge for us is to figure out how to effectively present cable as a

cluster of networks that reach a targeted demo. It's really an education process as to how agencies look at it and evaluate cable networks." ■

Additional reporting by Steve Raddock

**"Traditional political shops reverted to very old ways of evaluating media."**

JIM HENEGHAN, CHARTER

## Demand and Supply

With video-on-demand platforms set to be up and running in many of the top 25 markets next year, cable operators see the opportunity to nurture a new revenue stream.

Charter already has a half dozen big advertisers airing spots that, in the last 10 seconds, prompt viewers who want more information to go to their on-demand menus.

There, they can hit the "I Want More" button and connect to videos that go into more depth than the commercials.

"This year, advertisers invested in testing on-demand," says Jim Heneghan, senior vice president of marketing and advertising sales at Charter Communications. "In 2005, we'll see traditional media buys that include the on-demand server."

Agency executives are intrigued by on-demand, although they haven't yet nailed down how to measure results from the new medium.

"It's a very exciting arena," says Kathy Crawford, president of local broadcast at MindShare. "It will get bigger next year, and we're going to figure out a way to measure return on investment."

Comcast has a similar on-demand feature. To get advertisers to try it, Comcast Spotlight, the local-ad-buying arm of the cable giant, tells them how many VOD-enabled set-tops are in a market and the number of views each video receives each month.

"Think about an advertiser using cable's highly targeted networks to air spots promoting an on-demand video and getting these informational data points," says Hank Oster, senior vice president of Comcast Spotlight. "It's about as sophisticated as marketing can get in any medium." —K.H.

Charter OnDemand TV GUIDE 7:12p

TOP MOVIE PICKS CLICK HERE

I WANT MORE

Automotive Beauty/Style Entertainment Family&Pets

Charter lets advertisers use on-demand tech to give viewers more information.

## Comcast Takes Bold Steps

Two years after acquisition of AT&T Broadband made Comcast Cable the 900-pound gorilla of the cable industry, the company is having a demonstrable impact on the spot TV marketplace. Leading the way is the Comcast Spotlight division, headed by Senior Vice President Hank Oster.

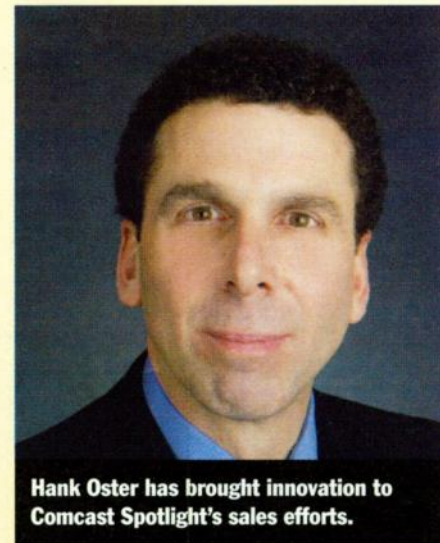
"They've accomplished more than even they know they have," says Janice Finkel Greene, executive vice president and associate director of local broadcast at Initiative Media. "They are starting to affect the way people plan and think about cable in general."

Finkel Greene refers specifically to Comcast Spotlight's push to offer Adtag and Adcopy, tools that enable the company to, for example, break up a Ford spot TV campaign into segments, targeting a commercial for a minivan to neighborhoods full of families while aiming a spot for a sports car at younger, more urban ZIP codes.

Being able to pinpoint consumers is the kind of 21st century technology that a lot of advertisers admire.

"They offer a more targeted way of approaching the audience that doesn't lock an advertiser into one spot for a whole market," Finkel Greene says. "Even if you bring it to an advertiser and they don't use it, they have to stop and think, 'Isn't this the future? Aren't we going to have to target on that level?'"

The chief of local-TV buying at another major agency, who asks to remain anonymous because of the relationship his firm has with Comcast, says the cable giant has done a good job of winning over local advertisers that typically go to broadcast TV. "They've been strategic about figuring out what kind of inventory they have and who has the big budgets out there." —K.H.



Hank Oster has brought innovation to Comcast Spotlight's sales efforts.



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**[adult swim]**

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\*Source: Cartoon Network Research analysis of Nielsen Media Research data, Q3 2004 (06/28/04 - 09/26/04). All data based on M-TH individual broadcast program delivery averages vs. Adult Swim on Cartoon Network's corresponding hours' delivery averages. Qualifications available upon request.

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World Radio History



# Boom and Gloom at News Channels

Some local cable news channels sizzle, but Time Warner cuts back **By Alan Breznick**

**T**he good news is that a bunch of local cable news channels are running full throttle. They're finding more viewers, and new local and national advertisers are hopping on board. Some channels will boost ad revenue by more than 20% from last year.

The bad news is that the economics of regional news networks can still be perilous. The networks are costly to start and have stiff competition from local broadcasters and other media. Some local cable news operations aren't thriving and have sluggish sales, while others have even folded. Not all local cable news channels are built equally.

On the plus side, consider New England Cable News (NECN), one of the granddaddies of the business, with 3 million cable subscribers in the Greater Boston area. Despite a generally flat TV advertising market in Boston, NECN expects to close 2004 with about 12% growth in ad revenues, double last year's sales.

"We're just breaking more into the top 50 advertisers in the marketplace," says Ted Grosso, vice president and general sales manager for NECN, a joint venture of Hearst Corp. and Comcast Corp. "We're just gaining confidence." New advertisers include the local auto dealer groups for Mazda, Honda, Volkswagen and Hyundai.

Another positive example is Comcast's CN8, a regional network that serves 6.4 million cable subscribers from Boston down to south of Baltimore. Although not strictly a news channel, CN8 runs three daily newscasts in most of its markets, along with talk, entertainment and sports programming.

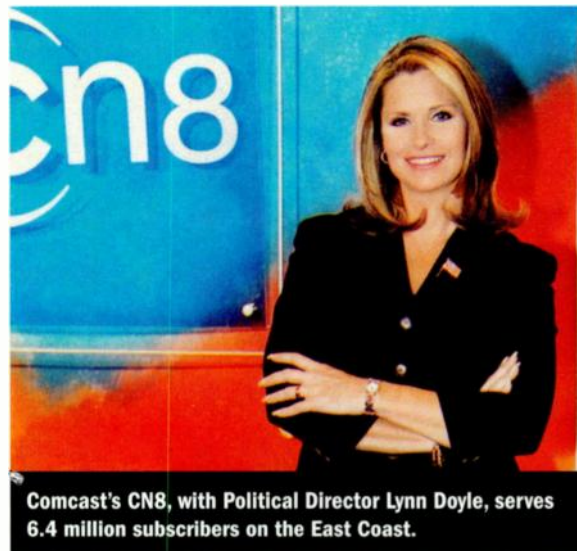
"It's been a wonderful, wonderful year," says Jeff Broder, director of network advertising sales for CN8. "Ad-sales growth has been tremendous." He estimates that the network's ad revenues will jump at least 30% this year, up from 21% in 2003, thanks in large part to such new national clients as Dunkin' Donuts, Perdue Chicken and Bayer.

Then there's the other side of the story. In the most glaring example of tough times, Time Warner Cable and Belo Corp. shut down their joint venture of three cable news channels in Texas and North Carolina four months ago. The two companies abruptly closed the 24-hour channels in Houston and San Antonio in late July, laying off 190 employees. Looking ahead many believe that local broadcasters, with established news staffs, will use their digital multicasting channels to begin round-the-clock news operations, which will further jeopardize cable efforts.

Time Warner folded the operation of the third regional channel, News 14 Carolina in Charlotte, N.C., into its sister channel in Raleigh. The cable operator still runs six regional news networks in New York, North Carolina and Texas but has put on hold ambitious plans to launch news channels in Milwaukee and its other cable markets.

"It was a big blow to our business," says Deborah Cuffaro, vice president of news and multicultural sales for National Cable Communications (NCC), which handles national ad sales for 17 news channels across the U.S. "It certainly hurt our footprint in Texas, the Southwest and overall. It's just not a positive story."

Plus, the presidential election in most cases did not produce the expected advertising bonanza for many channels.



Comcast's CN8, with Political Director Lynn Doyle, serves 6.4 million subscribers on the East Coast.

Local news channel Bay News 9 in Tampa Bay, Fla., was kept busy with hurricane coverage and benefited from its location in a battleground state. Most other local cable news channels did not.

"We just didn't do a lot with the president," Cuffaro says. "What we got was a mere pittance."

**T**ime Warner Cable's NY1 operation saw so few presidential campaign ads this year that it actually produced a story for its viewers about the political commercials they were missing.

NY1 expects to increase its ad sales by 15% this year but hoped political spending would add even more. "It was disappointing for us," says Steve Paulus, senior vice president and general manager of NY1, which serves 2.1 million cable homes. "There were not a lot of presidential dollars available."

Despite such setbacks, the regional news networks made strides in attracting new advertisers this year,

including some who had never appeared on broadcast TV before, much less cable. They have pulled off this sales feat by offering much lower ad rates, providing more-flexible scheduling, and designing sponsorship, entitlement and other customized packages that rival local broadcasters can't match.

**I**n the Mid-Atlantic region, CN8 has lured such local institutions as the Philadelphia Museum of Art, Deborah Hospital, the New Jersey Travel & Tourism Bureau, and Drexel University by creating specially sponsored program segments. For example, Deborah Hospital now sponsors a 30-second segment on heart-healthy recipes during one of the network's cooking shows.

"We can do a lot more than sell spots and dots,"



Tampa, Fla.'s Bay News 9's weather team (above) had a busy year, and the channel pulled in some presidential spots.

Broder says. "There's so much customization we can do for them."

At NECN in Boston, Grosso plans to target a range of "non-traditional TV advertisers," including smaller banks, insurance companies, utilities, health insurers and law firms. He cites such names as Keyspan Energy, Blue Cross Blue Shield of Massachusetts, the Mintz Levin law firm and Constellation New Energy. "The law-firm category is a big one," he says. "We feel like we have a niche."

With the help of nationwide ad-sales organizations like NCC and NECN's Major Market News, the local news channels this year have also drawn more national advertisers than ever before. Stressing their growing market coverage, upscale audiences and the ability to customize, they've brought in major automotive, financial, fast-food, retail and other accounts.

CN8, for instance, attracted Dunkin' Donuts by proposing a new "Hot Topic of the Day" segment within its daily *Sports Connection* report. Dunkin' Donuts, looking to spur sales of coffee along with its doughnuts, jumped at the chance to sponsor the segment.

As a result of moves like these, CN8's national sales are up about 68% this year, Broder says. Similarly, Grosso says that Major Market News, which represents NECN and five other news channels, has increased its national sales by 47% this year.

For cable operators, that's news they can use. ■

**Despite setbacks, regional news networks have made strides in attracting new advertisers, with lower ad rates, more-flexible scheduling and customized packages that rival local broadcasters can't match.**



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# The Ethnic Barrier

Hitting the niche markets of Asians, Hispanics and African-Americans is tough **By Kevin Downey**

**H**aving established itself in the general market, local cable television is pecking at niche markets, trying to lure viewers and advertising dollars away from big-city broadcast stations that thrive on ethnic audiences. Getting a slice of a slice won't be easy.

Of primary interest are Hispanics in such markets as Los Angeles and Miami, and Asians in other top metropolitan areas. But while cable systems, rep firms and interconnects (which allow advertisers to put their local spots on several area cable systems) are actively touting cable's geographic targeting and ethnic tiers, it will take a long time for local cable to pose a threat to ethnic-targeted broadcast stations.

The number of ethnic-targeted cable networks has skyrocketed in the past few years, from two—Galavisión and BET—to more than 100. But the vast majority of these networks still don't have large enough audiences in the local markets to attract much attention from advertisers.

The abundance of Hispanic broadcast stations in markets like Los Angeles makes it difficult to sell local cable ads within Hispanic cable networks.

"My experience may be atypical, but to my knowledge, [local ethnic cable] is not a medium that's being

"We're probably looking at about 100 [advertisers] right now in various stages of development, from the early stages of presenting the opportunity to close to closing," says Deborah Cuffaro, vice president of news and multicultural sales at National Cable Communications (NCC).

Adlink, the Los Angeles interconnect, offers advertisers customized tools like its Adtag and Adcopy systems to split commercials into general-market and ethnic-market spots that air simultaneously in different geographic regions.

"Most people think of Adtag and Adcopy along the lines of what has been presented in the past, where auto dealers might advertise their high-end product in Beverly Hills and a pickup truck in a rural area," says Rick Oster, executive vice president and general sales manager at Adlink. "It's just a shift in thinking to say this is a powerful tool to slice and dice the market by ethnicity."

But there are obstacles. While the Asian population in the U.S. is growing fast—up 72% in the 1990s, to 11.9 million—some media buyers say that the multiple languages spoken within the population make it difficult for cable to reach a sizeable audience.

"The Asian market is so fragmented that it's hard to tie everybody together with programming," says Steve Lee, chief operating officer of Los Angeles-based 3AM Advertising & Marketing. But local cable is making some headway.

Content is key. In the past few years, the number of

tiers around the same time as DBS. And because DBS doesn't insert local commercials, the cable industry capitalized on a competitive advantage.

"In the high-density Hispanic markets—such as Los Angeles, Dallas, San Antonio and Miami—you have advertisers that are traditional English-language advertisers that have recognized this as a good-sized customer base," says Dan Casey, executive vice president of media sales at rep firm WorldLink. "And there are also locally owned businesses that have decided to use Spanish-language creative to target the Hispanic marketplace."

Cable also has 41 Asian networks, including International Channel, which has programs in 20 languages but targets English-speaking Asians in prime time. In addition, ImaginAsian debuted this month in San Francisco.

Unlike other ethnic channels, most Asian networks are filled with inexpensive ads from local merchants and carry virtually no national advertising. That's changing, but slowly. "Nationally, Asians are 4% of the population, but in San Francisco it's 24%, in Seattle it's 16%, and in New York it's 10%," explains Bill Georges, vice president of ad sales at the International Channel. "Advertisers, especially regional and local advertisers, understand that, and national advertisers are focusing on those areas."

"There should be more broadcast stations in areas with high Asian populations," says Thomas Pyun, vice president of ad sales at ImaginAsian. Instead, cable operators are jumping in.

**A**frican-Americans account for 13% of the population, and there are a handful of networks targeting them, including broadcast networks that, like UPN, have focused heavily on black-themed shows. More African-American-targeted cable networks are emerging, including TV One, a lifestyle network that premiered in January.

Targeting ethnic groups with local cable simply makes sense, says Cynthia Perkins-Roberts, director of network marketing development at the Cabletelevision Advertising Bureau.

"The mere fact that ethnic groups tend to live in concentrated areas," she says, "means local cable is the primary targeting tool to reach consumers in those markets." ■

**"We're probably looking at 100 [advertisers] right now in various stages of development"**

DEBORAH CUFFARO, NCC



widely used by advertisers," says Monica Gadsby, CEO and managing director at Tapestry, the multicultural division of Starcom MediaVest Group. "The reason is that there are few options, and the options are still struggling to establish themselves on the national scene, never mind trying to establish themselves on the local level."

**S**till, while there are relatively few ethnic-targeted cable networks drawing big audiences in local markets and only a handful that are actively selling local ad time, cable systems, rep firms and interconnects are jumping into the ethnic market. They typically offer advertisers a combination of ethnic cable networks and general-market networks in neighborhoods with a high concentration of Hispanics, Asians or African-Americans.

Hispanic cable networks has zoomed to 69, according to media-buying agency Magna Global USA. Among them are Mun2, NBC Universal's bilingual network; Fox Sports en Español; CNN en Español; the soccer-focused GoTV; and the new English-language Sí channel.

"Not a lot of advertisers necessarily look at cable, but it is something we're starting to look at because you're seeing in the Nielsen numbers that there is a following on some of these [networks]," says Sofia Escamilla, media director at La Agencia de Orca, which buys ethnic cable spots for such clients as Honda.

Direct-broadcast satellite (DBS) led the way, targeting ethnic viewers in the late 1990s. DirecTV launched its Para Todos tier in 1999, and it now runs 45 Hispanic networks, including feeds of Latin American channels.

Cable systems like Comcast started offering ethnic

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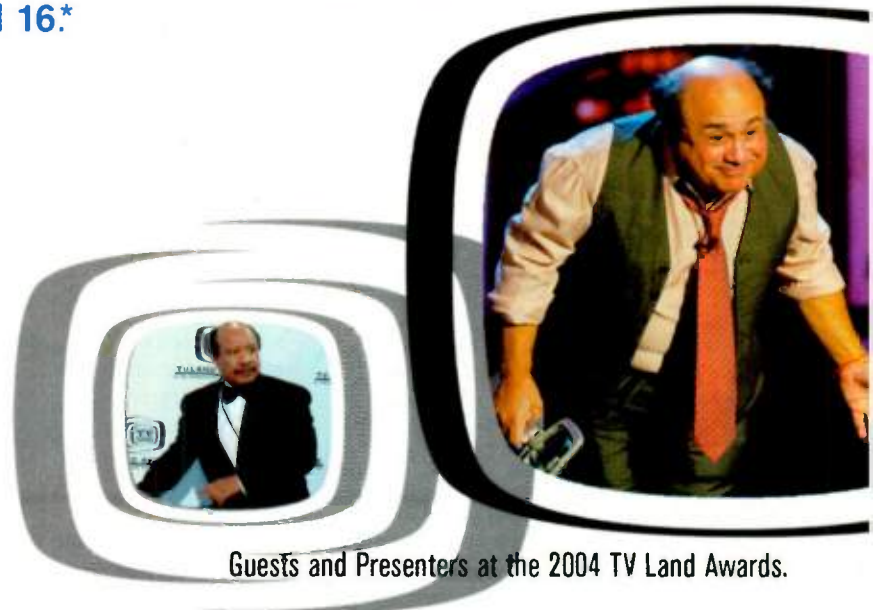
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Guests and Presenters at the 2004 TV Land Awards.





# Koonin Marries Vision to Passion

Turner COO rebrands TBS and TNT as key TV destinations **By Anne Becker**

**I**t's the real thing. Not Coke. TV. Just ask Steve Koonin, who turned a lifelong passion into a career move. After 14 years at Coca-Cola, Koonin left the company in 2000 to join Turner Entertainment Networks. Now the executive vice president and COO of TBS and TNT owns 16 televisions and stays up until 2 a.m. watching his favorite programs and thumbing through newspapers in search of show ideas.

"I saw an opportunity to expand my creative chops," he says, explaining his decision. "I bring experience in branding to Turner, and the marriage has worked."

Since joining Turner, he has been instrumental in strategically rebranding both networks. TNT is positioned as the home for drama. The slogan "We Know Drama" showcases its off-net dramas and movies and sports. Conversely, TBS employs the "very funny" tagline to highlight its early-evening block of sitcoms and reality fare.

Koonin has also creatively packaged and scheduled each network's programming, doubling TNT's daytime viewers by airing prime time dramas during the day, and dropping TBS' prime time median age from 41 to 39. His formula: shift movies to the weekend, put original reality in prime alongside lifestyle shows and acquire sitcoms, such as *Sex and the City*.

"Steve is intellectually provocative. He surrounds himself with smart people, provides solid direction, then lets them do their job," says Mark Lazarus, president of the Turner Entertainment Group.

Koonin, in turn, praises his creative marketing team at Turner, which is responsible for producing its TV promos in-house. "Something you nurture and tend to is a better product than something mass-produced."

And Koonin is all about homegrown success.

**T**he University of Georgia graduate got his degree in marketing, then made beverages something of a business specialty. He was a marketing manager for Hiram Walker Distillers, maker of Canadian Club whiskey, before joining the promotions department of Coca-Cola in 1986. Koonin ended his Coke tenure as senior vice president, marketing, when he was recruited by Turner

brass. Working on two Coke-sponsored Turner specials—the World Cup '94 celebration and the ShoWest Awards—he caught the eye of top management. Indeed, he credits the personal touch for any ongoing business success.

Koonin is openly devoted to the talent he partners with on original series, one of his primary duties at the networks. TNT has three new pilots in the works and is well into production on Steven Spielberg's *Into the West*,

a 12-hour limited series about two families settling the West. On TBS, Koonin is excited about this month's premiere of *The Real Gilligan's Island*, a reality take-off on the original show.

"Executives don't make hit shows, talent does," he says. "My job is to make sure it's a great experience for them."

**T**hat includes tagging along with William H. Macy to the Sarasota Film Festival to attend a screening of the actor's original drama, *The Wool Cap*, which premieres Nov. 21 on TNT. Koonin is happy to spend half the night talking marketing plans with mega reality producer Mike Fleiss (*The Bachelor*), who executive-produced *The Real Gilligan's Island*. And he's equally jazzed about pushing video-on-demand and broadband, citing a successful partnership with Comcast to promote *Gilligan's*.

Some things about TV have surprised the affable marketing wiz, known for soliciting laughs from his family and co-workers. He enjoys the immediate feedback that comes with the daily ratings. And he says his most valuable TV lesson is: Even hits can struggle to keep their audience.

"People intend to watch, but life gets in the way," Koonin says. "TiVo enhances your ability to watch." The proud owner of four TiVos, he never misses *The Sopranos*, *Monday Night*



**STEVE R. KOONIN**  
Executive vice president/COO,  
TBS/TNT

B. June 6, 1957  
Atlanta

#### EDUCATION

BA, marketing,  
University of Georgia, 1979

#### EMPLOYMENT

Coca-Cola Co.: promotions manager, 1986-89;  
director of entertainment marketing, 1989-91;  
global advertising director, 1991-93;  
vice president,  
sports entertainment marketing, 1993-97;  
vice president, brand marketing, 1997-2000;  
senior vice president, marketing and asset management, 2000;  
TNT: executive vice president and general manager, 2000-2003;  
current position since 2003

#### PERSONAL

Married; two children

## FATES & FORTUNES

### PROGRAMMING

At Viacom: **CARL D. FOLTA**, senior VP, corporate relations, New York, promoted to executive VP; **CAROL A. MELTON**, senior VP, government relations, Washing-



**Carl D. Folta**  
Viacom

ton, promoted to executive VP; **WILLIAM ROSKIN**, senior VP, human resources and administration, New York, promoted to executive VP; **MARTIN M. SHEA**, senior VP, investor relations, New York, promoted to executive VP.

At Scripps Networks, Knoxville, Tenn.: **JOHN W. BAIRD**, senior VP promoted to executive VP; **BOB BRADLEY**, senior VP, affiliate sales, ABC Cable Networks, Los Angeles, named senior VP, affiliate sales; **DOUG HURST**, VP, affiliate marketing, promoted to senior VP; **PAM TREACY**, VP, affiliate sales, eastern division, promoted to senior VP, national accounts; **RUTH M. TATOM**, VP, affiliate sales, western division, promoted to senior VP; **ANDREA JOMIDES**, regional director, affiliate sales, east, promoted to VP.

**STEVE TELLO**, senior VP, news, Fox Sports Net, Pittsburgh, named VP/general manager.

At ESPN, Bristol, Conn.: **JODI MARKLEY**, VP, operations and international production, ESPN Classic & ESPNEWS, promoted to senior VP; **SCOTT GUGLIEMINO**, director, programming and acquisitions, promoted to VP; **DAVE BROWN**, director, programming and acquisitions, promoted to VP; **MIKE RYAN**, director, programming and acquisitions, promoted to VP; **BURKE MAGNUS**, director, programming and acquisitions, promoted to VP/general manager, ESPN; **CROWLEY SULLIVAN**, director, programming and acquisitions, ESPN Classic, promoted to VP, programming and acquisitions, ESPN Classic and ESPNEWS; **STEVE CURRAN**, director, programming integration, promoted to

**"Executives don't make hit shows, talent does. My job is to make sure it's a great experience for them."**

STEVE KOONIN

*Football, Sex and the City, American Idol, Will & Grace and Without a Trace*, among others. Friday and Saturday, however, are sacrosanct. They mean fishing expeditions or enjoying time with his wife of 20 years, Eydie, and their two teenagers.

Balancing work and family time is a lesson he learned from his now 70-year-old mother, a real estate broker who juggled a demanding workload with home life. "She gave me my work ethic. She's super-successful and still figured out a way to always be there for us," he says. "I'm all about family comes first." ■





## PEOPLE

VP: **FRANK CASARELLA**, coordinating director, remote facilities planning, named coordinating director, technology planning; **DAN WEINBERG**, coordinating producer, ESPN Classic, promoted to senior coordinating producer, media packaging, ESPN Original Entertainment; **CAROL FRALEIGH**, director, commercial operations, promoted to VP, commercial operations.

At National Geographic Channel, Washington: **JOHN FLETCHER**, director, production services unit, Discovery Communications, Silver



**John Baird**  
Scripps Networks

Spring, Md., named VP, production services and network operations; **TOM GALLAGHER**, director, traffic operations, network and traffic operations, Discovery Latin America, Miami, joins as director, production services and network operations; **DAWN RODNEY**, director, creative, promoted to VP; **ANDREW BAKER**, executive writer/producer/editor, creative, named director; **DAVID P. MITCHELL**, analyst, finance, promoted to senior analyst; **PATRICIA EVANS**, senior financial analyst, Time Life, Alexandria, Va., joins as analyst, finance.

**RACHEL LIZERBRAM**, VP, Robinson Lerer & Montgomery, New York, joins TV Land/Nick at Nite as VP, communications, New York.

**CHRIS MCCUMBER**, senior VP, on-air promotion, USA Network, New York, promoted to senior VP, marketing and brand strategy.

### ALLIED FIELDS

**EMILY ASHTON**, senior director,

government relations, BMI, New York, appointed executive director, office of the president.



**Rachel Lizerbram**  
TV Land/Nick at Nite

At Viacom Recreation, Charlotte, N.C.: **TIM FISHER**, executive VP/general manager, Paramount's Carowinds, Charlotte, named executive VP, parks; **HOWARD SMITH**, senior VP, Nickelodeon Recreation, named senior VP, Nickelodeon/Paramount Recreation.

**CRAIG TAYLOR**, president, OSG Group Inc., Chicago, named VP, sales, Venue Services Group, White

Plains, N.Y.

**DON PERRY**, senior VP, Greenberg Consulting, Atlanta, elected to the advisory board, PEAK Entertainment Group, Denver.

**RACHEL VALLIERES**, manager, IT, Medicare Payment Advisory Council, Washington, joins Cable in the Classroom, Washington, as assistant director, cable system relations.

### RADIO

**BRENT CLANTON**, director, programming, KTSA(AM) Coleman, Texas, named general manager, MoneyRadio Inc., Houston.

### TECHNOLOGY

**WALT UNGERER**, director, investor relations, Concurrent, Duluth, Ga., named VP, corporate communications, Vvyo Inc., Palo Alto, Calif.

### WHAT'S YOUR FATE?

Send it to Melanie M. Clarke, editorial assistant, B&C (e-mail: meclarke@reedbusiness.com; fax: 646-746-7028; mail: 360 Park Ave. South, New York, NY 10010)

## OBITUARY

Broadcast consultant **EUGENE W. WILKIN** died Nov. 5 in Tacoma, Wash.

The native of North Attleboro, Mass., began his career in broadcasting with Capital Cities Communications in sales at WPRO (AM/FM) (now WPRI) Providence, R.I., and eventually became general sales manager. He later served as general manager at WGAN (AM/FM) Portland, Maine, and at WHYN (AM/FM) Springfield, Mass.

In 1968, Wilkin joined King Broadcasting as general manager of KREM (AM/FM) Spokane, Wash. After six years, he founded Wilkin Consulting, working with broadcasters as a production and programming consultant. He retired in 1989.

He is survived by his wife, Anita, three children and two grandchildren.

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# NIELSEN NOV. 8-14 RATINGS

## THE PRIME TIME RACE Top 10 Basic Cable Shows

Nov. 8-14

Total Households (in millions)

PROGRAM	DATE	NET	HHS
1. NFL: Bills vs. Patriots	11/14	ESPN	5.6
2. SpongeBob SqrPants 9:30a	11/13	NICK	3.9
3. SpongeBob SqrPants 9:30a	11/14	NICK	3.5
3. Fairly OddParents 10a	11/13	NICK	3.5
5. SpongeBob SquarePants 9a	11/13	NICK	3.4
6. Fairly OddParents 10a	11/14	NICK	3.2
6. J Neutron: Attack/Twonkies	11/11	NICK	3.2
6. Fairly OddParents 10a	11/14	NICK	3.2
9. WWE Raw 10p	11/8	SPIK	3.1
9. WWE Raw 9p	11/8	SPIK	3.1
9. NFL Prime Time	11/14	ESPN	3.1

Adults 18-49 (in millions)

PROGRAM	DATE	NET	HHS
1. NFL: Bills vs. Patriots	11/14	ESPN	4.4
2. NFL Prime Time	11/14	ESPN	2.6
3. Mv: Liar Liar	11/14	USA	2.3
4. CSI 9p	11/8	SPIK	2.1
5. WWE Raw 9p	11/8	SPIK	2.0
5. Mv: Ocean's Eleven	11/14	TBS	2.0
5. South Park	11/10	COM	2.0
5. WWE Raw 10p	11/8	SPIK	2.0
9. Mv: Ocean's Eleven	11/12	TBS	1.9
9. Real World XV	11/9	MTV	1.9
9. Sportscenter	11/14	ESPN	1.9

SOURCE: Turner Entertainment Research, Nielsen Media Research

## Broadcast Networks

Nov. 8-14

Total Households (in millions)

	WEEK	STD
1. CBS	10.6	9.5
2. NBC	8.1	7.4
3. ABC	7.4	7.2
4. FOX	5.1	7.2
5. WB	2.8	2.9
6. UPN	2.7	2.7
7. PAX	0.5	0.5

Adults 18-49 (in millions)

	WEEK	STD
1. CBS	6.3	5.4
2. NBC	5.4	5.0
3. ABC	5.1	5.0
4. FOX	4.1	5.0
5. WB	2.1	2.2
6. UPN	2.0	1.9
7. PAX	0.2	0.2

## Top 10 Broadcast Shows

Total Households (in millions)

	WEEK	STD
1. CSI	CBS	20.0
2. CSI: Miami	CBS	15.8
3. Without a Trace	CBS	14.3
4. ER	NBC	14.0
5. CBS Sunday Movie	CBS	13.5
6. Survivor: Vanuatu	CBS	13.1
7. Cold Case	CBS	12.8
8. Monday Night Football	ABC	12.7
9. 38th Annual Country Music Awards	CBS	12.6
10. Lost	ABC	12.4

Adults 18-49 (in millions)

	WEEK	STD
1. CSI	CBS	14.0
2. ER	NBC	12.2
3. CSI: Miami	CBS	10.5
4. The Apprentice	NBC	10.2
5. Survivor: Vanuatu	CBS	9.5
6. Without a Trace	CBS	8.9
6. Lost	ABC	8.8
8. Monday Night Football	ABC	8.6
9. CBS Sunday Movie	CBS	8.2
10. CSI: New York Wed 10p	CBS	7.9

SOURCE: Nielsen Media Research

Week	abc	cbs	nbc	fox	pax	upn	wb
9.2/14	11.4/17	7.3/11	5.0/7	0.1/1	2.4/4	2.9/4	
8:00	72. Life of Luxury* 4.2/7	29. Still Standing 7.2/11	28. Fear Factor 7.4/11	52. Trading Spouses 5.4/8	120. Model Citizens 0.1/1	92. One on One 2.3/3	84. Lord of the Rings: The Fellowship of the Ring, Part 1 2.9/4
8:30		32. Listen Up 7.1/10				89. Half and Half 2.4/4	
9:00		11. Two and a Half Men 10.7/16	19. Las Vegas 9.5/14	66. The Swan 4.5/7	120. World Cup of Comedy 0.1/1	86. Friends 2.7/4	
9:30	8. Monday Night Football—Minnesota Vikings vs. Indianapolis Colts 11.6/19	2. CSI: Miami 14.4/22				94. Second Time Around 2.2/3	
10:00			57. \$25 Million Hoax 5.1/8		120. Second Verdict 0.1/1		
10:30							
<b>MONDAY</b>							
<b>TUESDAY</b>							
8:00	6.4/10	11.5/18	7.6/12	3.3/5	0.1/1	2.1/3	3.7/5
8:30	48. My Wife and Kids 5.8/9		38. The Biggest Loser 6.6/10		120. World Cup of Comedy 0.1/1	94. All of Us 2.2/3	72. Gilmore Girls 4.2/6
9:00	50. George Lopez 5.6/8	9. 38th Annual Country Music Awards 11.5/18		77. Rebel Billionaire* 3.3/5		92. Eve 2.3/3	
9:30	38. According to Jim 6.6/10		44. Scrubs 5.9/9		120. Cold Turkey 0.1/1	101. Veronica Mars 1.9/3	80. One Tree Hill 3.2/5
9:30	44. Rodney 5.9/9		14. Law & Order: Special Victims Unit 10.0/16		118. Cold Turkey 0.2/1		
10:00	29. NYPD Blue 7.2/12						
10:30							
<b>WEDNESDAY</b>							
<b>THURSDAY</b>							
8:00	8.6/13	8.1/13	8.3/13	4.6/7	0.4/1	3.0/5	2.5/4
8:30	10. Lost 11.2/17	34. 60 Minutes 6.8/11	60. LAX 5.0/8	67. That '70s Show 4.4/7	117. Doc 0.3/1	75. America's Next Top Model 3.7/6	77. Smallville 3.3/5
9:00		23. King of Queens 8.4/13		76. Quintuplets 3.6/6			
9:30	38. The Bachelor 6.6/10	32. Center of the Universe 7.1/11	16. The West Wing 9.7/15	53. Nanny 911 5.3/8	112. Sue Thomas, F.B. Eye 0.5/1	89. Kevin Hill 2.4/4	103. Jack & Bobby 1.8/3
10:00	26. Wife Swap 7.8/13	16. CSI: New York 9.7/16	13. Law & Order 10.1/16		115. Early Edition 0.4/1		
10:30							
<b>FRIDAY</b>							
8:00	5.1/8	14.4/22	10.4/16	4.0/6	0.6/1	3.3/5	2.1/3
8:30		6. Survivor: Vanuatu 12.0/18	27. Joey 7.7/12	57. The O.C. 5.1/8	112. America's Funniest Home Videos 0.5/1		97. WB Thursday Movie—Save the Last Dance 2.1/3
9:00	57. ABC Thursday Movie of the Week—Saving Private Ryan 5.1/8	1. CSI 18.2/27	12. The Apprentice 10.4/15	85. North Shore 2.8/4			
9:30		3. Without a Trace 13.1/21	4. ER 12.8/20		110. Diagnosis Murder 0.6/1		
10:00							
10:30							
<b>SATURDAY</b>							
8:00	5.0/9	3.6/6	4.6/8	9/9	0.5/1		
8:30		80. Dallas Reunion: Return to Southfork 3.2/6	74. NBC Saturday Night Movie—Men in Black 3.8/7	69. Cops 4.3/8	108. Universal Family Movie—Babe 0.7/1		
9:00	60. Wonderful World of Disney—Harry Potter and the Sorcerer's Stone 5.0/9			64. Cops 4.8/9			
9:30		34. JAG 6.8/11	42. Third Watch 6.2/10	56. AMW: America Fights Back 5.2/9			
10:00		69. 48 Hours Mystery 4.3/8	42. Law & Order: Special Victims Unit 6.2/11				
10:30					118. Faith Under Fire 0.2/1		
<b>SUNDAY</b>							
7:00	7.3/11	11.6/18	7.3/11	7.1/11	0.8/1		1.9/3
7:30	53. Extreme Makeover: Home Edition 5.3/8	14. 60 Minutes 10.0/16	60. Dateline NBC 5.0/8	(nr) NFL Game 2 14.0/25	108. America's Most Talented Kids 0.7/1		101. Steve Harvey Big Time 1.9/3
8:00				48. Malcolm in the Middle 5.8/9			
8:30		7. Cold Case 11.7/17	51. American Dreams 5.5/8	37. The Simpsons 6.7/10	107. Doc 1.0/2		87. Charmed 2.6/4
9:00				69. Arrested Development 4.3/6			
9:30	25. American Music Awards 7.9/12	5. CBS Sunday Movie—Category 6: Day of Destruction, Part 1 12.3/19	18. Law & Order: Criminal Intent 9.6/14	80. My Big Fat Obnoxious Boss 3.2/5	106. Sue Thomas, F.B. Eye 1.1/2		105. Mountain 1.2/2
10:00			21. Crossing Jordan 8.9/14		112. Diagnosis Murder 0.5/1		
10:30							
<b>Averages</b>							
Week	6.7/11	9.7/15	7.4/12	4.7/7	0.5/1	2.5/4	2.5/4
S-T-D	6.6/11	8.7/14	6.8/11	6.5/10	0.4/1	2.4/4	2.6/4

KEY: Each box in grid shows rank, program, total-household rating/share • Blue bar shows total-household rating/share for the day • Top 10 shows of the week are numbered in red • TV universe estimated at 109.6 million households; one rating point is equal to 1,096,000 U.S. TV homes • Tan tint indicates winner of time slot • (nr)=Not Ranked; rating/share estimated • \*Premiere • Programs less than 15 minutes in length not shown • S-T-D = Season to date SOURCES: Nielsen Media Research, CBS Research • Compiled By Kenneth Ray



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## DEALS

### TVs

#### KSMO(TV) KANSAS CITY, MO.

**PRICE:** \$26.8 million  
**BUYER:** Meredith Corp. (Kevin O'Brien, president/broadcast group)  
**SELLER:** Sinclair Broadcast Group (David D. Smith, president/CEO)  
**FACILITIES:** Ch. 62, 1795 kW, ant. 1119 ft.  
**AFFILIATION:** WB  
**COMMENT:** The companies will enter into a joint sales agreement for the station. Meredith will also have the opportunity to purchase the station's license assets for an additional \$6.7 million later if allowed under FCC rules.

#### WOTM(LP) MONTEVALLO, ALA.

**PRICE:** \$2 million  
**BUYER:** WOTM LLC (Michael A. Plaia, manager)  
**SELLER:** James Donald Earley (James Donald Earley, owner)  
**FACILITIES:** Ch. 19, 12.6 kW

#### K23GJ COLORADO SPRINGS, KCIN(LP) DENVER AND K57AA ESTES PARK, COLO.

**PRICE:** Undisclosed  
**BUYER:** McGraw-Hill Broadcasting (Ed Quinn, president)  
**SELLER:** Syncom Media Group Inc. (Christopher Blair, president)  
**FACILITIES:** K23GJ: Ch. 23, 50 kW; KCIN(LP): Ch. 27, 38 kW; K57AA: Ch. 36, 150 kW

### FMs

#### KQVO(FM) CALEXICO, CALIF.

**PRICE:** \$1.1 million  
**BUYER:** San Diego State University (Doug Myrland, general manager); owns one other station, none in this market  
**SELLER:** Hanson Broadcasting Co. Inc. (Elana Hanson, president)  
**FACILITIES:** 97.7 MHz, 6 kW, ant. 305 ft.  
**FORMAT:** Spanish/Top 40  
**COMMENT:** Purchase price is intended to be a bargain sale. To the extent that the fair-market value of the assets exceeds the purchase price, the difference will be a charitable contribution by seller to buyer on closing date.

### AMs

#### WCMS(AM) NORFOLK (NORFOLK-VIRGINIA BEACH-NEWPORT NEWS), VA.

**PRICE:** \$975,000  
**BUYER:** Davidson Media Group LLC (Peter Davidson, president); owns 11 other stations, none in this market  
**SELLER:** Barnstable Broadcasting Inc. (Michael Kaneb, president/COO)  
**FACILITIES:** 1050 kHz, 5 kW day/358 W night  
**FORMAT:** Country  
**BROKER:** Kalil and Co. Inc.

### COMBOS

#### WTKB(FM) ATWOOD, WTNE(AM) AND WTNE(FM) TRENTON, TENN.

**PRICE:** \$2.1 million  
**BUYER:** Grace Broadcasting Services (Lacy Ennis, president/CEO); owns two other stations, none in this market  
**SELLER:** Thunderbolt Broadcasting Co. (Paul F. Tinkle, president)  
**FACILITIES:** WTKB(FM): 93.7 MHz, 15 kW, ant. 325 ft.; WTNE(AM): 1500 kHz, 250 W day/6 W night; WTNE(FM): 97.7 MHz, 49 kW, ant. 302 ft.  
**FORMAT:** WTKB(FM): Oldies; WTNE(AM): AC; WTNE(FM): Country  
**BROKER:** Ed Henson of Henson Media

#### KPGG(FM) ASHDOWN (TEXARKANA), ARK; KVSL(AM), KVWM(AM), KRFM(FM) AND KSNX(FM) SHOW LOW, ARIZ.; KMOQ(FM) BAXTER SPRINGS, KJML(FM) COLUMBUS AND KCAR(FM) GALENA (JOPLIN), KAN.; KQYX(AM) AND WMBH(AM) JOPLIN, KBTN(AM) AND KBTN(FM) NEOSHO (JOPLIN), MO.; KCAR(AM) AND KGAP(FM) CLARKSVILLE, KEWL(FM) NEW BOSTON AND KKTK(AM) TEXARKANA, TEXAS

**PRICE:** Undisclosed  
**BUYER:** FFD Holdings Inc. (Donald C. Henderson, president); owns no other stations  
**SELLER:** Petracom Media LLC (Henry A. Ash, president/CEO)  
**FACILITIES:** KPGG(FM): 103.9 MHz, 5 kW, ant. 354 ft.; KVSL(AM): 1450 kHz, 1 kW day/950 W night;

KVWM(AM): 970 kHz, 5 kW day/195 W night; KRFM(FM): 96.5 MHz, 100 kW, ant. 994 ft.; KSNX(FM): 93.5 MHz, 25 kW, ant. 148 ft.; KMOQ(FM): 107.1, 6 kW ant. 299 ft.; KJML(FM): 105.3 MHz, 13 kW, ant. 289 ft.; KCAR(FM): 104.3 MHz, 6 kW, ant. 328 ft.; KQYX(AM): 1450 kHz, 1 kW; WMBH(AM): 1560 kHz, 250 W day/9 W night; KBTN(AM): 1420 kHz, 1 kW day/500 W night; KBTN(FM): 99.7 MHz, 17 kW, ant. 404 ft.; KCAR(AM): 1350 kHz, 410 W day/65 W night; KGAP(FM): 98.5 MHz, 50 kW, ant. 308 ft.; KEWL(FM): 95.1 MHz, 22 kW, ant. 472 ft.; KKTK(AM): 1400 kHz, 1 kW  
**FORMAT:** KPGG(FM): Country; KVSL(AM): Classic Hits; KVWM(AM): News/Talk; KRFM(FM): Hot AC; KSNX(FM): Oldies; KMOQ(FM): CHR; KJML(FM): Modern Rock; KCAR(FM): Oldies; KQYX: News/Talk; WMBH(AM): Sports; KBTN(AM): Country; KBTN(FM): Country; KCAR(AM): Country; KGAP(FM): Oldies; KEWL(FM): Oldies; KKTK(AM): Oldies  
**COMMENT:** Bankruptcy court order

#### KRQT(FM) CASTLE ROCK, KLYK(FM) KELSO, KBAM(AM) AND KEDO(AM) LONGVIEW, WASH.

**PRICE:** Undisclosed  
**BUYER:** Bicoastal Media LLC (Kenneth R. Dennis, president); owns 19 other stations, none in this market  
**SELLER:** Entercom (David J. Field, president/CEO)  
**FACILITIES:** KRQT(FM): 107.1 MHz, 740 W, ant. 1732 ft.; KLYK(FM): 94.5 MHz, 3 kW, ant. 476 ft.; KBAM(AM): 1270 kHz, 5 kW day/83 W night; KEDO(AM): 1400 kHz, 1 kW  
**FORMAT:** KRQT(FM): Classic Rock; KLYK(FM): Hot AC; KBAM(AM): Country; KEDO(AM): Oldies  
**BROKER:** Media Venture Partners

#### INFORMATION PROVIDED BY:

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##### LOCAL SALES MANAGER

Midwest duopoly is looking for a Local Sales Manager with solid leadership skills, proven record of developing direct business, experience in selling special revenue projects and sports, excellent negotiation skills. Knowledge of Columbine, Scarborough, and Strata preferred. Please send resume to: yatsumi@reedbusiness.com indicating Box# BC1122A in the subject line. Equal Opportunity Employer.

##### GENERAL SALES MANAGER

Media General Broadcast Group www.mbg.com; WRBL-TV is looking for a General Sales Manager. WRBL-TV is a CBS affiliate in the 127th market. Candidate must have a take-charge attitude, 2 - 4 years previous television sales management experience with a proven track record in new business development, sales promotions and special events. College degree and rep. experience preferred. Must be organized, possess leadership, excellent computer and people skills and have the ability to train others. EOE M/F/D/V Pre-employment & drug screen. Send resume, references, sales management philosophy and salary history to: Human Resources, WRBL-TV, P.O. Box 270, Columbus, GA 31902 or email to opickett@WRBL.com. No phone calls please.

##### GENERAL SALES MANAGER

WICS-TV and WICD-TV, NBC affiliates in Springfield-Champaign, Illinois have an immediate opening for a General Sales Manager. Ideal candidate has proven track record in Local and/or National Broadcast Sales management. Must be a skilled leader / motivator with strong belief in and well developed skill sets for New Business Development. The successful candidate will manage all aspects of television sales for both stations including local, national and new business revenue and expense budgets, inventory management and pricing, sales promotion and development of non-traditional revenue sources including but not limited to direct mail initiatives. Please apply at www.wics.com. EOE, Drug Free.

##### ACCOUNT EXECUTIVE

WAVY-TV is looking for an experienced sales and marketing professional to develop marketing and advertising campaigns for our future customers. Successful candidate should have strong relationship, presentation, and customer service skills. Ad agency and/or major print account experience a plus. Please mail cover letter and resume to John Cochrane, General Sales Manager, WAVY-TV, 300 Wavy Street, Portsmouth VA 23704. No phone calls, please. EOE.

##### INTERNET SALES DIRECTOR

Imagine hooking one of Louisiana's top websites to the power of one of America's top television stations! KPLC has an immediate opening for an ISD who can set the market on fire. We're looking for someone with media experience, strong sales and presentation skills, self-motivation, and an insatiable drive to WIN. Knowledge of MS Word, Excel, and PP a must. College degree preferred. Must have own vehicle, a good driving record, and a La. driver's license. EEO Officer, KPLC, P.O. Box 1490, Lake Charles, LA 70602. EOE

#### TECHNICAL CAREERS

##### ENGINEERING/IT SYSTEMS ADMINISTRATOR

WLS-TV, the top rated news station in Chicago is looking for a strong IT candidate for the Engineering department. Candidate must possess a strong background in corporate LAN and remote administration tools. Experience in Broadcast systems, News software applications and Newsroom Automation systems preferred. Experience in iNews NRCS and GVG MAN a plus. Candidate must be a self-starter and able to work in a challenging environment. Job hours will involve nights and weekends. Please send resume to: Kal Hassan, VP & Director of Engineering, WLS-TV, 190 North State Street, Chicago, IL 60601. No phone calls, please. EOE.

##### BROADCAST ENGINEER

Eurovision Americas, Inc. is seeking a qualified broadcast engineer for its all-digital facility in Washington DC. The successful candidate will work in a small team switching feeds from all over the Americas to Europe via the Eurovision satellite and fiber networks. The ability to work quickly and accurately under pressure, and excellent customer relations skills are essential. Roster will include evening and weekend shifts. The successful candidate will also work with the engineer-in-charge, installing and maintaining audio, video and data cabling and equipment. Creativity and resourcefulness and the commitment to pursue assignments to completion are essential. Degree in electronics or equivalent experience with related equipment preferred. Must have knowledge of NTSC, PAL and HD video formats; SDI routing and embedded audio; Tandberg MPEG encoders and Snell and Willcox standards converters. Good working knowledge of tape transports and simple server based applications. Several years' experience in the field of satellite transmissions. E-mail resume and covering letter to jobs@eurovision-us.net. Closing date: Tuesday November 30.

##### ASSISTANT CHIEF ENGINEER

WAKA-TV, a CBS affiliate in Montgomery, Alabama, has an opening for an assistant to the Chief Engineer. The candidate will be responsible for all maintenance and repair to all technical equipment located in the studio; VHF and UHF full power transmitter facilities; satellite uplink and extensive microwave facilities. The applicant must have working knowledge of RF and must be able to troubleshoot and repair broadcast equipment in a full service news environment. Applicant must also be a true right hand to the Chief Engineer. Strong computer, networking and people skills required. Above average salary for above average experience. Excellent benefits including health, retirement, generous vacation and personal leave policy. Send resume to Human Resources, WAKA-TV, 3020 East Blvd, Montgomery, Alabama 36116. EOE.

##### ENGINEER

Fox O&O in Memphis needs engineer to maintain/repair studio and transmitter equip with emphasis on Beta SX VTR and RF systems repair. Must be familiar with FCC and OSHA rules and will serve as FCC Chief Operator. Must be able to troubleshoot to the component level. Must be able to lift 50 lbs. work on ladders, and work in confined spaces when necessary. Requires five years exp in television studio and transmitter maintenance. SBE certification preferred. Send cover letter and resume to: Human Resources, WHBQ-TV, 485 S Highland, Memphis, TN 38111. EOE

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LOCAL SALES MANAGER: Aggressive, energetic and creative negotiator with demonstrated leadership experience to lead local team. Must have a strong work ethic, exceptional organizational and communication skills and be computer literate. Proven record of accomplishment for new business development, training and team building are essential. Prior local broadcast sales management experience preferred. RESEARCH COORDINATOR: Broad knowledge of broadcasting, familiarity with research software applications, combined with exceptional presentation skills and the ability to analyze data is required. Two years of applicable experience is preferred. Kelly Ennis, WCSC-TV, 2126 Charlie Hall Blvd., Charleston, SC 29414. A division of Jefferson Pilot Communications. EOE

#### NEWS CAREERS

##### CHIEF METEOROLOGIST WANTED

We are not the number one station in the market, but we could be....And the challenge and the opportunity is there. We are looking for a dynamic individual and a leader. We are 45 minutes from the beach. Rush tape and resume to: Box # BC1122, Broadcasting & Cable, 360 Park Avenue South, New York, NY 10010, Attn: Y. Atsumi.

##### ASSISTANT NEWS DIRECTOR

WTOL-TV...Northwest Ohio's dominant television news organization is searching for an aggressive Assistant News Director. This person will oversee day-to-day operations. The successful candidate must have prior news management experience, either as a News Director in a smaller market or Executive Producer in a larger market. Send us a cover letter and resume to Personnel Administrator #203, WTOL TV, P.O. Box 1111, Toledo, Ohio 43699-1111. No Phone Calls. EOE.





# CAREERS

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### PRODUCER CAREERS

#### POLITICAL PRODUCER

WNBC is looking for a Political Unit Producer. The job is to collaborate with Political/Government affairs reporters to generate original stories as well as plan short and long term political event coverage. The Political Producer writes and reviews scripts, and also coordinates with other departments in the newsroom such as the assignment desk, editing and graphics, video library and interns. We want a Producer to foster a productive and energetic working environment. The position requires significant news experience in politics and government plus strong organizational and leadership skills in a complex, TV deadline environment. Flexible schedule a must. College degree required. Avstar computer system experience preferred. EOE/M/F Send resumes to (updated email): Wnbc.JobPostings@nbc.com

### WEB CAREERS

#### WEBSITE PRODUCER

Must possess excellent news judgment, strong writing skills and knowledge of Internet protocols and tools including HTML and FTP. Design skills are a plus. Television news experience and web producing experience strongly preferred. The right candidate will be a self-starter with proven ability to research and create compelling content for the web. Please send resume to Carolann Monroe, Director of Web Operations, WABC-TV, 7 Lincoln Square, 3rd Floor, New York, NY 10023. No telephone calls, faxes, or emails, please. We are an Equal Opportunity Employer.

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We offer a desirable working environment, competitive salary and a comprehensive benefits package. To apply, please e-mail your resume including salary requirements to: [hresources@scrippsnetworks.com](mailto:hresources@scrippsnetworks.com) Please include "Maintenance Engineer" in the subject line.

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# Thanks With an Asterisk

**A**t the first Thanksgiving, the Fear Factors were sickness and disease, and the Amazing Race was to settle a New World. But like those first settlers, and probably like most of you today, this year we give thanks not only for the good that came our way but for the bad that wasn't as bad as it could have been.

For starters, we recognize that the power of television to educate, inform and entertain has never been more awesome, even if it often disappoints.

Television doesn't happen by magic. The medium needs healthy helpings of creativity and artistic freedom, so we are thankful that broadcasters and others have finally started to fight the indecency zealots.

We've always been thankful for the First Amendment, and we're encouraged some in the media business have summoned up the courage to stand up for their rights, too. We're grateful to Viacom for its strong rebuke of the FCC over the Janet Jackson fine.

The commission's prudery and intolerance are one of the biggest disappointments of this or any other season. Shame on Michael Powell for letting the FCC indecency crusade happen on his watch. Will towel-dropping Nicollette Sheridan be the next victim of the indecency witch hunt? We hope not.

Remarkably, in a threatening environment, the fall

broadcast season has produced a few new shows that not only are full of fresh ideas but are succeeding. *Desperate Housewives* and *Lost* are clicking, on ABC no less. Cable, likewise, has not seemed shy about risk-taking. Take a look at *Nip/Tuck*, for example. As always, HBO provides. With *Deadwood* it even revived the Western. We're hopeful, too: It's still not too late for viewers to discover Fox's *Arrested Development*.

Comedy Central's *Daily Show With Jon Stewart*—nightly satire and insightful humor—was a high point this year. It allowed us to get away from dumbed-down campaign coverage by cable's news networks.

In this hotly contested election, there was a lot of shouting but a lack of distinguished news judgment. The TV news business, particularly on cable, wasted time with the Swift Boat "controversy," and CBS squandered credibility with a monumental *60 Minutes* mistake that Dan Rather tried—badly—to explain away. Sinclair Broadcasting wouldn't run ABC's *Nightline* the evening Ted Koppel devoted the half-hour to reading the names of the war dead. We're not thankful about any of that.

But most of all, our support goes to the journalists under figurative siege for protecting sources, and our gratitude is extended to the brave journalists under literal siege in Iraq, trying to give us an accurate picture of that war. They deserve our thanks and respect, as do the troops caught in a very dangerous situation.

## EDITORIAL

# 'Private Ryan' and Public Censorship

**W**hen numerous ABC affiliates refused to air *Saving Private Ryan* on Veterans Day, these broadcasters vividly demonstrated that the chilling effect of the FCC's newly expanded indecency regulations on appropriate, important and educational speech on free over-the-air television is no scholarly abstraction but is very real, costly and dangerous.

Much of the American public lost the ability to view *Private Ryan* because, under new FCC rules, context, quality and parental warnings repeated *ad nauseum* no longer matter. For children, programs that feature contestants eating bugs are fine, commercials for erectile dysfunction are okay, but *Saving Private Ryan*, Steven Spielberg's love letter to America's veterans, airing on Veteran's Day after two prior previous broadcasts with few complaints, is today *verboten*.

Proponents of these new rules claim they are necessary to protect children. But few parents in America can plausibly claim they are unfamiliar with *Private Ryan*, a multiple-Oscar-winning film with a blockbuster theatrical release, huge video and DVD sales, and the prior television exposure. After the intense press coverage of the affiliates' decision to pull the film, parents had plenty of opportunity to make sure their children didn't watch, if that was their choice. However, for those who didn't know about the film and failed to utilize their V-chip to block programs like *Private Ryan* with a TV-MA rating, ABC aired repeated warnings about its content.

So how can it be that the thousands of persons reportedly filing complaints with the FCC over *Private Ryan* actually had children who saw it?

The answer is, of course, that the complainers and their children *didn't* watch. For highly organized pressure groups such as Reverend Donald Wildmon's American Family Association, whose Web site and e-mail "AFA Action Alerts" urge people to file complaints with the FCC whether they saw *Private Ryan* or not, the goal is to prevent everyone else from viewing what they don't approve of. And they have willing accomplices at the FCC and in Congress. It's censorship by Big Brother, pure and simple.

Many parents, including us, believe censorship of an important and educational film like *Private Ryan* is a tragedy for not only our children but our nation. We have the right as parents to make our own choices about what our children watch, not Donald Wildmon. Despite its profanity and violence, the broadcast of *Private Ryan* was a remarkable opportunity for parents and children alike to better understand the realities of war. On this Veterans Day, with America again at war, what could

be more timely?

The real Private Ryans and his fellow veterans of World War II fought so that their children might continue to enjoy the freedoms guaranteed by our Constitution. Today, those children—and the broadcasters who serve them—must continue that fight.

*Rintels is executive director of the Center for Creative Voices in Media. Charren, on the center's board, founded Action for Children's Television in 1968 and was awarded the Presidential Medal of Freedom in 1995.*

**AIRTIME**  
By Jonathan Rintels  
and Peggy Charren

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