

Ad progress on satellite radio services mixed/37

TV stations expand local programming to compete against cable/41

No compelling pressure seen by clients on issue ads/45

Television/Radio Age

OCTOBER 19, 1981 • \$3.50

**Here's an offer
that's short and to
the point.**



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Diff'rent Strokes/'84

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Torn from the flaming pages of box office history

**"Gentlemen
Prefer
Blondes"**

**"The Snows
of
Kilimanjaro"**

**"Call
Me
Madam"**

**"An Affair
to
Remember"**



PLUS THESE

A TREE GROWS IN BROOKLYN
THE BOY ON A DOLPHIN
CHEAPER BY THE DOZEN
DADDY LONG LEGS
DAVID AND BATHSHEBA
THE LONG HOT SUMMER
LOVE IS A MANY-SPLENDORED THING

THE SUN ALSO RISES
DESIREE
THE DIARY OF ANNE FRANK
NIAGARA
GUADALCANAL DIARY

THE DESERT FOX
LET'S MAKE LOVE
HOW TO MARRY A MILLIONAIRE
RIVER OF NO RETURN

EVERY TITLE IS A ★★★★★ TO ★★★★★ RATING! IN ALL...66 BOX

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the movie giants that will ignite your ratings!

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"Three
Coins
in the
Fountain"

"Blood
and
Sand"

"The
Seven
Year
Itch"

PACKED WITH MARQUEE POWER...

SUPER



★ ★ ★ ★ ★
**MORE STARS
THAN THE
MILKY WAY!**
★ ★ ★ ★ ★

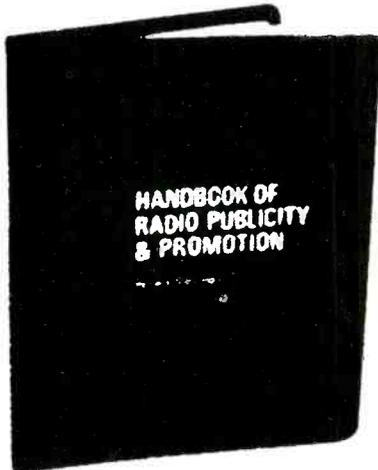
STARRING

ELVIS PRESLEY, CARY GRANT, JOHN WAYNE, MARILYN MONROE,
BETTE DAVIS, HUMPHREY BOGART, PAUL NEWMAN,
CLARK GABLE, GREGORY PECK, MARLON BRANDO,
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The MUST book to help you boost ratings and increase sales and profits.

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Gentlemen:

Please send me HANDBOOK OF
RADIO PUBLICITY & PROMO-
TION @ \$36.45 each.

A check for enclosed.

Name

Address

City

State

Zip

37 Ad progress on satellite radio services mixed

While the satellite transmission race by webs and program suppliers continues to accelerate, the contest to obtain national ad dollars is a mixed picture.

41 TV stations expand local programming to compete against cable

Spurred by the proliferation of cable channels in markets across the country, TV broadcasters are exploring every avenue for expansion of local programming.

43 Spot television enjoying one of its best years ever

Buyer and seller alike agree that spot TV is enjoying one of its best years. Reps confidently predict that 1981 spot should wind up 14 to 16 per cent ahead of 1980.

45 Issue ads: One answer to corporations' image, political problems

If advocacy ads are going to develop into a major TV category, it's going to be due primarily to mounting pressures upon corporations to increase their public visibility.

47 New Arbitron rate plan isn't cooling tempers

By all appearances, Arbitron Radio's effort to take some of the pain out of adjustments socked on for inflation won't mollify station customers.

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Television/Radio Age is published every other Monday by the Television Editorial Corp. Publication Office, 20th & Northampton, Easton Pa. Address mail to editorial, advertising and circulation offices: 1270 Avenue of the Americas, New York, N.Y. 10020. 212-757-8400. Controlled circulation postage paid at New York, N.Y., and Easton, Pa.

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enduring sitcoms in syndication,
sold in over 100 markets. Let them
cast their spell on your audience.

**I DREAM OF JEANNIE
BEWITCHED**



COLUMBIA PICTURES TELEVISION

OUR HOURS WORK BEST



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

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Member Business
Publications Audit of
Circulations, Inc.



TELEVISION/RADIO AGE is published every other Monday by the Television Editorial Corp. Sol. J. Paul, President; Lee C. Sheridan, Executive Vice President; Paul Blakemore, Vice President; Alfred Jaffe, Vice President; Mort Miller, Vice President. Editorial, advertising and circulation office: 1270 Avenue of the Americas, New York, N.Y. 10020. Phone: (212) 757-8400. Single copy: \$3.50. Yearly subscription in the U.S. and possessions: \$40; Canada and Mexico: \$40; elsewhere: \$40 © Television Editorial Corp. 1981. The entire contents of TELEVISION/RADIO AGE are protected by copyright in the U.S. and in all countries signatory to the Bern Convention and the Pan-American Convention.

Soap is serious business

Over a billion dollars is now invested in daytime television ... and almost three-quarters of that programming is drama. No need to tell you what daytime means in your market.

Every day fifty million women watch the soaps and take them very, very seriously.

The Soap Spot.

130 two and four minute programs available with and without opening and closing animation.

Stars of the soaps reveal secrets about their private lives in a series of mini-magazine features. Made entirely on location at their homes, on the sets of their network series, in their favorite places.

- Special Sweep Series**
- Sex & The Soaps
 - Daytime's Sexiest Women
 - Daytime's Sexiest Men
 - Soap's Bad Women
 - Love Among the Young

The Soap Spot. a little show of strength

A selling tool to tap your local share of that big, bubbly audience.

Take the stars out of the soaps and "book" them on your news and talk shows or in your afternoon movie. Bridge soaps to early fringe; early fringe to evening news. Beef up shares and HUT levels. Improve your network lead-in.

A few minutes of The Soap Spot in your darkest hours — or half-hours — will give you a bigger, brighter share of women when you need them most.

When you need a little muscle, The Soap Spot is a little show of strength.

Host John Gabriel



is known to millions of fans as Dr. Seneca Beaulac, famed neurosurgeon on "Ryan's Hope." He previously starred on "General Hospital" and "Love of Life." He's hosted three talk-variety shows. His movies include "It's My Turn," with Jill Clayburgh... and he's a veteran of the Broadway stage.



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COMING



ABC builds your audience with a special kind of news and sports tailored to the young adult audience. Young, sometimes irreverent but always relevant. And they're the quickest, the best. **Then** there's the "Steve Dahl Supper Klub"... hours of weekly zaniness from radio's most charismatic comic personality... Steve will keep your audience coming back week after week. **There'll** also be features such as "Rock & Roll Legends," "Rock Notes" and a lifestyle feature, "Lifelines," plus music, movie and TV news features, and more. **Most** important of all, **Rock Radio Network** is your direct and exclusive line to AOR's biggest and best music program features. We've got the most listened-to program in rock history, "The King Biscuit Flower Hour," featuring its biggest star line-up ever. And we keep pouring it on with the hottest groups in concert on "Supergroups." Looking ahead, we'll also be bringing your station exciting simulcasts and **Satellite Concerts**, live from around-the-world. **Every** field has a leader. In radio it's **ABC Network Radio**. ABC has the know-how, the track record, and the commitment to special AOR programming to make your station the one that rocks radio best. Call **Virginia Westphal**, Denise Oliver or Tom Plant. (212) 887-7777.

RADIO NETWORK!

The new energy in young adult radio.



PHOTO CREDITS: THE WALL - PINK FLOYD; BRIAN D. McLAUGHLIN; BRUCE SPRINGSTEEN AND FLEETWOOD MAC - NANCY NEY

Publisher's Letter

Television/Radio Age, October 19, 1981

Those opposed to repeal of 315, 'Fairness,' still support First Amendment

The most interesting aspect of the discussion on Section 315 and on the Fairness Doctrine as well, is that those opposed to its repeal are schizophrenic about the First Amendment.

Those opposed to doing away with the abominable regulations are the first to hide behind the First Amendment in so-called free speech issues, particularly on obscenity. But as Chairman Mark S. Fowler pointed out in an op-ed piece in the *Washington Post*, "Section 315 embodies censorship provisions that dictate, in part, what is to be seen or heard on the electronic media, who is to be seen or heard and for how much time. It also constitutes an arm of government—the FCC—as a review panel to decide whether a broadcast station has afforded just the right content balance or whether the journalist should lose [its] license to publish. To me, that is a frightening specter and one that is antithetical to our most precious freedom: speech itself. How ironic then, and how perverse, that a country that prides itself on being different because of the First Amendment still shackles its most pervasive medium with government oversight. Are we not being totally hypocritical?"

Fowler position requires support of broadcasters

The Fairness Doctrine, an extension of Section 315, is in effect an Unfairness Doctrine since it inhibits the broadcaster from presenting controversial issues and, therefore, the public is the loser. Chairman Fowler has put these issues foursquare to the public, the broadcaster and Congress. He has articulated a position which will require support of the constitutionalists as well as the broadcasters. The Commission already has the power to repeal immediately the political editorializing rule as well as the personal attack rule, both of which have been an anathema to broadcasters.

The political editorializing rule stipulates that when a station endorses a candidate, it must notify *all other* candidates in the race and offer time to respond.

The Personal Attack Rule states that a station must give an individual or group "notice and an opportunity to respond" if "during the presentation of views of a controversial issue of public importance, an attack is made on the honesty and character, integrity or like personal qualities of the identified person or group." Gene Jankowski, president of CBS Broadcast Group, in a recent letter to Fowler, urged the FCC to repeal both the personal attack and political editorializing rules, stating that private reputational interests are adequately protected by the laws of defamation and provisory.

Regulations said to block free expression

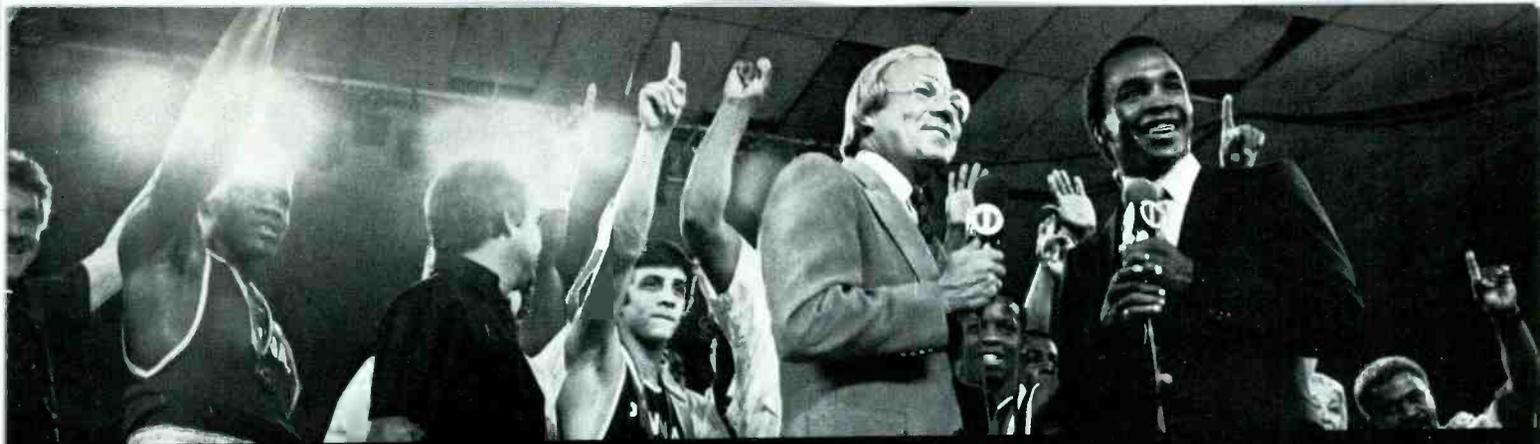
Further, both Jankowski and Fowler have pointed out that these regulations of radio and television are no longer viable since it places a roadblock in the way of free expression, a constitutional guarantee enjoyed by print, but not by the broadcast media.

Fowler, in a forceful speech before the opening newsmaker luncheon of the International Radio and Television Society, chided the broadcasters on not fighting for their constitutional rights: "When the government imposed a ban on station editorializing, where were you? When the Fairness Doctrine crept into view, where were you? When Congress imposed equal time and reasonable access requirements, where were you? Was your license so valuable, your fear so great, that you would abide by violations of your First Amendment rights, so long as no one would touch your license?"

It would appear that further action on Section 315 is in the laps of the broadcasters.

If the broadcasters feel strongly enough about the onerous provisions of the statute, they will ask Congress to repeal this yoke around the necks of free competitive broadcasting media. This is not going to be easy, but it is well worth the effort.





THE CHAMP IS READY! ARE YOU?

Sugar Ray Leonard's Golden Gloves starts January 1982 on more than 80 stations—9 of the top 10...18 of the top 20—including stations from the ABC O&O's, the NBC O&O's, Group W, Post-Newsweek, among others!

It's television's first official Golden Gloves team competition. It's ready now at a time when boxing is enjoying a great surge in popularity, according to a Harris Sports survey.*

If you liked the Leonard-Hearns action—wait 'til you see these young fighters go at it!

Sugar Ray Leonard's Golden Gloves

SUGAR RAY IS THE RINGSIDE HOST OF 26 WEEKLY HOURS OF WALL-TO-WALL ACTION AVAILABLE FOR TELECASTING JANUARY 1982 ON AN ADVERTISER-SUPPORTED BASIS.

CALL SHELLY SCHWAB (212) 759-7500 FOR A PILOT SCREENING OR MORE INFORMATION.

MCA TV

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A Golden Salute

As we celebrate our 50th year, we recognize that it is the prestigious stations and broadcasting companies we represent that have provided the ingredients for our success. A large slice of gratitude to:

**Allbritton Communications Company
Arizona Television Company
Bonneville International
Cedar Rapids Television Company
Delta Television Inc.
Golden West Broadcasters
Hearst Corporation
Hubbard Broadcasting Inc.
Jefferson-Pilot Broadcasting Company
Leake TV, Inc.
May Broadcasting Company
Midwest Television, Inc.
Outlet Company
Peyton Broadcasting Ltd.
Post-Newsweek Stations, Inc.
Providence Journal Company
Retlaw Broadcasting Company
Rock Island Broadcasting Company
Rollins Telecasting Inc.
WBRE-TV, Inc.
Ziff-Davis Broadcasting Company**

And a special salute to those companies with us since the beginning...

**WFAA / Belo Broadcasting Corporation
KPRC / Channel Two Television Company**

May we all continue to serve our industry for another 50 years.

PETRY

Letters

Super job

TV/RADIO AGE did a really super job in covering ABC's Radio Commercial Study and our AREAS system. (*New radio web research tool: customized areas*, Aug. 24; *ABC study: radio listeners aren't turned off by ads*, Sept. 7).

Both of these subjects were fairly complex, but you turned around and made everything clear and understandable to your readers. Hats off for a great job!

WILLIAM T. MCCLENAGHAN
Director of research,
ABC Radio Network,
New York

Educational programs needed

We are in process of creating a video library for educational purposes. Since we have no TV broadcasting in this country, at this stage most schools and institutions as well as private persons depend on video recorders for education and entertainment. There are many libraries here that cater exclusively to the entertainment sector, but none for education, especially adult education.

Since we are in the bookselling business (hence have good contacts to schools), several of them approached

us to see if something can be done to build up a video library which will stock exclusively educational, scientific and cultural programs for use in schools or for home training. Even the only technical university is poorly equipped in that respect.

Would your readers be able to supply such programs? If yes, please supply us with details.

This country uses exclusively the German PAL TV System, in both VHS and Betamax formats.

Looking forward to your reply.

BRIGITTE MELTZER
Attic Bookshop,
P.O. Box 802
Papua,
New Guinea

Cable competition

Your story on the potential for syndication of children's programs to cable (*Syndication of children's shows to cable offers great potential, but obstacles to growth persist*, Aug. 24) brings up an interesting dilemma now facing commercial broadcast television stations.

Now, not only do we have to compete with cable channels for audience, we also have to compete with them for syndicated product.

Your article points this out very

clearly when it says, "Several distributors to broadcast markets have been racking up extra money bonuses for some time, by selling to cable as an additional 'window,' and indications are that not only will the window remain open, but it will widen as well."

The article was dealing specifically with children's programming, but could it not apply to the whole spectrum of syndicated programming? That's in addition to the syndicated programming that is beamed into our local market from distant superstations.

As a television station program director in a medium-sized market, I am reevaluating my entire philosophy with regard to syndicated product. First, I am taking a much closer look at the product itself. I am asking if it is truly a quality program.

Then I am asking if it is superior to something our station could do itself. Then I am considering whether it is sufficiently different from the type of product that might be offered on a local cable channel.

I'm not saying that my station will stop carrying syndicated product; what I *am* saying is that we will be much more selective than we have ever been in the past.

In line with this strategy, we, like most other over-the-air telecasters, realize that the key to our survival is going to be an emphasis on local programming. This will set us apart from the others.

But local programming does not only mean news. It means local talk shows, local variety shows, local sports, local children's shows.

When television first came on the scene, it forced a dramatic change in radio programming.

Radio stations, in addition to becoming more music-oriented, began emphasizing their own local personalities—the disc jockeys, news announcers, etc. We have to follow that route on television as well.

I have gone pretty far afield of the subject of children's programming; and I don't mean to imply that we are getting rid of syndicated programs on our station.

But I would urge the syndicated program suppliers to exercise a little restraint and judgment before they dive headlong into the cable market.

I would take issue with the comment made in the article by Fremantle's David Champtaloup that, "Television stations don't seem to mind if the show has had pay-TV exposure."

NAME WITHHELD

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Television/ Radio Age

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THREE YEARS—\$80.00

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Company _____

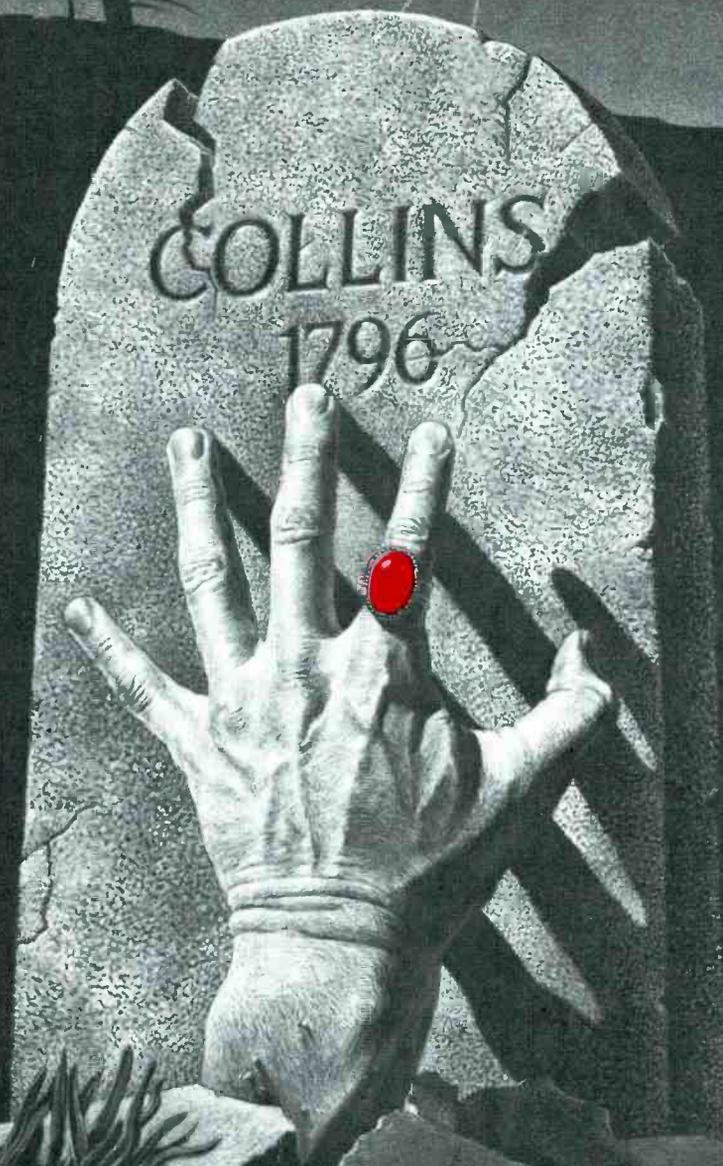
Address _____

City _____ State _____

Zip _____

*Twenty-five issues a year. Newstand price \$2.50 per issue.
Subscriptions begin upon receipt of payment.*

IT HAS RISEN AGAIN.



Reach for creative counter programming for all time periods with TV's only continuing Gothic suspense series.

Dark Shadows



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660 Madison Avenue • New York, NY 10021 • 2-2-832-3838
A Taft Broadcasting Company

HEAVENLY RATINGS FROM CHARLIE'S ANGELS



**CHARLIE'S ANGELS ON KTLA, LOS ANGELES
#1 IN ITS TIME PERIOD.**

**CHARLIE'S ANGELS ON WNEW, NEW YORK
#1 INDEPENDENT IN ITS TIME PERIOD.**



CHARLIE'S ANGELS

A Spelling/Goldberg Production
in association with



COLUMBIA PICTURES TELEVISION

Sidelights

Captive audience

Stanley Marcus, 76-year-old retired chairman of the Neiman-Marcus specialty stores, began a daily radio commentary four months ago, but not everyone understands his motivation.

"Friends of mine," he relates, "have come up to me and asked, 'Why get involved with something completely new at your age?' I say to them, 'How many 76-year-old men do you know who have anybody to listen to them? Not only do I have someone to listen to me—they're paying me for it!'"

Marcus, who officially retired from Neiman-Marcus in 1975 after nearly 50 years in the retail business, is the commentator for *Another Opinion*, a two-minute daily radio feature syndicated by the Dallas-based Sunbelt Network and currently airing in 35 markets.

"I made a speech somewhere," he recalls, "and someone asked me, 'What do you wish you'd done?' I answered that I would have liked to edit a newspaper or have done radio documentaries on a couple of subjects I know about.



Stanley Marcus—from retailer to broadcaster

"About a month later, I got a call from Jim Johns (president of the Sunbelt Network). He had heard what I had said and asked me if I thought I could do a program. I said I'd try it—five commentaries a week sounded like a cinch. Then when I realized I'd have to write 20 or 30 at one time so I could bank them, it took on a different dimension."

Marcus' subjects cover a wide range—from his opinions on such things as bad taste and restaurant service to his experiences as a merchant.

Another Opinion is heard in Dallas (Marcus' home) on KRLD at 5:55 a.m. and 1:55 p.m. weekdays. "I'm amazed at the number of people who are awake at

5:55," he says. "Some people say they hear me while they're jogging; and others hear me while they're shaving."

For all his involvement in his program, Marcus admittedly is not much of a radio listener. "Over the years," he says, "I've listened to the radio less and less because everything I turned on was hard rock or country & western. It didn't surprise me to learn that others were doing the same thing."

Here, he makes an analogy to the retailing industry. "Any business," he says, "that decides all of the customers want one thing is making a mistake. It's very easy to say, 'I'm going to cater to the largest segment.' When you do that, you lose your ability to satisfy the balance."

"I've seen this in retailing when every manufacturer became intrigued by the youth market—they completely shut out anyone who wore anything larger than a size 10 or who needed a different cut of clothes.

"There is a parallel," he continues, "between what happened in the whole field of feminine fashion and what happened in youth-oriented radio programming."

When something new comes along, he points out, "if it's really big, not more than 20 per cent of the people are going to buy it. There's a temptation to go overboard and say, 'everybody wants it.' Everybody doesn't want anything."

In addition to his broadcasting activities, Marcus is indirectly involved in the advertising business as a consultant for Bozell & Jacobs. He helps those clients with retail distribution find out how their products are perceived by their customers.

"I can get a client a pretty good reading on this image in a given market," Marcus says. "I can reach the chairman or president or merchandise manager of any store in the country, and I say, 'Level with me. Are they as good as they should be?' I give them anonymity so they'll speak freely. It's not scientific, but it's immediate, inexpensive and actionable."

Earth station boom

About 7,000 small (under 10 meters) satellite earth stations will be sold in the U.S. through 1981, bringing the total number of these stations in operation to just under 20,000 by the end of the year. This estimate comes from Strategic, Inc., research and consulting firm of San Jose, Calif.

Strategic's director of audio/visual services, Marsha F. Adams, projects that 70.3 per cent of the 7,000 total small

antennas sold this year will be for home earth stations. This would mean about 5,000 home stations sold in 1981, compared to about 740 for use by cable systems.

Adams says her figures are taken from reports at antenna conferences and "what people say is being sold." If anything, she says, are conservative.

Strategic estimates are that as the price of small stations decreases, the revenue growth of the market will trail unit sales growth, but for 1981-89 total equipment sales will exceed \$1 billion.

The 120-page report is available from Strategic for \$1,500.

Pitching high fashion

Though fashion jeans get about as much advertising exposure on television as beer, commercials for more traditional forms of feminine high fashion attire are rarely seen.

Hankering to change that is the Los Angeles ad firm of Eisaman, Johns & Laws, which recently exposed a short-flight campaign for a West Coast fashion house known as Carole Little for Saint-Tropez West.



Designer Carol Little—pitching high fashion on television

EJL's vice-chairman Adrienne Hall contends that, to the best of her knowledge, the spots are the first-ever commercials for this kind of high fashion house.

Running a single 30 for five weeks in five major markets, the campaign was angled exclusively for working women. The results have been so "tremendous" (the agency's word) that it may not be long before fashion advertising gets to be a TV staple, Hall predicts.

Major deterrent to high fashion selling on TV in the past was the audience waste—most fashion houses just don't think there are enough prospective customers watching to warrant the great

Primetime Network Quality

They said it couldn't be done for PTAR...but YOU ASKED FOR IT did it.

With a budget of \$18 million and crews shooting around the world, we made it happen.

Our thanks to the 100-plus U.S. stations and more than 38 sold international countries for their confidence and support.

YOU ASKED FOR IT. The first truly primetime network quality strip ever produced for primetime access.

Your audiences will love it. You'll love the ratings.

YOU ASKED FOR IT, 150 original half-hours starring Rich Little.



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Sandy Frank Productions, Inc.

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Sidelights

(continued)

expense of producing and buying time for TV spots. Newspapers and magazines have been the designer's media—till now.

Hall tells how, halfway through the flight, Marshall Field in Chicago reported sales of the Little line had doubled, and other stores saw the designer's merchandise literally disappear off the racks. Equally important, the agency exec says, was the instant recognition

earned for the brand name. Not only did new outlets open up to the line, but the designer herself became a TV personality overnight.

"People came up to Carole Little in the street asking for her autograph," Hall says. In fact, after she appeared at a showing in a Westwood department store, Little was approached by a woman who asked her to sign a hang tag from one of her dresses. As the designer was

complying, the woman explained that her husband had agreed to babysit for the night only on the condition that she come home with the autograph.

Death in Guatamala

Local stations are increasingly sending news teams to foreign countries (see local programming story, page 41). KTVY(TV) Oklahoma City had an extraordinary reason for such a venture. The story concerned Father Stanley Rother, a Catholic missionary from Okarche, Okla., who had been sent to politically-chaotic Guatamala to head the Oklahoma Diocese mission there.

Last July 28 Father Rother was murdered by gunmen while resisting a kidnapping attempt. The U.S. national press reported the tragedy, but the full story remained clouded in mystery, treachery and political intrigue.

KTVY's two-man team of reporter Larry Audas and producer-photographer Darrel Barton wanted to find out who really killed Father Rother and why.

By pre-arrangement and through extreme secrecy, Barton and Audas were able to talk with and videotape some of the principles, including an eyewitness to the murder. This witness had never spoken out before, and if his whereabouts were known, it's a certainty he'd be marked for death. Therefore, the reporters had to visit several countries in order to bring his account, and those of others, to the viewers in Oklahoma. The eyewitness was filmed in silhouette only when he told his story on the six-part series which aired Oct. 4-9.

Essentially, this is the evidence pieced together by Audas and Barton: the men who killed the priest were all tall, probably over six feet, and spoke Spanish. The Indians who live in the town of Santiago Atitlan, where the crime was committed, seldom exceed five-and-a-half feet and speak their own language; Spanish is a second language to them.

Still, the government arrested three local Indians and charged them with the murder of Father Rother.

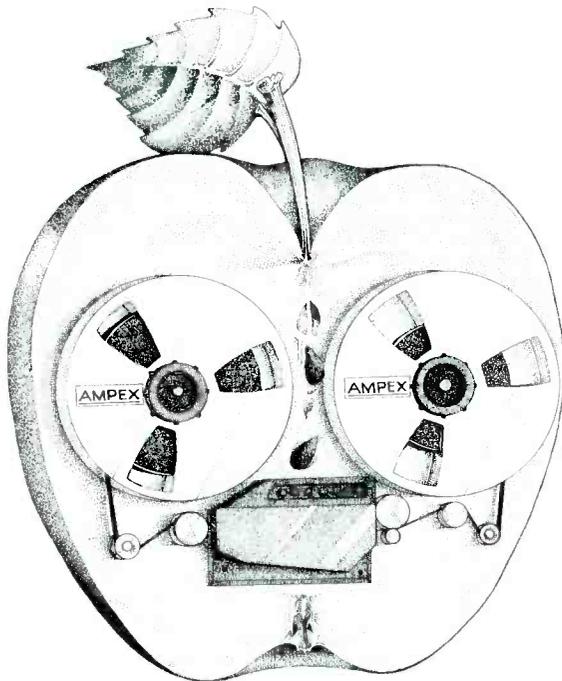
Guatamala is torn between political ideologies, pitting the wealthy against the poor. "The poor," said Audas after his return, "cry for help, while the wealthy attempt to control the masses, leaving them to exist in poverty and need."

Barton told TV/RADIO AGE: "The evidence is that the government sanctioned, approved or committed the murder."

SEE THE REEL EXCITEMENT IN NEW YORK.

It's new, it's from Ampex,
and it's in the Basildon Room at AES.

AMPEX TOOLS FOR TOMORROW



American National Enterprises, fast becoming the leading independent distributor of nationwide television, theatrical and non-theatrical entertainment, is proud to offer EAGLE 1.

Its impressive, star-studded lineup of breathtaking adventures, bursting with heroes and heavies, beautiful women and hard-hitting, two-fisted action is entertaining viewers around the country.

EAGLE 1 has already been sold in over 20 major television markets and is enjoying exciting success in countries around the world.

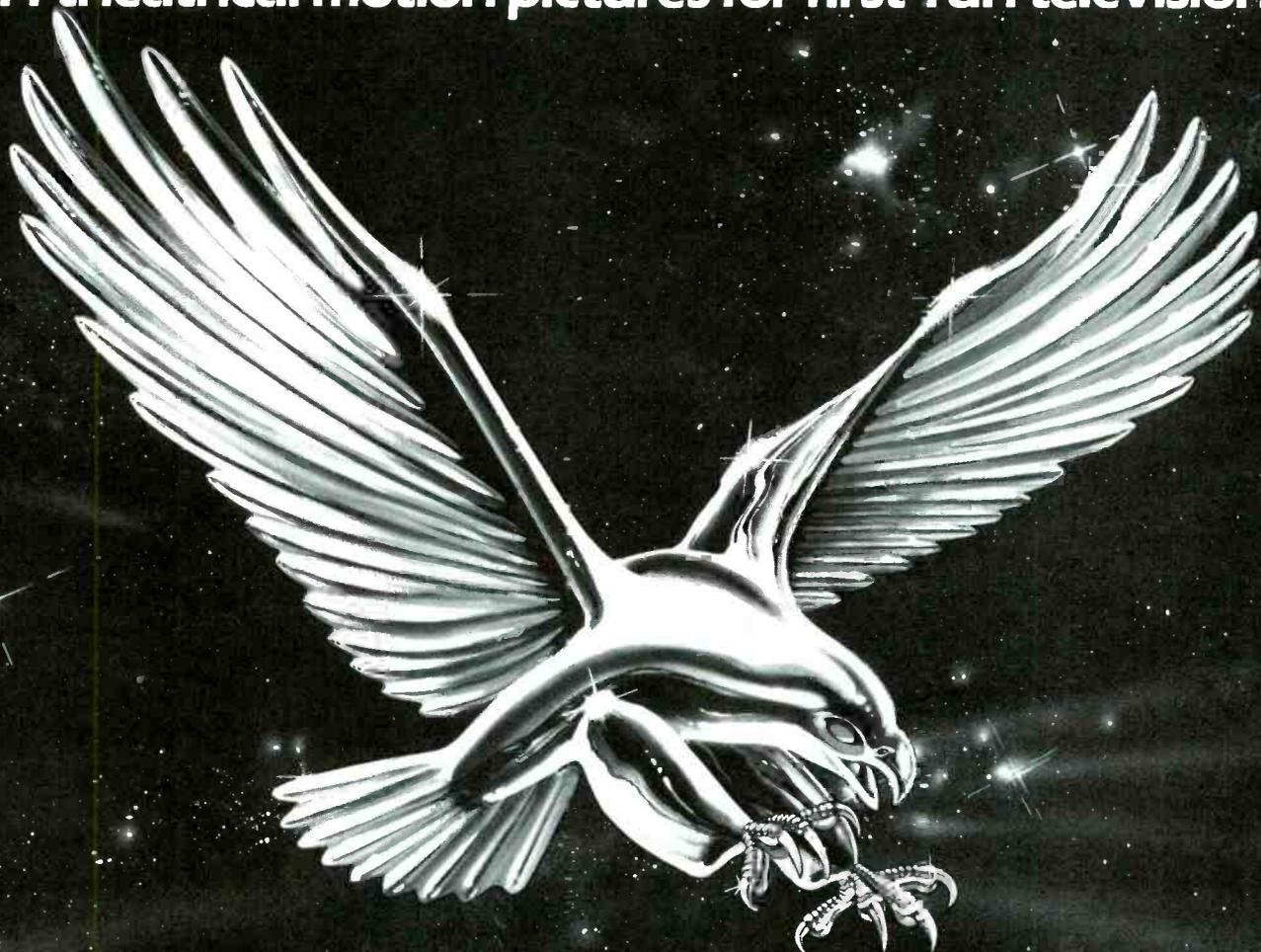
The opportunity is now! It's yours, seize it, then soar to a new height in entertainment.

Give Charles King a call at our international offices. You'll be glad you did. It's the best entertainment package for the money, anywhere in the world.

AMERICAN NATIONAL ENTERPRISES, INC.
PRESENTS

EAGLE 1

THE PROVEN FEATURE PACKAGE
14 theatrical motion pictures for first-run television



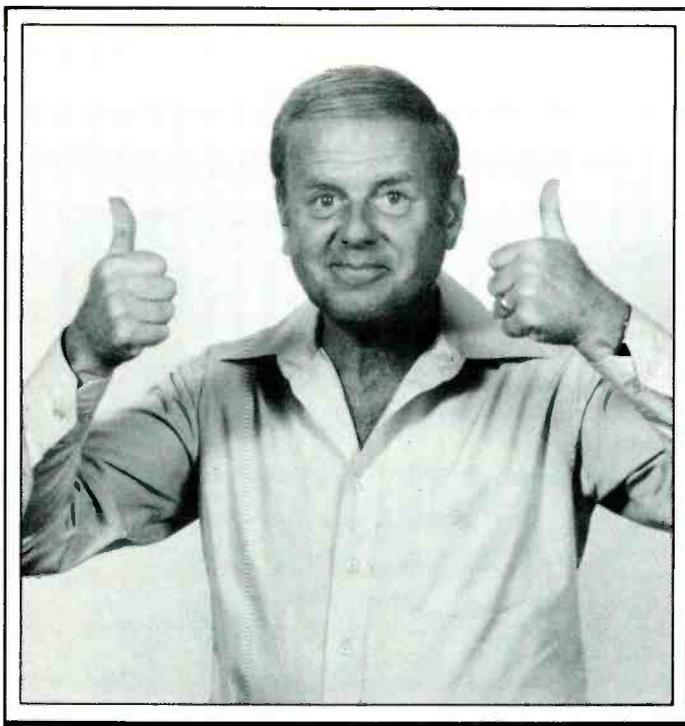
American National Enterprises, Inc.

106 West 2950 South, Salt Lake City, Utah 84115
Salt Lake City—(801) 486-3155

NEW YORK • LOS ANGELES • TORONTO • LONDON

Eight Is Enough





your
~~Our~~
**Shining
Hour**

EIGHT IS ENOUGH is the perfect choice for syndication success. Of the upcoming shows currently being offered in syndication for 1982 and beyond, EIGHT IS ENOUGH is the only program to finish in the top four in reaching women 18-49, teens and kids. So get the Bradfords on your side and prove that EIGHT IS ENOUGH can be your shining hour.

LORIMAR

Los Angeles New York Chicago Atlanta Dallas

SOME SOUND ADVICE ON HOW TO USE CLASSICAL MUSIC RADIO TO YOUR BEST ADVANTAGE.

#3 in a series of 4.

CREATE LIVE COPY.

If you're selling fine cars, posh resorts, good food or anything else people with money might spend money on, what we have to say might be advantageous to you.

The people you want to talk to are listening to classical music radio.

This well-documented fact goes hand in hand with this one: These upscale people are a bit particular about just what they will listen to.

Which is why WQXR is running this series of ads to help you reach them more effectively. Here's our third piece of advice.

Create live copy.

In other words, talk to our listeners through people they know and trust. Use live copy whenever you can.

For example, our WQXR announcers have quite a following. They even receive fan mail, a phenomenon you would expect only at pop music stations. For over 40

years, WQXR personalities have epitomized clear, responsible communication.

By delivering your ad through them, you give it added weight. Your message takes on a tone of authority, a feeling of endorsement that can be very beneficial.

Also, your live ad will blend better with our format. A well-produced spot is always welcome and could sound great, but on WQXR and other classical music stations live copy could earn a warmer reception.

If you prefer, WQXR will be happy to help you rework your commercials to live spots for use on our station.

If you would like a cassette demonstrating how our people handle live copy, just drop the coupon below into the mail.

WQXR. We can give your ad real personality.



WQXR - FM / AM, 229 W. 43 St. New York, N.Y. 10036

Yes, I'd like a cassette tape of:

Live commercials delivered by WQXR personalities.

Name _____

Agency / Company _____

Address _____

City, State, Zip _____

Represented nationally by McGavren Guild, Inc.

Radio Report

Satellite webs are giving 'narrowcasting' a shot in the arm

Satellite transmission is giving radio "narrowcasting" a shot in the arm. Recent satellite moves and plans by both the conventional radio networks and independent program suppliers are being designed to make the concept of narrowcasting even more specific. (See story starting on page 37.) ABC Radio, which split into four separate networks as a means of focusing on specific demographics about 10 years ago, is once again sharpening its demo base in planning its two new satellite networks, Direction and Rock.

Direction, which will contain features, news and how-to-cope advice, will be geared to a broad core of 25-44 audience, while its Rock network will be targeted to the 18-24 age group, against a broad base of 15-34s. In addition, ABC Radio Enterprises will focus on adults 18-54 with Talk Radio, and its Super Radio music format will put its money on the 18-34 demo.

CBS Radio's planned new network, RadioRadio, is being termed the young adult network, and is designed for 18-34 year-olds. At NBC, its Night Talk satellite network, which goes on the air in mid-1983, is focusing on the 25-54 year-olds. The RKO I satellite web also fragments its audience. It's targeted for 25-34 year olds and has a broad core of 18-34 and 18-49, while RKO II looks for one demo step older, 35-49.

On the independent program service side, among the satellite services gearing to specific demos are Transtar, which is targeting its music program to the 25-34 year-olds, and the Satellite Music Network, which focuses on the 25-54 demo for both its country and adult contemporary formats. The SMN Bonneville satellite format is geared to 35-plus, but its broad audience is 25-49.

Rep 'conflict of interest' issue: tempest in teapot?

Ralph Guild, president of McGavren Guild Radio, complains that Katz Radio has been saying that four of Century Broadcasting's radio stations exited McGavren Guild in favor of Katz because formation of Guild's new second rep firm, Hillier/Newmark/Wechsler, constitutes a conflict of interest.

Guild says that it was *he* who elected to drop Century's WABX(FM) Detroit "to pursue representation of Doubleday Broadcasting's two stations, WLLZ(FM) Detroit and KDWB-AM-FM Minneapolis-St. Paul. This was a calculated judgment on our part," says Guild. "Representation of the Doubleday stations would increase our billing by \$1 million. We also felt that the other Century stations would stay with us because of the excellent job we've been doing for them all along."

The other Century stations headed for Katz along with WABX are WAIT/WLOO (FM) Chicago and KSHE (FM) St. Louis. Katz notes that it will not only now work for these Century stations, but will continue to work for WMET(FM) Chicago, KXOK St. Louis and for WOMC(FM) Detroit.

"We don't make publicity out of that kind of thing," says a Katz spokesman. "But if that's the general feeling on the street, I can understand that. Maybe Ralph wanted to send it up so he could shoot it down."

Meanwhile, Century Broadcasting's own explanation for its switch comes from Lynn Christian, a corporate vice president at Century: "It was a case of McGavren resigning us in Detroit. We then decided to re-evaluate our rep situation and find another major rep firm to represent our Detroit station. It's like a multi-agency presentation to a loose piece of prospective new business. Several rep companies, including McGavren's new Hillier/Newmark pitched us. But we decided on Katz. To make it even more attractive for Katz to take our Detroit station, we packaged it together with our Chicago and St. Louis stations."

CBS firms up first deal for new radio web

CBS has firmed up the first programming deal for its new RadioRadio network, eight concerts to be recorded live-on-tape for broadcast by affiliates between May and December 1982. The deal, with GK Productions, calls for the 90-minute specials, produced especially for the young-adult network, to be broadcast in stereo once a month. Artists will be announced later. The new CBS web is slated for eventual digital satellite transmission along with its older sister (see lead story in this issue).

Radio Report

(continued)

NBC says owned outlets have had biggest growth

NBC says that its eight owned radio stations, as a group, "have achieved the largest growth among major group owners in both average quarter-hour and cumulative audience figures between the spring 1980 and 1981 Arbitron measuring periods." Phyllis Leibert, director, research, NBC Radio Stations, adds that NBC's AM and FM stations, taken as a group, "now reach 7,136,800 persons in their metro survey areas, the most in NBC history."

According to Leibert's analysis, based on metro survey area, total persons, 12-plus, Monday-Sunday, 6 a.m.-midnight, the eight NBC owned radio stations reached a cumulative audience 823,200 listeners larger than last year's, for an increase of 13 per cent. Other radio groups making collective gains, according to Leibert, included ABC Radio, whose cumulative audience for its 13 stations was 7 per cent and 779,900 listeners ahead of 1980; Westinghouse, 6 per cent and 443,900 listeners ahead of last year; Bonneville with a gain of 7 per cent and 304,900 listeners, and Metromedia, up 4 per cent and 294,100 listeners ahead of last year.

In the average quarter hour standings, says Leibert, NBC's stations scored a 15 per cent gain with 53,000 more listeners than last year, ABC and Westinghouse both registered 6 per cent gains on this list with 37,600 and 27,000 more listeners, respectively, and Capital Cities and Bonneville made 5 per cent gains with increases of 20,600 and 15,500 listeners, respectively. RKO stations gained 16,200 more listeners, up 4 per cent on the average quarter hour list, and Metromedia added 15,200 more listeners, for a gain of 3 per cent.

Mutual claims highest percentage of 25-54 women

Mutual Broadcasting System says it has the highest percentage of women listeners in the 25-54 age group of all major radio networks, citing the RADAR 23 spring 1981 report. The ratio of women 25-54 in relation to Mutual's total women's audience was 59.7 per cent. Mutual also reports it led in two women's age sub-categories as well—35-49, with 28.9 per cent and 50-54, with 16.4 per cent.

Arbitron to develop multi-week cume

Arbitron is taking the first steps toward developing a multi-week cume for radio in 1982. It is funding a study to test the feasibility of gathering information on the listening habits of respondents over a period longer than one week. The decision, announced at the recent meeting in Seattle of the Radio Advisory Council, was in response to a request made by the council to investigate the matter. One focus of the study will be the utility of a four-week cume.

Mediatrend reports to be on micro-computer

Mediastat will begin converting its monthly Mediatrend reports to a micro-computer system, according to James W. Seiler, president, Media Statistics, Inc. Seiler anticipates full computerization of radio audience listening data—both monthly and nonmonthly—by spring, 1982. At that time, the company will make compatible tapes and personal desk terminals available to subscribing clients, their reps and ad agencies.

Country music seminar seeks smaller stations

Dick Clark will be the keynote speaker at the Organization of Country Radio Broadcasters seminar, in Nashville February 26 and 27 next year. To reflect the growing number of expected registrants, the seminar will be held at the Opryland Hotel, where more space and facilities are available. The seminar hopes to attract new registrants and is tooling a campaign designed to bring in stations in secondary markets. Among these efforts are a letter-writing drive and phone calls to small markets.

Elements of the agenda will reflect research and the new technology. A rap session will center on Arbitron, engineering and satellites. There will also be a general session devoted to satellite positioning, a first for an OCRB seminar, notes the spokesman. Other topics will include careers in radio and computers for program applications. Tennessee Gov. Lamar Alexander and Richard Fulton, mayor of Nashville, will address the seminar prior to Clark's keynote talk.



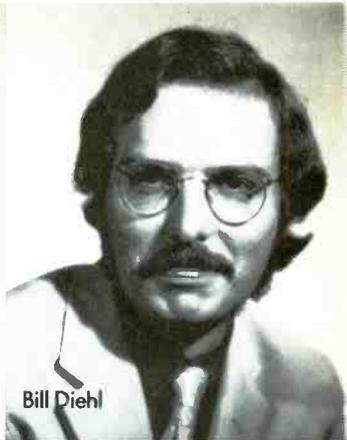
Dan Lovett



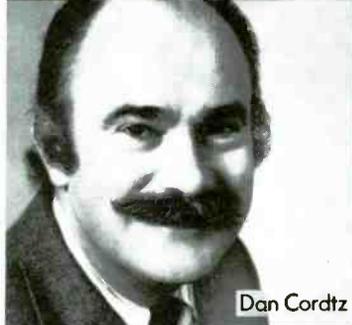
Crystal Gayle



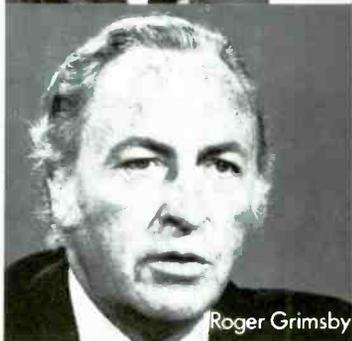
Anne Murray



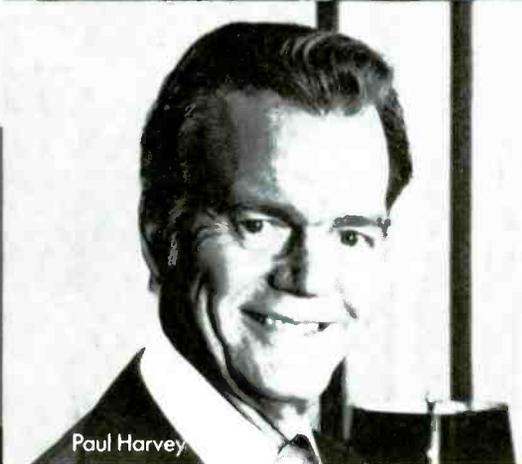
Bill Diehl



Dan Cordtz



Roger Grimsby



Paul Harvey



BUILDING SHARE!

The four customized ABC Radio Networks—Contemporary, FM, Information and Entertainment—add up to the strongest radio organization in America. Here's why.

Leadership in news.

For each of our networks, we've got the biggest and best news organization in radio. With news specially tailored to fit different station formats.

Leadership in sports.

68 sportscasts a week, covered by the leading names in sports broadcasting. Plus specials like the Kentucky Derby and the Sugar Bowl.

Leadership in programming.

And on the Entertainment Network, now that country music is bigger than ever, we're providing our affiliates with the new bi-weekly "Silver Eagle" concert series. Big, 90 minute concerts by country superstars, recorded live at top clubs and arenas. That's in addition to many other audience building Entertainment Network "specials."

It all adds up.

ABC means power programming Programming designed to build share of audience for our affiliates throughout the year.

ABC ENTERTAINMENT NETWORK

One Of The ABC Radio Networks

RADIO 

The People Delivery System™

Business Barometer

July local time sales follow pattern of previous two months

July was the third month in a row that increases in local time sales over the year before fluttered around the 13 per cent level. Specifically, July was up 12.8 per cent, while May and June were up 13.6 and 13.1 per cent, respectively. This follows a February, March and April where rises clustered around the 5-6 per cent range and a January which, so far, was the best month of the year, registering a 16.6 per cent increase.

Ad volume in July almost reached the \$200 million mark and was a little ahead of June. The actual dollar figure was \$198.2 million, compared with \$175.7 million during July of 1981.

For the seven-month period to date, local time sales amounted to \$1,453.3 million, as against \$1,322.4 million in '81, a rise of 9.9 per cent. It appears as if the rate of increase overall will rise since the poor showing of last winter is not expected to repeat itself in the fall, despite expectations that the soft economy will last for another year.

Network compensation: best increase in '81

An unexpectedly good showing for network compensation in July saw the month's increase up 10.5 per cent, the best monthly increase to date for '81. The station take was estimated at \$33.8 million, as against \$30.6 million during the comparable month in '80.

The seven-month total for compensation came to \$224.9 million compared with \$212.3 million in '80, up a modest 5.9 per cent. That's just about the level of increase shown for all of '80.

Total station ad sales, including network compensation, for the first seven months of this year totaled \$3,555.6 million, up 11.6 per cent over the corresponding figure for last year.

Spot's share of the pie so far is 52.8 per cent, as against 51.1 per cent for all of 1980 and 49.8 per cent for all of '79. This follows a longterm increase in local's share, which was 40.9 during the seven-month period in '81, 42.6 in '80 and 43.6 in '79. Compensation's share was 6.3 in '81, 6.3 also last year and 6.7 in '79.

Local business +12.8%

(millions) 1980: \$175.7 1981: \$198.2

Changes by annual station revenue

Under \$4 million	+17.2%
\$4-8 million	+8.7%
\$8 million up	+13.3%

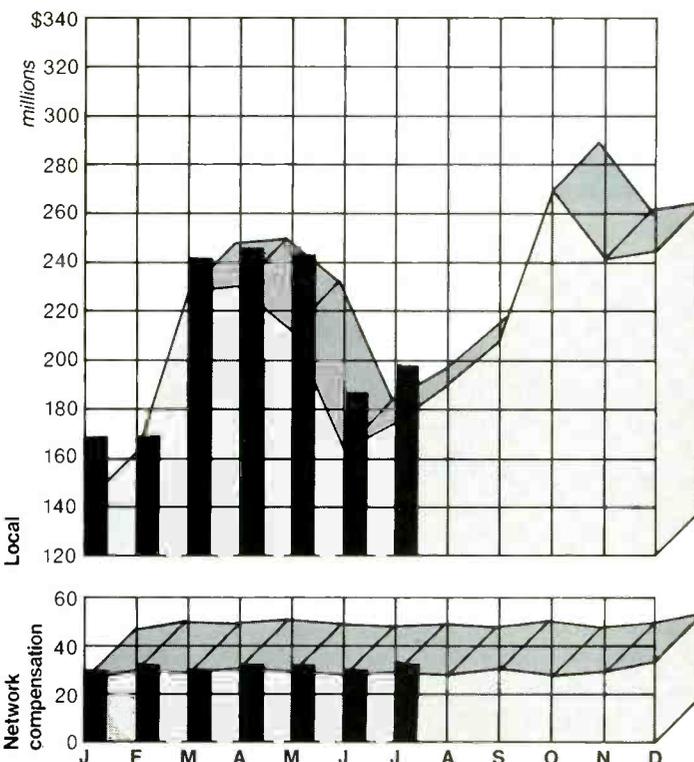
Network compensation +10.5%

(millions) 1980: \$30.6 1981: \$33.8

Changes by annual station revenue

Under \$4 million	+7.5%
\$4-8 million	+9.6%
\$8 million up	+11.0%

July



**If you buy "Prime Time"
spot TV you should know...**

**WHAT EVENING
PROGRAM SURPASSED
MORE THAN 2/3
OF THE REGULARLY
SCHEDULED FIRST-RUN
"PRIME TIME"
NETWORK PROGRAMS
IN SAN FRANCISCO?**

Tele-scope

CBS-TV answers Bates re pay-cable reach; calls study inadequate

In striking back at the Ted Bates recommendation that substantial ad dollars should be shifted from network television to independent TV outlets—particularly superstations and particularly WTBS(TV) Atlanta—for a balanced reach of pay-cable homes, CBS-TV said the Bates analysis was inadequate and suffered from a number of shortcomings. (See story in October 5 issue.)

Bates, said CBS, left out options that offer “superior solutions.” These include such primetime programs and dayparts as late night and weekend news as are “known to deliver higher-than-average audiences in pay-cable households.” Another option mentioned was “supplemental spot TV on network affiliates in high pay-cable penetration markets.” The CBS answer noted that one of the schedules analyzed by Bates “did over-deliver in pay-cable households” but “was not included in the comparative analysis because it was ‘atypical.’”

Overall, CBS maintained, the Bates study has five shortcomings: (1) the comparative analysis was confined to one network TV schedule, (2) the “superstation” buy included fringe dayparts, while the network schedule was confined to primetime, (3) the combination of independent/superstation primetime programming with an older adult audience and early fringe programming with a young adult and kid audience inflated the household reach, “while, in all probability, not positively affecting target demographic (25–54 women) delivery,” (4) the indie/superstation schedule combining older and younger audience composition “did not represent a logical buy,” and (5) the analysis was confined to May “when the independents traditionally make their major programming push.”

CBS acknowledged that there was a need for research like that done by Bates, “albeit of far greater scope,” saying it is committed to that end.

Nine top advertisers offset P&G's spot decline

Though Procter & Gamble's spot television buying for the first six months of this year was down slightly from a year ago, the nine other clients among the top 10 spot advertisers increased their expenditures, according to the latest figures available from TvB, based on BAR. P&G's six-month decline in spot buying was 3 per cent, to \$52.1 million from \$53.6 million. This was more than offset by large increases from such heavy spot users as General Foods, up 30 per cent, to \$42 million from \$32.3 million; Dart & Kraft, up 46 per cent to \$20.6 million from \$14.1 million; American Home Products, up 31 per cent, to \$20.1 million from \$15.4 million, and Toyota, up 42 per cent, to \$19.4 million from \$13.6 million.

Of 26 product categories measured, 19 were up over the first half of 1980, five were down and one remained unchanged. Of the categories showing increases, some of the most significant were: food and food products, up 18 per cent, to \$269.3 million from \$229.1 million; automotive, up 17 per cent, to \$142.4 million from \$121.6 million; gasoline, lubricants and other fuels, up 71 per cent, to \$35.7 million from \$20.9 million; confectionery and soft drinks, up 16 per cent, to \$112.7 million from \$96.9 million, and beer and wine, up 11 per cent, to \$72.3 million from \$65.4 million.

The only major categories showing declines were soaps, cleansers and polishes (down 4 per cent); sporting goods and toys (down 7 per cent), and records and tapes, radios and TV sets (down 10 per cent).

For the spot TV business as a whole, TvB's six-month estimate showed expenditures of \$1,283.4 million, an increase of 12 per cent over 1980's \$1,146.3 million. Based on reports from the top 75 markets, this was somewhat behind TV/RADIO AGE's own *Business Barometer* six-month estimate of \$1,607.5 million for the total U.S., an increase of 13.7 per cent over 1980. The *Business Barometer* seven-month estimate was \$1,877.4 million, also 13.7 per cent above the like period of 1980.

Philly indies are up in first metered Niensens

Independents are enjoying significant audience gains in Nielsen's first metered report for Philadelphia. This repeats a pattern that broadcast researchers have come to expect from earlier meter experience tracked in New York, Chicago,

evening MAGAZINE

**Better than ever.
Better than "Prime Time."**

Listed below are all the "Prime Time" programs EVENING MAGAZINE surpassed in household rating points. These were not May or July re-runs, but rather first-run network programming as reported in the February 1981 San Francisco ARB.

<i>ABC Friday Movie</i>	<i>Enos</i>	<i>NBC Thursday Movie</i>
<i>Alice</i>	<i>Flamingo Road</i>	<i>Nero Wolfe</i>
<i>Amazing Animals</i>	<i>Flo</i>	<i>One Day At A Time</i>
<i>Big Event</i>	<i>Foul Play</i>	<i>Quincy</i>
<i>BJ & the Bear</i>	<i>Gangster Chronicles</i>	<i>Real People</i>
<i>Brady Brides</i>	<i>Harper Valley</i>	<i>Sheriff Lobo</i>
<i>Buck Rogers</i>	<i>Hill Street Blues</i>	<i>That's My Line</i>
<i>CBS Tuesday Movie</i>	<i>I'm A Big Girl Now</i>	<i>Tim Corway</i>
<i>CBS Wednesday Movie</i>	<i>Incredible Hulk</i>	<i>Trapper John</i>
<i>Charlie's Angels</i>	<i>Jeffersons</i>	<i>Twenty/ Twenty</i>
<i>Chips</i>	<i>Knots Landing</i>	<i>Vegas</i>
<i>Concrete Cowboys</i>	<i>Ladies Man</i>	<i>Walking Tall</i>
<i>Different Strokes</i>	<i>Magnum PI</i>	<i>Waltons</i>
<i>Dukes of Hazzard</i>	<i>Mandrells</i>	<i>White Snadow</i>
<i>Dynasty</i>	<i>NBC Magazine</i>	<i>World of Disney</i>
	<i>NBC Monday Movie</i>	

Source: February 1981 ARB, San Francisco, ADL. Audience figures are estimates, subject to the limitations of techniques and procedures used by the service noted.



GROUP W TELEVISION SALES

NEW YORK • CHICAGO • DETROIT • LOS ANGELES • SAN FRANCISCO • ATLANTA • PHILADELPHIA

WESTINGHOUSE BROADCASTING COMPANY

Tele-scope

(continued)

Los Angeles and San Francisco.

Serge Valle, vice president, programming for Katz's Independent TV Sales, reports that in Philadelphia "The term 'major gains' can be applied to all dayparts except 6 to 8 p.m., where independents' increases were relatively small by comparison. Diaries tend to under-report the 6 to 8 p.m. period to a lesser extent than they do the other dayparts."

For example, in the diary-based Philadelphia October, 1980, report, the independents' combined rating was a 4 and climbed to an 8 with meters in late fringe during the September 26-October 2 week in '81, for a 100 per cent audience gain. Combined independent late-fringe shares surged from a 10 last year to a 19 share with meters.

On the other hand, in the 6 to 8 p.m. time span, the combined independent rating moved up only from a 14 to a 16 with meters and combined shares rose from a 26 share to a 31. In the 4:30 to 6 p.m. kid block, combined independent performance in Philadelphia went from a 1980 diary-based 8 rating and 22 share to a meter-measured 12 rating and 28 share.

ABC-TV o&os experimenting with "infomercial" concept

The "infomercial" concept, a program idea successfully launched by WABC-TV New York this spring, is being explored by ABC's other owned television stations. And the New York station has major plans to expand the series, which consists of 27-second lifestyle modules, teamed with 30-second commercials and a 3-second billboard.

WABC-TV initiated the series with a program called *The Fashion Report*, 30 seconds of fashion information, sponsored by Gimbels, the New York-based department store. After a seven-week run (aired during various time periods) Gimbels renewed sponsorship through the end of the year.

Late this summer, WABC-TV launched its second "infomercial" series, *Soap Opera Moments*, a behind-the-scenes look at soap operas and their performers. This program is being sponsored by Abraham & Straus, another New York area department store group. Judy Cooper, A&S media director, says the store is committed through the middle of January and will use the time to sell everything from women's ready-to-wear to hard lines such as housewares and appliances.

The New York station plans to add other "infomercial" series such as *Money Line* (financial information), *The Best Years* (information geared for a 50-plus audience), *Food Line* (nutrition oriented material) and *Sports Line*.

Phil Boyer, vice president in charge of programming for the ABC O&Os, says some of the network's other stations are already experimenting with the concept, airing such things as *Academy Award Moments* and *Sports Moments*. "We have taken a look at *Fashion Report*," he adds, "because that idea might find advertising support. But we have things on the drawing boards that go beyond retail advertising."

Boyer says the stations are willing to give up 30 seconds of inventory several times a day for two reasons. First, the "infomercial" segments "are put in selective time periods, where the cost of the 30 seconds is not as great. There are very few in primetime." Secondly, "We ask the advertisers to bear with us the cost of the environment." This is justified, he says, because, "We're going after a client who likes a certain environment, who says, 'We'd like to be more than an announcement in a station break.'"

Tariff battle coming over dual video on one channel?

Will techniques permitting two programs on one channel lead to battles over tariff regulation of satellite transponders? R. Dennis Fraser, vice president and general manager of NEC America, thinks it could happen. The issue that may have to be decided, Fraser says, is whether the tranponder user is paying for transmitting a program or using a specified bandwidth.

The issue has already arisen in Japan with Nippon Electric Co.'s DV-10, a new digital system that transmits two video signals on a single, conventional video channel, according to Fraser. The question on how to charge for such transmissions came up early this month when the DV-10 was introduced in

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REASON
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KNOWN
AS...

Unitel

THE SERVICE FACILITY

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Unitel video inc.
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New York, N.Y. 10019

For bookings and information call sales, 212-265-3600.

Tele-scope

(continued)

New York.

While other methods have been used in the U.S. for transmitting two programs on one channel (Thomson-CSF, for one, offers such equipment), NEC maintains its method is superior. Fraser explained at the debut that NEC tested three methods: alternate field, in which each program is sent via a different field; vertical compression, which involves transmitting one compressed picture on top of another, and horizontal compression, two squeezed pictures side by side. The NEC equipment uses the third system. Fraser said that alternate field transmission results in a jerky flicker of the image when motion is introduced. Vertical compression was said to cause a loss in picture resolution. Details on NEC techniques used to reconstruct dual video signals were said to be proprietary.

The DV-10, which provides timebase correction for videotape recordings used as input signals, offers a picture better than U-matic equipment, NEC claims. The DV-10 can be used on AT&T long lines, on a single transponder or for ENG coverage in metropolitan areas where there are too few microwave channels. Production units will be available in December. A rough estimate of the cost of the equipment required—a video multiplexer and demultiplexer—was \$50,000.

Daily TV usage rise continues, says TvB

Daily TV usage per household has gone up 2.3 per cent this year through August, according to the latest figures released by TvB based on Nielsen's national metered sample. The latest figure is 6:41 hours, vs. 6:32 hours during the same period last year.

August viewing was up 4.4 per cent, from 6:00 to 6:16 hours, a record for the month. Every month this year so far has been a record, according to Nielsen daily household viewing figures.

The Nielsen data include viewing to pay-cable and other cable-originated programs. Nielsen figures distributed by TvB some months ago sought to relate this viewing to total U.S. viewing and made the point that it represents only a small portion of the viewing total.

TvB used Nielsen average minute household ratings for May, 1981, vs. 1980, broken down by affiliated stations, other stations, pay cable and cable origination. Over the average week, 24 hours per day, the average minute rating was 26.2, while pay-cable and cable origination together amounted to a 1.1 rating, or 4.2 per cent of the total. In primetime—8–11 p.m., Monday through Sunday—the combined cable rating was 2.9, or 5.0 per cent of the 58.2 total U.S. rating. Pay-cable alone in primetime had a 2.0 rating.

Also released by TvB with the August household viewing figures were month-by-month data on viewing per person per day, updated to July and covering the past six seasons. Data for July show decreases from the record levels of July, 1980, for men, women and teens, but a record level for children. The latter's July daily viewing was 3:23 hours this year vs. 3:17 last year. Men were down from 3:16 to 3:11, women were down from 4:04 to 3:54 and teens were down from 3:43 to 3:28 hours.

Average Spanish home owns 1.71 TV sets

The average Hispanic household in the U.S. owns 1.71 television sets, virtually the same number as the general population. The figure for Spanish homes comes from Strategy Research Corp., Miami, which just released the findings of its most recent Spanish TV Audience Research (STAR) report. The general U.S. figure is Nielsen's.

According to the STAR survey of 6,000 Hispanic homes, which yielded 12,942 personal interviews, there are some 6.7 million TV sets owned by the estimated 3.92 million Spanish-speaking homes in the country.

Of eight markets which have large Spanish populations, Miami had the highest average number of TV sets per Hispanic home, 1.88; Fresno had the lowest, 1.43. New York's figure was 1.77, Los Angeles' was 1.61 and San Francisco's 1.63.

A new and better sound in radio . . .

The United Stations Country Music Network

offering the best in country music . . .
America's fastest growing sound.
7 days a week, 24 hours a day,
60 minutes an hour. Live by satellite.

A talented partnership committed to excellence and professionalism.

ED SALAMON
Vice-President/Programming

Again voted Major Market Country Program Director for 1981 by Billboard for his work at WHN. Produced for the Mutual Broadcasting System. "The Johnny Cash Silver Anniversary Special", (Billboard's 1981 Syndicated Special of the Year) and the record-breaking "Country Music Countdown-1980" co-hosted by Anne Murray.

NICK VERBITSKY
President

Recently, senior vice-president of stations and operations for the Mutual Broadcasting System; vice-president/general manager of WHN Radio, voted in 1981 by Billboard as Major Market Country Station of the Year.

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Dick Clark is among the most successful of all radio, television and motion picture personalities. He is the innovative man behind many projects throughout the entertainment industry including his most identified success, "American Bandstand" . . . one of the longest lived continuous programs in broadcast history.

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Operations and Sales Manager
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SATELLITE RADIO SERVICES

National advertising progress a mixed picture

By Robert Sobel

While the satellite transmission race by conventional radio networks and independent full-service program suppliers continues to accelerate in terms of programming and going on the bird, the contest to obtain national advertising dollars by both types of services is showing a mixed picture.

While the satellite transmission race by conventional radio networks and independent full-service program suppliers continues to accelerate in terms of programming and going on the bird, the contest to obtain national advertising dollars by both type of services is showing a mixed picture.

Vying for national ad bucks embodies essentially one major thrust, but involves separate contestants: the haves (the major networks with a lot of financial backing) and the have-nots (the program services whose funding is limited). The networks are reporting there is enough national advertising dollars around, present and future, to support their satellite services, present and future. The program services, on the other hand, admit to facing a hard and competitive time in trying to get a good handle on national advertising money. Both factions see station clearances as the keys to ad success, but the stakes are much higher for the newer services than for the networks.

All in all, there are more than 30 networks or program services at present, either on the bird or planning satellite delivery over the next several years. On the technology end, the three major networks are moving closer to getting on the bird and there are some heated differences of opinion regarding digital transmission, with some (the major networks, as expected), declaring its virtues, while the services plus Mutual Broadcasting System and RKO (the latter two already on the bird) pitching analog. However, even these latter sources say they will go digital should it become widespread.

One new twist developing on the sales end is that program services are staking out chunks of subscriber availabilities as national inventory for themselves and lining up reps to do the national selling. Katz Radio is handling national sales for the Satellite Music Network (including Bonneville Broadcast Consultants), and at least two other services are expected to announce ties with a rep shortly.

In the case of Katz Radio, Ken Swetz, president, the company has set up a special introductory offer for those advertisers that want to get on the ground floor and "roll out with us as we get more of a station lineup." At this point, about 70 stations have signed for the SMN service, excluding Bonneville, with 20 stations

connected or in the process of being hooked up to the service via their own dishes. SMN, which was the first operational syndicated 24-hour radio music service on satellite, was launched on August 31. Bonneville's beautiful music format shares the transponder space with the SMN programs, *Country Coast-to-Coast* and its pop adult *StarStation*, in a joint venture.

The charge to stations for the country and the pop contemporary formats is \$1,000 per month for each, while the Bonneville service fetches the same annual fee as its tape-delivered program, according to John E. Patton, vice president and general manager at Bonneville. The SMN formats are sold with two minutes per hour for national sale, with the radio outlets retaining seven. The beautiful music service keeps one national minute per hour, while local outlet gets eight minutes.

The other two program services eyeing

national reps are Continental Radio and Transtar. CR is exploring using a major rep, while Transtar is close to firming an arrangement with Selcom, according to authoritative sources. The three syndicators' moves into assigning national reps as distributors are seen as giving the services an experienced hand in lining up national sales, while clearing the decks for the services to concentrate their efforts on securing subscribers for their satellite-transmitted programs.

Progress slow

While SMN has national sponsors such as Colgate-Palmolive, K-Mart and the Ford Motor Co., the advertiser commitments have been slow, and are being made on a short-term basis. But this is as expected, points out Swetz, because clearances haven't yet achieved network maturity, and hookups to the service are still not significant enough to

use as a selling point. "The big challenge is to get the affiliates connected, which takes a lot of time. Once they are in place, the advertising will grow as well. Advertiser inquiries have been excellent. What we hope to do is deliver to advertisers 50 of the top 100 markets by mid-first quarter and an even balance of delivery across the top 65 markets by the beginning of the second quarter of 1982."

Swetz hardly stands alone among the program services regarding the difficulties in selling to national advertisers, who aren't going heavily into a service until they acquire a full network position or close to it. Transtar's Dwight Case, president of Sunbelt Communications, which formed the Sunbelt Broadcasting Group to set up the full-service music operation, says Transtar has no advertising yet and probably won't until "we get some numbers."

Transtar was due to be operational on

Bird's Eye view of radio satellite services

Satellite Service	Format	No. affils. **	Demos	Bird	Natl. spots	Satellite start date
ABC Super Radio	Music	*N/A	N/A	Westar III	N/A	Mid-1982
ABC Talk Radio	Talk, news	N/A	18-54	Westar III	4 min./hr.	March 1982
ABC FM	Features, special interest	180	12-34	N/A	111 min./wk.	Early 1984
ABC Ent.	Features	500	18-54	N/A	142 min./wk.	Early 1984
ABC Info.	Features, info.	670	18-54	N/A	203 min./wk.	Early 1984
ABC Contemporary	Features, science	400	12-34	N/A	126 min./wk.	Early 1984
ABC Rock	Features	N/A	15-34	N/A	84 min./wk.	Jan. 1982
ABC Direction	Features	N/A	N/A	N/A	145 min./wk.	Jan. 1982
AP Radio	News, sports	1,100	25-54	Westar III	N/A	Now
Bonneville Broadcast	Beautiful music	100	25-54	Satcom I	1 min./hr., plus fee	Now
CBS Radio Net.	News, info., features	416	25-54	N/A	182 min./wk.	Mid-1983
RadioRadio	News, features	N/A	18-34	N/A	1 min./news 30 sec./ features	Mid-1983
Continental Radio	Ad. contemp.	10	18-34	Satcom I	2 min./hr.	Now
Global Satellite Net.	Phone-in	77	18-49	Westar I	Fee	Now
MBS	Talk, news	900	25-54	Westar I	70 min./day	Now
NBC Radio Net.	Features, sports	360	25-54	N/A	300 "units"/ week	Mid-1982

October 15 but the launch has been delayed until November 1. Transtar's debut is being held back because of delays in setting up its uplink at the base of Pike's Peak, Colo. The adult contemporary music service, which is geared to 25-34 year-olds, will be carried on Westar I. Case notes that he expects a debut signed lineup of about 50 affiliates, with about one third linked to the service at launch time. He projects an affiliate list of between 175 and 200 by the end of the third year of broadcasting.

The service gets a combination of cash and barter, but the arrangement differs depending on the market size. Stations in the top 25 markets get paid for one spot per hour; in markets 26-50, stations get the service in exchange for one commercial minute per hour; and affiliates below the top 50 are charged a \$1,000 monthly fee, with the network taking one national minute per hour. However, the structure may change if

the deal between Transtar and Selcom is consummated.

Advertiser interest in Continental Radio, a subsidiary of Christian Broadcasting, which began its satellite distribution September 15, has been sharp but advertiser commitments have been lagging primarily because of the slow station clearance build-up, according to Craig R. Hodgson, director of the radio network. The 24-hour adult contemporary music format, which includes about 25 per cent of Christian contemporary music, was connected to about a half-dozen stations at its start-up. But about a dozen other outlets have made verbal commitments to carry the service, according to Hodgson, who sees the number of affiliates totaling about 15 by the end of the year.

Continental Radio's rate card is based on market size. The cost to a station in the top 25 markets is \$1,000 per month, but a daytimer can get the service for

only a \$750 monthly fee. Continental Radio also gets two minutes per hour for national advertisers, with stations getting compensation for both minutes. In markets 25-50, stations pay \$750 monthly, while the fee to daytimers is \$600 per month, and in both cases the advertising arrangement is the same as in the top 25-market deal.

In markets 50-100, the station price for Continental's program service is \$600 per month and \$500 per month for daytimers. Two minutes per hour go to CN's national advertisers and stations receive compensation for one-half of the national time run per day, explains Hodgson. Stations in the 100-plus markets pay \$500 monthly, while the charge to daytimers is \$400 per month. In this case, stations receive no compensation for the two national minutes retained by CN.

One of the newer entries in the satellite program service derby, United Na-

The Source	Rock	192	18-34	Satcom I	1 "unit"/hr.	Mid-1982
Night Talk	Talk	N/A	25-54	Satcom I	3 min./hr.	Mid-1982
NKR Productions	Live concerts	Varies	18-34	Varies	2½ min./hr.	Now
RKO I	News, features, specials	200	18-34	Westar III	148 min./hr.	Now
RKO II	News, music sp. sports	64	25-54	Westar III	150 min./hr.	Now
RKO III Radio Shows	Interviews, phone-in, talk	N/A	Varies	Westar III	5 min./hr.	Now
Sheridan Broadcast Net.	News, information	109	18-54	N/A	1 min./hr.	End 1982
SMN Country Coast-to-Coast	Country music, news, features	70	25-54	Satcom I	2 min./hr., monthly fee	Now
SMN StarStation	Contemp. adult	N/A	25-54	Satcom I	2 min./hr., monthly fee	Now
Starfleet Blair	Concerts, spcls.	Varies	18-54	Westar III	1 min./hr.	Now
TM Productions	Music	N/A	30 plus	N/A	N/A	N/A
Transtar	Contemp. music	50	25-34	Westar III	1 min./hr. fee varies	Nov. 1981
Tuesday Productions	Call-in, features	51	18-54	Westar I	5 min./hr.	Now
United Stations Country Music Net.	Country music, specials, sports	N/A	25-54	Westar II	2 min./hr.	Early 1982
U.S. Country Music Countdown	Country music hits—survey	N/A	N/A	N/A	Barter	1982
UPI Audio	News, info.	1,000	25-54	Westar III	N/A	Now
Wall St. Journal	Business news, info.	67	25-54	Westar III	6 min./day	Now

* Not available or not applicable. ** Number affiliates signed or in network, or not satellite in place.

tions' Country Music Network, has contracts from about six stations as of presstime, according to Nick Verbitsky, president of the full-service country music venture. An advertising sponsorship push on the service is just getting started, how it goes will depend on the number of markets subscribing to the service, notes Verbitsky. United Stations is taking two minutes for national sale per hour. It recently signed a five-year, \$2 million deal with American Satellite for transponder space on Westar II. The service will begin airing in the spring of 1982.

Besides its country satellite service, United Stations will debut a weekly three-hour survey of top country songs, *The Country Music Countdown*, which will be initially independent of satellite transmission. Set for a December launch, the barter program will be syndicated via disc, but plans call for it to go on satellite sometime next year. The network expects to announce an additional program for disc syndication shortly, according to Verbitsky.

Ad support iffy

Whether there is enough advertising room up in the air for all of the smaller programming vehicles due to get into the space age over the next few years to be profitable is held as highly unlikely—especially in the wake of Enterprise Radio's shakeout. The 24-hour all-sports satellite service ceased operations recently and will remain dormant until it is able to get additional funding. However, ER has already exhausted at least two avenues of money supply and there appear to be no backers on the horizon.

ER, which is based in Avon, Ct., went public about a month after its January launch and raised \$5.5 million by offering one million shares which were quickly purchased. In April, the com-

pany released a statement on its proceeds from the offering and its need for additional funds. On June 22, the company signed a secured revolving demand note with a major New England bank, providing it with additional capital. However, more recent efforts to secure funding, from station group owners, have failed.

The reasons behind ER's present financial bind, according to industry observers, range from the failure of the programming concept to the lack of experience by top management to overextension on buying rights to games. One source says the idea of airing sports as a 24-hour diet on radio was doomed from the start. Another observer believes the company's bad times were due primarily to its losing sight of cost control. He says ER lacked the negotiating expertise and experience in obtaining radio rights of events and wound up paying, "utterly ridiculously high prices for games that had no real audience attractiveness." He adds this caused the company to outspend its ability to perform in getting meaningful audience numbers.

While competition for getting stations and national advertising are expected to cause a shakeout among the smaller independent program services, the major networks maintain that obtaining national advertising represents no significant problem, now or down the road when more networks are put into orbit.

Kevin Lyons, director of sales at RKO, says there's "an enormous room for advertising growth in network radio as it expands on satellite. Network television is a \$4.5 billion business annually, and network radio is approaching the \$200 million mark. I'm not suggesting radio will be a billion-dollar business in the near future, but it certainly is gaining strength every year."

At ABC Radio, Bob Chambers, vice president and general manager for the ABC Radio Networks, sees a large

number of national dollars going to network radio from the pockets of network television. "As television prices get more expensive, radio gets to be a better deal and the excitement of satellite-distributed programming, with its speed and flexibility, is adding to the advertiser momentum."

RKO's Lyons adds that some national advertisers, such as McDonald's, have taken some advertising money for daytime television and transferred it to network radio. "The erosion of television viewing—especially in daytime—has made some buys not cost-efficient. In some instances, a portion of the advertising dollars has been taken from television and put into radio. This happened with some of General Mills' products, which added to its network radio budget."

Market growing

At Mutual, Gene Swanzy, vice president/broadcast services, says the network radio market is growing and that advertisers are looking at radio as a primary medium rather than a supplemental one, and "they want the advertising message to get to the station quickly and in a form that is practically completely to their specifications, which can be achieved through satellite." The company's Art Kriemelman, national director of sales, emphasizes the "quality" rather than the satellite aspects. "It's great that satellites are happening, but it's really old news now. In the day-to-day pitch and in the agency boiler rooms, satellites don't count that much as a sales point."

ABC's Chambers also plays down the role of satellite delivery as a sales device. "Satellites are just tools and a means to an end. The key to getting advertiser dollars is getting the stations and the right product."

(Continued on page 74)



Bob Chambers, l., vice president and general manager for the ABC Radio Networks, sees a large number of national advertising dollars going to network radio from network television pockets. At r., John Patton, president of Bonneville Broadcast Consultants, notes that digital is considerably more expensive than analog, besides requiring much more transponder space.

TV stations expand local informational programs as competitive weapon against cable's intrusion

By Sanford Josephson

Spurred by the proliferation of cable channels in markets across the country, television broadcasters are resolutely exploring every possible avenue for expansion of local programming.

The motivation for this activity is unequivocally expressed by Ken Bagwell, president of the television station division of Storer Broadcasting. "Our goal," he says, "is to increase our local identity so we can stand out on that 35- or 54-channel cable system."

Storer has plenty of company. "If we're going to count as a medium in the future," warns Alvin Flanagan, president of Gannett Broadcasting, "localism is going to have to be the determinant of our financial health."

And Blake Byrne, general manager of KXAS-TV, Dallas-Fort Worth, speaking for Lin Broadcasting, emphasizes that significant expansion of local news programming must take place over the next three years, "so we don't wake up and find that our local franchise has been taken away from us."

Expansion of local programming by stations and station groups takes many forms. In almost all cases, it involves lengthening of existing newscasts—pri-

marily the early evening edition. But it also includes the introduction of new news programs—at noon, in early morning (between 6 and 7 a.m.) and late night (between 1 and 5 a.m.).

In addition to straight news expansions, stations are adding local news magazines in a variety of time periods and producing documentaries and other specials for primetime airing.

While much of this activity is designed to magnify the stations' local identities, thus distinguishing them from cable outlets, there are also examples of cooperative ventures with cable. Most notable is the ABC-Group W News Channels service which will utilize broadcast television stations for regional reports. But some TV stations are leasing cable channels to transmit their own special services; and others foresee cable channels as customers.

Storer has established a corporate office of program development, headed

by Hank Davis, former general manager of its Milwaukee station, WITI-TV. There are, says Bagwell, a number of projects underway.

"We want to have as much local programming as possible between 4 and 8 p.m.," he points out. Also, WAGA-TV, the Storer station in Atlanta, has set up separate production units for two new projects—one an hour primetime special dealing with Atlanta and the state of Georgia that will air once a month and the other a weekend news magazine that will air from 7 to 8 p.m. on Saturdays. If these are successful, he explains, the concepts will be expanded to the other Storer stations.

Bagwell emphasizes that, "We want to get numbers with this; it isn't just public service. But, at least our future's in our hands; not someone's in Hollywood."

Less reliance on syndicated product as another hedge against cable competition

WCCO-TV Minneapolis sent a crew to Southeast Asia to film a primetime special on the resettlement problems of Cambodian refugees.



is a sentiment echoed by some other broadcasters.

Frank Snyder, vice president of the Hearst Corp. and general manager of the broadcasting division, points out that, "before we buy a syndicated product now we look at it very hard." Adding that Hearst's Milwaukee station, WISN-TV, has recently done a series of one-hour primetime specials, he feels stations, "will also recapture more and more network time."

At King Broadcasting, Eric Bremner, vice president, says his stations, "will continue to look for opportunities to convert time periods into local product if we can come up with a format that is superior to a syndicated product." However, Bremner admits that isn't always possible. A local primetime access show on KING-TV Seattle called, *Tonight, Tonight*, for instance, gradually lost its share to the competition and has been replaced by *Entertainment Tonight*.

News expansion

Almost all stations are undergoing some type of local news expansion.

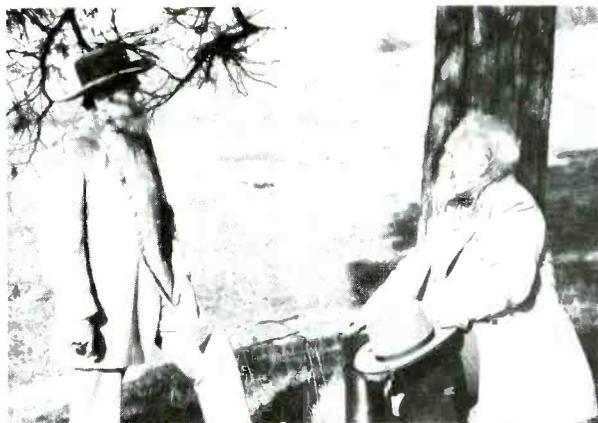
Pointing out that by the end of the current year, all ABC-owned television stations will have extended their early evening news by at least one half hour, Phil Boyer, vice president of programming for the ABC O&Os, is quick to emphasize that, "in all cases, it is wrong to call it an expansion of news. It's informational service type programming with news woven in. News is a base, a window."

The ABC stations, Boyer says, are, "looking at all kinds" of local programming ideas for, "every daypart. New York (WABC-TV) is talking about its situation on weekends. Detroit (WXYZ-TV) has taken advantage of the exercise boom with a local show, *No Nonsense Exercise*, that airs at 6:30 a.m. weekdays. It follows a half hour of local news at 6 and precedes *Good Morning America*."

Boyer says this local programming between 6 and 7 a.m. has increased the HUT level and, as a result, it has tripled the station's ratings during that time period.

Another successful ABC local programming venture has been *Where Were You?*, a half-hour show produced by the company's Circle 7 Productions and aired by the ABC-owned stations weekly in primetime access.

The series deals with a different year each week, focusing on what was happening in music, politics, etc. Says Boyer: "We send it to the stations in parts, and



Not all locally-produced programming is news-oriented. Corinthian stations are airing a primetime series called "Historyland", semi-dramatic historical programs, such as this one, about the end of the Civil War.

they insert their own local segments, so it looks like it was done in that market." The show airs on Thursdays at 7:30 p.m.

Thomas Leahy, president of the television station division at CBS, characterizes news and information programming as a, "window to the community."

What's happening now, he adds, is that, "the window is becoming wider, coupled with the fact that it's difficult to find entertainment programming that can compete with the viewer's appetite for reality programming."

Leahy singles out *2 On The Town*, a magazine series originated by KNXT(TV) Los Angeles, as a prototypical local success story. The series was launched as a weekly show in October, 1978. In

September, 1980, it went to five times a week (Monday-Friday from 7:30-8 p.m.).

A New York version of *2 On The Town* is currently airing once a week on WCBS-TV, and, according to Leahy, "if they work the wrinkles out, you could see expanded frequency."

NBC early advocate

The NBC stations were early advocates of expanded news programming. Roy Meyer, vice president in charge of news for the NBC-owned stations, points out that KNBC(TV) Los Angeles, "really pioneered the long form format," and it isn't any secret that the considerable success of WNBC-TV's *Live at Five* program in New York has influenced the

decision of the other two network-owned stations there to increase their early evening news.

But Meyer believes there are some false impressions about the *Live at Five* concept. Describing the program as having a "flexible and spontaneous format" and acknowledging that it is filled with such things as celebrity interviews, he emphasizes that, "at base, it's a news program. When a major story happens that requires wall-to-wall coverage—such as John Lennon being killed or the hostages being released—the program is geared to commit all of its resources to news. That aspect is some-

times obscured."

The live news-talk format is not, however, restricted to early evening news. In Portland, Ore., KOIN-TV, a Lee Enterprises station, expanded its half-hour noon news to an hour *Live at Noon* show in March.

Before the switch, says Mick Schafbuch, general manager, "it was a straight newscast. Now, we go out live into the community, cover whatever's happening and interview newsmakers." In mid-September, KOIN-TV inaugurated a "full-blown" local live newscast at 7 a.m. weekdays, designed to lead in to the expanded *CBS Morning News*

with Charles Kuralt and Diane Sawyer. As a result, the station is going head-to-head with the first half hour of *Good Morning America* and the *Today Show*.

Chronicle Broadcasting is expanding news in the 4-8 p.m. weekday time slot at its stations, says Francis Martin III, president, because, "it's our feeling this is one type of service pay cable systems are least able to duplicate."

KRON-TV, the Chronicle station in San Francisco, is developing a 90-minute weekend public affairs program, which

(continued on page 68)

Spot television enjoying one of best years ever with 1981 gains forecast at 14 to 16 per cent

Different sources may point to different reasons for it, but buyer and seller alike agree that spot television is enjoying one of its best years ever, no matter what's happening to other segments of the economy.

Reps confidently predict that 1981 spot should wind up 14 to 16 per cent ahead of last year. Bullish fourth quarter and full-year projections follow a second quarter 14 per cent ahead of 1980's, according to both TV/RADIO AGE's *Business Barometer* and Television Bureau of Advertising estimates, and a third quarter that TvB's station sample earlier this summer predicted would be 12 per cent ahead of last year's.

Business Barometer pegs 1981 spot time sales through July at \$1,877.4 million, 13.7 per cent ahead of the like period of 1980. That follows a 1980 time sales total of \$2,920.2 million, 13.9 per cent ahead of 1979's \$2,564.3 million, according to Federal Communications Commission figures.

TvB calculated that national spot hit \$3,269 million last year, and is expected to reach \$3.7 billion by close of business this year. But TvB's percent gain is 13 per cent, and the Bureau expects that to be followed by 12 to 14 per cent boost next year. That, believes TvB, should bring national spot for 1982 to over \$4 billion.

But growing national spot volume is not all that's holding prices at record levels in most markets, complain agency buyers for a number of major national clients. Local advertisers are also eating

up inventory. Local advertising on television this year was 16 per cent ahead of 1980's second quarter (the *Barometer* estimate was 10.6 per cent) and is projected by TvB to come out 14 per cent ahead of last year's third quarter. TvB also figures local should wind up this year with a 14 per cent increase over total year '80, to reach \$3,390 million.

Local's growth charted

This continued the long roll of local's steadily growing snowball charted George Feldman, vice president, Katz Research-PROBE Marketing for station executives at the rep's recent marketing seminar in New York. Said Feldman: "Between 1970 and 1975, retail sales were up 65 per cent, total local advertising dollars were up 56 per cent and total local TV ad dollars were up 89 per cent. Then between 1975 and '80 retail sales were up 62 per cent, total local advertising dollars were up 90 per cent, and total local TV ad dollars were up 122 per cent. Growth of local television has been much faster than both retail sales and local ad dollars. TV is becoming more important to the retailer's media plan."

While Feldman's client stations are getting more and liking it more, a lot of ad agency spot negotiators are liking it less because of what it's doing to the budgets of their national clients. Says one major agency buying supervisor: "Fourth quarter is so tight I feel sorry for any accounts who might try to get on the

air in November in the top 50 markets. They'll find rates just astronomical, especially so in Los Angeles and markets in Texas and Arizona where population is growing so fast. Retail sales out there must be just great, because local advertising is growing by leaps and bounds. Rates have gotten so high in some of those markets that we're starting to ask ourselves if our national clients are going to continue to get a reasonable return on their spot investment."

Meanwhile, a counterpart at another agency, who voices much the same complaint, reports that most of his clients are plunging ahead no matter what. The way he sees it, "The inflationary psychology has turned a lot of advertisers who used to be last minute buyers, waiting to scoop up the leftovers at bargain rates, into up-front buyers who now play it safe. They figure they'd better get in at today's high rates, rather than risk waiting until a month from now, when pricing will be even higher—if there's still anything left worth having."

New categories

At Cunningham & Walsh, Howard Nass, senior vice president, media reports the new categories coming into spot for the first time this year have included wines, banks, with the new all savers' certificates made possible by changes in the tax laws, independent long distance phone services, "and advertisers who have traditionally been on the networks, but who are now moving into spot in a



Don Robinson
Independent TV Sales

“Starting from a smaller dollar base than some affiliates is only part of the reason for independents’ current strength. There’s also new programming and much stronger news.”



Phil Corper
Settel

“Fourth quarter looks terrific. We’re not getting much action from the Detroit auto makers yet, but most of the big packaged goods advertisers are with us in force.”



Walter Schwartz
Blair Television

“Fourth quarter started with a real bang and looks very strong. If that healthy start continues, it bodes well for a stronger than usual first quarter.”

major way. These include credit cards and beers. And in Los Angeles there’ve been movie advertisers on local TV; in New York, more movies, plus Broadway plays. Those are traditional newspaper advertisers who have recently found that TV works well for them, too. And they’re just two of the classifications that have sent the percentage of spot inventory used by local advertisers up and up.”

Barbara Kunen, vice president and spot broadcast manager at McCaffrey and McCall, says “There’s certainly no recession in advertising. Companies are spending money like crazy. This was no election year, but inventory has been tighter anyway. And rates have been higher than they have any reason to be. In the 12 years I’ve been buying, 1981 has been by far the most difficult for negotiators. It’s been an absolute record in terms of inventory at high rates.”

Rick Busciglio, senior vice president, director, broadcasting at McCann-Erickson, figures that fourth quarter business has been so great for the stations “that they may be reluctant to pull their first quarter pricing back down as early as they normally do.”

Busciglio points out that, “There hasn’t been so much action in fourth quarter primetime, but prices are up in daytime, in late news, and in sports. Football, especially, is going through the roof.”

The reason for the slowdown in primetime spot, he adds, “has been the uncertainty. There’s all the usual talk at this time of year about all of these new shows ready for the new season. But if a client is planning a four or five-week flight, and he still doesn’t know the start date for a lot of the new series, he’s going to news, sports or daytime where he knows exactly what he’s getting.”

On the rep side of the counter, Bob Kizer, president of Avery-Knodel Television, reports that fourth quarter “is

showing continued good activity and 1981 is going to finish strong. The whole year has been up nicely and we’re confident about next year’s first quarter too. To quote the old axiom, ‘As fourth quarter goes, so the first will follow.’”

No rep is going to give you an argument on that particular axiom; but there’s another one that could be up for revision. Walter Schwartz, who is president, Blair Television, points out that

Right now, adds Schwartz, “Fourth quarter started with a real bang and looks very strong. We think that healthy start will continue. If it does, that bodes well for a stronger than usual first quarter.”

At Petry Television, Browning Holcombe, Jr., vice president-director manpower development, points out that Petry’s economic forecast “calls for 1981 to end with a 14 to 16 per cent fourth

THE AGENCIES



Barbara Kunen
McCaffrey and McCall

“With all these local dollars holding rates up and consuming inventory, we’ve been working to get client approvals in advance on as many buys as we can.”



Howard Nass
Cunningham & Walsh

“There’s certainly no recession in advertising. Companies are spending money like crazy. This is no election year, but inventory has been tighter anyway.”

“It’s been a better year than mo people had expected. But while it’s true that the network sales situation for fourth quarter is healthier than the third quarter was, we may be seeing a shift in the old slop-over theory that says that the health of spot depends on that of network sales. To judge from this year’s third quarter and last year’s fourth, when network sales just weren’t that good, and spot business was terrific in both of those quarters, the slop-over theory may no longer hold a lot of water.”

quarter gain for the industry. We look to that momentum to carry into next year. And next year will be a year when every quarter has something strong going for it.”

For first quarter, explains Holcombe, the strong points will be this year’s fourth quarter momentum “on top of some very weak figures from this year’s first quarter. This should add up to nine to 10 per cent gains for first quarter ‘82.”

Then, “We’ll have primaries in second quarter. In next year’s third quarter,

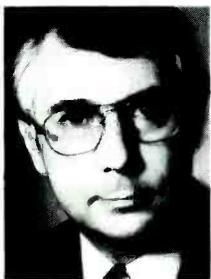
advertisers will be back buying into all the baseball games that struck out this year, making third quarter '82 look much better by comparison. Then in fourth quarter next year will come the elections themselves, preceded by the additional political advertising that runs right up until Election Day.

"And all this is backed up by a current very healthy network sales picture which has seen up-front buying very strong. So we know 1981 will end as a good year for spot, and it looks like more of the same next year."

Strong momentum

Peter Ryan, executive vice president, Harrington, Richter & Parsons, sees business as "good," adding that, "Pressure on inventory is solid. The momentum has been strong coming out of third quarter, and spot television continues to be the favored medium for advertisers who identify their sales closely with their targets of best opportunity."

Ryan reports that the fourth quarter "looks like it will be ahead for the industry in the 14 to 17 per cent range. That follows a 13 per cent gain for last



Rick Busciglio
McCann-Erickson

"There hasn't been so much action in fourth quarter primetime, but prices are up in daytime, in late news, and in sports."

year's fourth quarter spot. Our own list is tracking better than that at the moment. On top of this has come a sizable increase in pending business for the rest of fourth quarter.

At Seltel, Phil Corper, vice president, general sales manager, asserts that "Fourth quarter business looks terrific. It started in the last two weeks of September, and it's been uniformly good. Even business out of the Midwest is coming back and playing catch-up ball.

(Continued on page 78)

Issue ads: One answer to image, political problems of corporations

If advocacy advertising is going to develop into a major ad category on television, it's not going to be due primarily to the abolition of the Fairness Doctrine, as recently proposed by the Federal Communications Commission, but rather mounting pressures upon corporations to increase their public visibility and make their positions known on controversial issues. These pressures are likely to continue, despite the pervasive anti-regulatory ideology in Washington, D.C. and elsewhere in the country.

According to a recent survey, the proportion of corporations using advocacy advertising as the chief tool in their overall corporate advertising programs has decreased slightly since 1979, the year the last poll was taken.

Despite this, many sources within the advertising community believe the importance to corporations of this special category of public communications is bound to increase in the coming years, particularly as more and more voters decide to resolve political disputes through direct action via the referendum and initiative process.

About half the states now permit citizens to put questions on the ballot for decision, and, in the past, the majority of these ballot campaigns have addressed issues of direct concern to the business community.

Corporate advertising specialists as well as specialists in the management of initiative and referendum campaigns suggest that issue advertising is a useful means by which corporations can tell their stories to the public before matters "get out of hand" and they are faced with a costly and risky battle to influence voters on ballot propositions.

Local phenomenon

For the most part, issue advertising remains a local or regional phenomenon. For this reason, few sources believe that a repeal of the Fairness Doctrine or a thaw in TV network policies, which generally prohibit issue ads, will result in a large influx of advocacy advertising into television.

The fourth biennial survey of the Association of National Advertisers, "Company Practices in the Use of Corporate Advertising," reveals that annual U.S. expenditures for corporate advertising will probably reach \$1 billion this

If advocacy advertising develops into a major ad category on TV, it's going to be due primarily to growing pressures upon corporations to increase their public visibility.

year, exhibiting a real growth rate of 5-6 per cent annually. Companies responding to the ANA survey accounted for 70 per cent of the total, or \$675 million. Whereas in 1979, the ANA found that 21 per cent of the respondents said that advocacy advertising was the centerpiece of their corporate advertising programs, in 1981 the proportion had dropped to 19 per cent. The respondents in the 1981 survey claiming advocacy as their primary objective accounted for \$110-130 million in corporate advertising expenditures, about 18 per cent of the survey total.

No big increases seen

The ANA concludes that the proportion of companies speaking out is not likely to increase in the future, noting that "most issue advertisers are in industries which have had high levels of public criticism (e.g., petroleum, basic materials)."

The ANA also says that the results contradict the contentions of some critics of corporate advertising that corporations will seek to dominate the airwaves and print media with their points of view. Only four out of the 17 companies reporting spending over \$10 million and one-fourth of the 63 companies spending less than \$1 million on corporate advertising classified their programs as advocacy-oriented. And classification questions are only some of the problems regarding this ad category, which comes in many different forms and manifests varying degrees of partisanship.

Mobil Oil Corp., for example, which has long complained of inaccurate or shallow reporting about energy matters, has been running its own homiletic print advertisements on the op-ed page of *The*

New York Times and in other prominent newspapers for over a decade. Until recently, the only way it has been able to get its messages on television was by fashioning its own ad hoc network of stations willing to carry its programming and advocacy spots. *The Mobil Showcase*, created about five years ago for this purpose, has been able to link a blue-chip roster of stations in the top 50 markets, including many of the network affiliates, with the exception of those in New York, Chicago and Los Angeles (all network O&Os), Herb Schmertz, Mobil's Maecenas in residence, points out. One stricture Mobil imposes upon *Mobil Showcase* stations: they must take its spots uncensored along with the programming.

INN buy

For the past year, Mobil has also availed itself of positions in the prime-time newscast of Independent Network News, which is beamed by satellite to independent stations in the top 50 markets. These spots, taking the form of "The Mobil Information Center," borrow from the genre of television journalism and clearly seek to tell viewers



Ron Rhody, Kaiser Aluminum:

"I would not favor [repeal of the Fairness Doctrine]. I very much personally and philosophically agree with [its intent], which, in essence, says that broadcasters have a positive responsibility to devote time to controversial issues and to present balanced coverage of these issues."

study of an advertiser that may soon have good reason to test the goodwill it feels it has created for itself among the public via corporate communications. On May 18, 1980, when Mt. St. Helens blew its top in Washington, it also decimated about 68,000 acres of Weyerhaeuser land, including 15,000 acres of mature timber. Ensuing flood waters uprooted two million cubic feet of harvested logs. According to William H. Oliver, vice president of Weyerhaeuser,

is involved, the Weyerhaeuser Co. intends to be a very active participant in the public debate over what will finally happen to this area. This is, for us, a most important public issue.

Key advantage

"Communicating our point of view to the public, to legislators, government agency officials, special interest groups, the press and the like will require a great deal of our attention in the coming year," he continued. "But that task will be easier than it might have been because Weyerhaeuser Co., has some advantages not enjoyed by others in our industry, and not typically enjoyed by companies in any industry," namely, a high public awareness and general sympathy for the forest products company due to its sustained corporate/issue advertising program.

As the cutting edge of its corporate response to the Mt. St. Helens controversy, Weyerhaeuser, through its agency, Cole and Weber, Seattle, has created a four-minute, "mini-documentary" addressing the issues, for airing in the *NBC White Paper* series, of which it is the sole sponsor. The spot is first of several the company will produce on this subject.

Ron Rhody, corporate vice president in charge of public relations and communications at Kaiser Aluminum & Chemical Corp., says that his company's involvement with issue advertising differs from those of Mobil and other hardball advocacy players. "We are not taking a strong advocacy position on issues. We want simply to draw people's attention to issues we think are important, and then encourage people to make their own opinions known to their elected representatives." Two years ago, Kaiser launched this "issues program," created by Allen & Doward, San Francisco, but encountered network resistance in get-



David Millenthal, Hameroff/Millenthal:

"A lot of [potential advocacy] issues may be more important to people in the Southwest than in the Northeast. So, I'm not convinced that if the networks allowed advocacy advertising, agencies and advertisers should immediately start developing national programs."

that there is an alternative side—Mobil's—to standard reporting of the events of the day.

Since Mobil's complaint is with the networks' flat ban on issue ads in primetime, and since the company has been quite successful in devising ways of getting around that problem, it is unlikely that Mobil's strategy will change much should the Fairness Doctrine be abolished.

Weyerhaeuser Co., which has been a soft-sell issue advertiser for over 29 years and a user of television to carry its messages since 1968, is an interesting case

copied with this natural disaster is not the only problem the company faces in the days ahead.

Speaking before an issue advertising seminar held last month at The Grand Hyatt Hotel in New York, Oliver noted that several legislative and regulatory proposals have been made to create a National Volcanic Area around Mt. St. Helens.

"We believe it is clearly in the public interest to preserve a portion of the mountain for the study and recreation of future generations," he said. "But because a substantial amount of our land



Paul Mandabach, Winner/Wagner:

“The public no longer trusts government to make decisions for them . . . and is prepared to use whatever vehicle exists to supersede that process—and is doing so with a vengeance. [Therefore, corporations must seek to influence] mass attitudes, not simply the thought leaders.”

ting it aired. Ultimately, one network did clear one of the spots. Last year, when three different spots dealing with other social questions—energy conservation, productivity and youth unemployment—were developed two of the three cleared them.

Rhody, who terms his advocacy budget “modest,” says that he is now in the process of developing the issues program for next year, and the budget calls for increased expenditures.

Opposes repeal

Rhody also parts company with some individuals who feel that a repeal of the Fairness Doctrine is a good idea. “I would not favor it,” he says. “I very much personally and philosophically agree with what I understand to be the intent of the Fairness Doctrine, which, in essence, says that broadcasters have a positive responsibility to devote time to controversial issues and to present balanced coverage of these issues.”

He believes that a repeal would

probably not advance the opportunity of responsible institutions to buy commercial time and gain access to the airwaves to “draw people’s attention to issues they think are important.”

This year, Kaiser added Ted Turner’s Cable News Network to its buys on an

experimental basis, and Rhody says that he has been “pleased” by the results.

And if the networks changed their acceptance policies tomorrow?

If they did so, Rhody asserts, “I don’t think you’d see much of a rush on the part of companies to take advantage of it.”

This view is seconded by Jock Elliott, Jr., chairman of the board of Ogilvy & Mather. “When you think about it,” he says, “most issues advertising is local in one way or another.” A repeal of the Fairness Doctrine, though, would simply be “a further encouragement for people to use television for issue advertising.” He cites figures compiled by the Television Bureau of Advertising showing that most TV stations will now accept advo-

(Continued on page 71)



Jock Elliott, Ogilvy & Mather:

“When you think about it, most issue advertising is local in one way or another. [Repealing the Fairness Doctrine would be] a further encouragement for people to use television for issue advertising.”

New Arbitron rate plan isn’t cooling tempers

By Alfred J. Jaffe

Arbitron Radio has sought to cool the tempers of broadcasters complaining bitterly about high subscription costs by taking some of the pain out of the adjustments socked on for inflation, but by all appearances the effort won’t mollify station customers of the audience measurement service, many outraged by the latest cost figures. Thus, the battle between Arbitron Radio and its station subscribers, which opened about a year and a half ago when the rating service came up with a new rate card and contract, continues unabated (see TV/RADIO AGE, June 30, 1980).

There has been a flurry of defections—including a brace of outlets owned by First Media Corp., the Insilco stations

and all the Arbitron subscribers among the Mid-West Family Stations—and there are reports of others being considered, but the bulk of opinion among broadcasters is that stations will hunker down and either find some way to trim costs, such as by dropping subscriptions to one or more rating books, or press for changes in pricing policy through the Advisory Council or via some other route.

In any case, stations are only too conscious that, insofar as agency use on a national level is concerned, Arbitron is essentially the only wheel in town.

Feelings run high these days when the subject of Arbitron Radio contracts comes up. “Unconscionable rate increases,” “monopoly pricing” and charges of “greed” are some of the

commonplace phrases.

One aspect that has long stuck in the craw of stations is Arbitron’s “cost-of-living” rate adjustments. These have been based on the Bureau of Labor Statistics’ Consumer Price Index (CPI).

Now, under a new policy Arbitron will give radio stations—and television stations as well—the choice of one of two federal government indices, the CPI or GNP Price Deflator, which the government uses to convert gross national product data into constant or “real” dollars.

Explains A. J. “Rick” Aurichio, Arbitron executive vice president, recently named head of the radio operation on top of his authority over the TV side: “One of the station complaints about the CPI is that it included interest rates, which

stations said shouldn't be used to measure the cost of doing business. The GNP Price Deflator does not include interest rates." The new option will be included in "all contracts coming up," Aurichio says.

On top of this, starting January 1, Arbitron will "share" the cost of "hyper inflation," i.e., inflation over 10 per cent. This sharing, covering all contracts in force, will work as follows: with inflation between 10 and 13 per cent Arbitron will absorb 25 per cent of the increment; with inflation between 13 and 16 per cent, it will be 50 per cent of the increment, and over 16 per cent, it will be 75 per cent of the increment.

'Double dipping'

Initial reaction to these measures from a cross-section of radio executives was cool. A typical comment was that of Perry Ury, president and general manager of WTIC-AM-FM Hartford: "It still doesn't do away with 'double dipping.'"

This is a reference to the widespread attitude among broadcasters that Arbitron's method of basing the price of its service upon the station's highest published minute rate already takes into account inflationary forces. To add an inflation index such as the CPI, piles inflation upon inflation, stations contend.

The highest-unit-rate method of charging for the Arbitron service has been a sore point for some time, but stations have regarded it as a particularly bitter pill in recent years as inflation has grown. Related to this are the SRDS listings.

For years Arbitron has been depending on *Spot Radio Rates and Data* as a reliable source of information about a station's highest unit rate. But increasingly stations have been yanking their rate cards from the SRDS directory and providing the information to Arbitron via affidavit. This has unleashed an atmosphere of suspicion as Arbitron has uncovered instances of stations sending in affidavits attesting to questionable rates.

The denuding of rate cards in the SRDS directory is one of the current concerns in the industry, despite the fact that published rates are often not realistic. However, the growth of grid cards does increase the usefulness of printed rate cards to buyers, it is said.

The Arbitron Radio Advisory Council has been urging the research service to find an alternative to the highest minute rate. Among those suggested are (1) the highest "charged" rate, (2) the "aver-

In response to station complaints that rates intensify effects of inflation, Arbitron will give subscribers choice of two U.S. economic indicators and will "share" costs of inflation above 10 per cent level.

age" rate and (3) the lowest or political rate—the latter because it is on file with the government and would avoid any question of cheating. But Arbitron has found problems with all of these, particularly in the area of verification.

Reps appear to be leaning toward the highest charged rate, and there has also been some thinking that audience shares in the market could somehow be factored into the pricing formula. This might require setting an overall base dollar figure for the market and then dividing up each station's cost according to shares.

The reps themselves concede that Arbitron would have reason not to want to get involved in specific figures for each market and Arbitron feels there is something improper about using share figures for determining what to charge stations since the rating service itself determines the share.

The Station Representatives Association laid out four proposals last May. As described by Charles Columbo, executive vice president of Eastman Radio, these included (1) equal cost sharing by subscribing stations in each market, with market revenue and rank taken into account; (2) station's average unit selling price over a period of six months or a year with verification by an independent organization and by affidavit; (3) highest one minute rate *charged*, with verification, (4) station's rate based on share of market revenue, with market revenue and rank taken into account. The proposal to factor audience share into the Arbitron rate formula was not formally made at that time.

Arbitron put these various methods "through the computer," notes SRA managing director M. S. "Kell" Kellner and found problems with all of them. But Kellner believes that the station sample used in the analysis was too small. In any case, discussions are continuing.

The Advisory Council is now in the process of sending out another questionnaire to stations asking—with an-

swers to be anonymous—for highest, average and lowest rates. Tom Hoyt, president of Heftel Broadcasting (eight radio stations) and chairman of the Advisory Council, says that an earlier questionnaire sent out this past summer on the same subject elicited responses that were "generally gibberish." Hoyt's implication, though he didn't specifically say so, was that the stations were often not truthful.

By the urgent tone of the new questionnaire, Hoyt hopes to get enough "honest" responses for Arbitron to test the practicality of using a station's lowest or "political" rate and then, using some kind of multiple, come up with an equitable formula. "Then stations wouldn't be afraid of listing their rates in SRDS."

Hoyt, as have others, noted that Arbitron had examined the political rate before—and rejected it—and it has also been pointed out that with deregulation of radio, the political rate may go by the board. Nevertheless, stations continue to search separately for some alternative to the present pricing method.

Hoyt confirmed reports that Heftel Broadcasting had considered canceling Arbitron for all its subscribing stations and he notes that there had been a movement in Indianapolis for the entire market to cancel. But in the final analysis, Hoyt says, his company feels it is not practical to cancel.

Some cancellations

One group which feels it may be practical to cancel is Insilco Broadcasting (seven radio stations). Joe Kelly, executive vice president, says the company has sent notices to Arbitron stating it will not renew in two markets as of November 1 and in two others as of January 1. "I personally believe," Kelly states, "that we'll get the same business without Arbitron."

Insilco's stations, are coming off a five-year contract, a category of subscriber that apparently is getting the biggest boosts in costs.

Insilco Broadcasting president Fred Walker says Arbitron's costs went up 73 per cent over the old five-year contract and would increase another 43 per cent in the first year of the new five-year contract alone—including discounts.

William Walker, president of Mid-West Family Stations (13 radio stations), says he's decided to drop the Arbitron service effective spring, '82, in the four Mid-West markets now regularly measured—Lansing, Oshkosh, Madison and Rockford, Ill.

(Continued on page 74)

“Good News for Dayton”

**America's Top Rated
AM•FM Radio Combination
Lives In Dayton!**

**WHIO-AM • WHIO-FM
COMBINED SHARE OF
LISTENERS IN THE DAYTON
METRO MARKET**

33.8

WE'RE PROUD TO BE THE MOST LISTENED TO AM-FM RADIO COMBINATION IN AMERICA'S TOP 50 MARKETS, AND HAPPY TO BRING NATIONAL ATTENTION TO GOOD THINGS HAPPENING IN DAYTON. ONCE AGAIN DAYTON PROVES IT HAS NATIONAL LEADERS IN INDUSTRY. THAT'S GOOD NEWS.

REPRESENTED BY CRISTAL

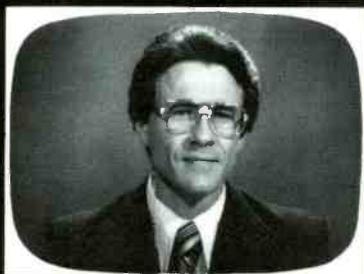
SOURCE: Arbitron, Spring 1981. Avg. 1/4 Hour Share of Metro Listeners 12+ 6 AM-12 MD, Mon.-Sun.

FACTUAL

OBJECTIVE

INCISIVE

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Update News. Veteran news analyst, Bob Trotter, hones world-shaping events and issues, as they occur, down to their vital substance and brings them to you in 90-second news capsules.

Delivered live, via satellite, seven times a day, Update News keeps you in touch with what's happening all over the world.

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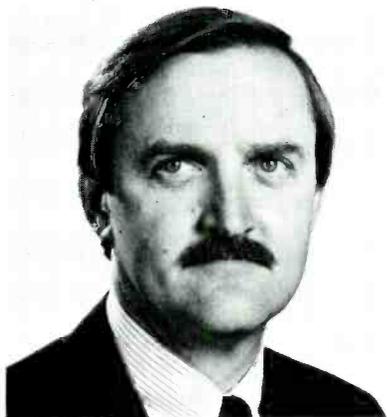
UPDATE NEWS

CBN Continental Syndication
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Viewpoints

Some states have authorized broadcast coverage of courtrooms



Gary Cummings

No basis for concern over psychological harm

Consent requirement cannot be justified

Some 30 states have already authorized, on a permanent or experimental basis, broadcast coverage of their courtrooms. And, as you know, the constitutional implications of cameras in the court were carefully examined by the U.S. Supreme Court in *Chandler v. Florida*. The court concluded, "There is no unimpeachable empirical support for the thesis that the presence of electronic media, ipso facto, interferes with trial proceedings."

However, doubts remain in the minds of some. I would like to address directly some of these specific concerns.

There is the concern that the presence of cameras and microphones will disrupt courtroom proceedings. But today's advanced electronic technology has eliminated any reasonable basis for this fear. The days of bright klieg lights, loud grinding movie cameras and fist-sized microphones are over.

Nevertheless, the fear persists that, somehow, judge, jury and witnesses will be distracted by the very presence of the camera. Extensive experience in the many states where broadcast coverage has been authorized provides a persuasive record that this is not the case.

Nor need there be a concern that microphones will pick up the conversations between defendant and lawyer or the sidebar conferences of lawyer and judge. Today we have microphones which are highly directional, microphones which do not pick up sound that is not directly in front of them. They can be placed in a way that no sidebar conference, no conversation between defendant and attorney will be picked up or recorded.

There are some who concede that this coverage is in no way physically obtrusive, but nonetheless are concerned that cameras and microphones threaten some subtle psychological harm to the judicial process. But again, as the Supreme Court found in the *Chandler* case, the extensive record of actual courtroom experience with broadcast coverage reveals no basis for concluding that cameras have had any adverse effect on the performance of trial participants.

Concerns have also been raised about the nature of the trial coverage that will be offered the public—concerns that broadcast news coverage of trials will be superficial and skewed toward the sensational. Experience around the country has shown that television coverage of the judicial process parallels that of other media.

Furthermore, electronic coverage of courtrooms greatly increases the ability of the broadcast media to cover the judicial system as an institution.

Recognizing the significant public interest served by broadcast coverage of courtrooms, there are those who nonetheless would confine electronic coverage to proceedings in which the parties have consented to it. Such a consent requirement, in our view, cannot be justified. Not only does it subordinate the public interest to individual preferences, but, as a practical matter, it dooms the informative mission of electronic coverage to certain failure.

As the courts have repeatedly held, there is no constitutional right of privacy for trial participants for the very reason that the privacy interests of participants are far outweighed by the public's interest in knowing what goes on in courtrooms.

After its one-year experiment with cameras in court, the Supreme Court of Florida found that "it was the opinion of the overwhelming majority (90-95 per cent) of respondents to the survey of the Florida Conference of Circuit Judges that jurors, witnesses and lawyers were not affected (by cameras) in the performance of their sworn duty in the courtroom."

In Colorado, where cameras have been allowed since 1956, Chief Justice Edward Day wrote, "a camera or microphone—neither of which is seen or heard—does not prevent one from having a fair trial, nor are their presence in the courtroom distracting or detrimental to participants. Countless witnesses and judges can attest to the fact that broadcasting does not have a psychological effect on witnesses or divert anyone, judge or juror—from the proper purpose of the trial."—Gary Cummings, *director of editorials and station services, WCBS-TV New York, in recent testimony before the special committee on cameras in courtrooms of the Superior Court of the state of Connecticut.*

Programming/Production

New Year's Eve via satellite

Buoyed by the success of last July's the Beach Boys' 20th anniversary concert, *The Spirit of America*, carried in 51 markets via the first live satellite-delivered simulcast network, **NKR Productions** is planning an even bigger event for New Year's Eve.

The production company, which was put together last January by Kenny Rogers and producer Ron Nickell, is gearing up for a two-hour live simulcast from both Disneyworld in Orlando and Disneyland in Anaheim, to be beamed via two Westinghouse satellites. Nickell believes this will be another first—the first two-satellite simulcast. As with the Beach Boys' concert, the next event will reach an ad hoc network of both TV and FM stations, with stations getting half the airtime for sale as their inducement for carrying the show.



Nickell

Performers "on hold," says Nickell, include the Commodores, Aretha Franklin, the Pointer Sisters, Dotty West, Kim Carnes and Poco, along with comedians Gallagher and Skyles and Henderson, as emcees. "In negotiation" are Christopher Cross and Rick Springfield.

Nickell explains that the show will start at 11 p.m. EDT, running through 1 a.m. Mountain and Pacific states will likely run the first hour on a delay basis. At midnight on the West Coast, however, the show will return live from Disneyland.

Biggest headache so far, Nickell reports, is not the logistics of feeding the show from two different locations with two casts, two crews and on two different satellites. The major problem is getting the telephone company to provide 15KC land lines so FM stations can receive the show in quality stereo. Westinghouse has jumped in with the solution, the producer says, by commandeering more than 200 mobile dishes that will be delivered at a fixed price to any station requesting one for the night.

The producer expects more than 100 markets to line up for the New Year's Eve show. In these, he's anticipating a spate of network affiliates who, he thinks, will be "more than happy to dump the boring network programming of New Year's Eve."

Nickell says his goal is to set up a

"boutique" ad-hoc satellite network to fill the "programming void" with shows which the networks were "too conservative" to pick up. He calls them "quality shows," on a chain of loyal stations, a la Hughes Sports Network.

Nickell says the Beach Boys' concert received a 5 rating and 12 share in the 51 market in which it aired, and was first in Los Angeles, second in Chicago and third in New York and San Francisco, beating network affiliates in all these cities.

Next event on NKR's schedule is a proposed Harry Chapin memorial concert, which Nickell will produce either for one of the major networks, or will again distribute by satellite for simulcast.

'Donahue' forced to move

It was bound to happen. The widespread signal of superstation WGN-TV has forced the production and telecast of *Donahue* to move to WBBM-TV. Both stations are in Chicago.

Walter E. Bartlett, president of **Multimedia**, producer of the daily 60-minute syndicated program, makes no bones about the fact that free reception of the show on cable systems via WGN was unfair competition to the outlets buying the program in syndication.

"We are extremely sorry to end our seven-year association with WGN-TV," Bartlett said. "We've become great friends with WGN's management and staff and deeply appreciate their efforts for us. But WGN's widespread cable viewership across the U.S. is in direct conflict with our national syndication sales effort of the daily *Donahue* program to commercial TV stations."

The show's contract with the indie expires at the end of the year, at which time the program will move to the CBS O&O.

Syndication shorts

D. L. Taffner has sold *Three's Company* in 76 markets, including 46 of the top 50, and has reached the 90-market mark with *Benny Hill*. Among the stations picking up *Three's Company* are WPLG(TV) Miami, WGR-TV Buffalo, WXEX-TV Richmond, WLUK-TV Green Bay and WBIR-TV Knoxville. The 90th station to acquire *Benny Hill* is KIKU-TV Honolulu.

Telepictures and **Filmways** will be butting heads with late-night comedy series. Telepictures has acquired exclusive distribution rights to ABC-TV's *Fridays*, while Filmways and **Wold Communications** have signed a longterm agreement for satellite and tape distri-

bution of *Saturday Night*, 60-minute Monday-Friday outtakes of *Saturday Night Live*.

Goldwyn has licensed the Goldwyn *Family Six-Pack* series to Gaylord Broadcasting's WUAB(TV) Cleveland, KTVT(TV) Dallas/Ft. Worth and WVTM(TV) Milwaukee.

MG Films and **Perin Enterprises** have added 13 markets to the sales list for *The Winning Moment*, bringing the total to 33. Series consists of short sports clips. New stations include KTLA(TV) Los Angeles, KPIX(TV) San Francisco, WJKW-TV Cleveland, KRIV-TV Houston, KKTU(TV) Colorado Springs and KFSN-TV Fresno.

Telepictures has added five outlets to *Look at Us*, raising the total to 108. Newly aboard are KIEM-TV Eureka, Calif., KTXS-TV Sweetwater, Texas, KVEO(TV) McAllen-Brownsville, KCMT(TV) Alexandria, Minn. and KFPW-TV Ft. Smith, Ark.

Another Telepictures series, *The People's Court*, has added two markets, KMST(TV) Monterey and WOKR(TV) Rochester, N.Y., bringing its penetration to 42 markets.

Stewart's Christmas special

James Stewart actually conducted the 350-voice Mormon Tabernacle Choir in Salt Lake City for *Mr. Kruger's Christmas*, being syndicated this fall by **Bonneville**. Stewart, who called his appearance before the choir "one of the most wonderful experiences I've ever had," portrays a lonely janitor who is saved from his solitude on Christmas Eve by a little girl.

Record ad sales for Group W

Group W Productions reports record fourth quarter advertising sales for its two daytime strips, *The John Davidson Show* and *Hour Magazine*. **Edwin T. Vane**, president, notes that the three-month sellouts of the two national minutes in each of the shows represent "a new high for combined sales" of the programs. Among the advertisers: American Home Products, Warner-Lambert, Block Drug, Nestle's, Star-Kist and Union-Carbide.

First for Houston

Taping has been completed for the pilot of Houston's first syndicated game show, *Picture This*, a co-production of **Hovis Productions** and **The Production Company**, major production facility there.

Emcee of the show is James Hampton, formerly of *F Troop* and currently

OUR HOURS WORK BEST

starring in ABC-TV's *Maggie*. Celebrity guests for the pilot, taped over the weekend of Oct. 3-4, were Dick Gautier, Meredith MacRae and Debralee Scott.

Producer Larry Hovis (*Liar's Club* and *Celebrity Sweepstakes*) says he wanted to base a major TV show in Houston ever since he began his TV career in that city in the 50s. "My brother Mike, who is co-producing the show," says Hovis, "told me about a new production facility in Houston that is equal to anything in L.A., and he asked me to come and talk to Gene Milligan, general manager of The Production Company. Gene liked the show's concept, and we liked his facility and his people, so it's being produced in Houston."

New Landsburg-Group W show

Alan Landsburg Productions and **Group W Productions** have combined to produce a Sunday night sports show, *Weekend Sports Wrap-Up*, distributed by satellite to stations around the country. The show will be a 30-minute report with heavy emphasis on scores and highlights of weekend action, plus features on sports figures and events.

Starting January 3, 1982, the show will be fed live via TVSC VidSat service at 11:30 p.m. (EDT) with an update for the West Coast at 11:30 (Pacific time). Curt Gowdy is host.

New programming company

Thorn EMI Ltd., London-based entertainment company, has formed **Thorn EMI Video Programming Enterprises, Inc.**, to market home entertainment programming for various media, including commercial television.

Frederick J. Richards, former international marketing director of Time-Life Video, has been named president. Nichols P. Santrizos, new vice president, marketing, is a 15-year veteran of agencies and was a vice president of American Can's BFMC subsidiary.

On the company's menu are feature films, music, documentaries, drama, comedy, sports, opera, ballet, children's fare and self-enrichment programming.

11 titles on SFM holiday slate

The **SFM Holiday Network** begins its fifth year of syndicating major film classics for pre-holiday weekend tie-ins. The series is seen in 150 markets.

Eleven features in 1982 include: Lerner & Lowe musicals *Gigi* (Christmas) and *Brigadoon* (Easter); Tyrone Power vehicles, *King of the Khyber Rifles* (Lincoln's Birthday), *Green Mansions*



WARNER BROS. TELEVISION DISTRIBUTION



A Warner Communications Company

Commercials

New VTR aids editing

A new videotape recorder, just introduced by 3M, is said to eliminate the need to employ a separate editing system in completing video animation projects.

The system, the 3M TT-7000, uses a frame-by-frame tape movement which positions the recording head exactly at each track. By this method, color frame jumping or registration error is also said to be obviated.

As 3M explained it, previous techniques required a separate editing system



to "pre-roll" the recorder and perform single-frame insert edits, a process that can take as long as 20 to 30 seconds to accomplish, factoring in the tape rewind for each one-frame sequence.

SMPTE coding errors, which can often result in editing aborts, are also circumvented by the system.

The new 3M system uses a tachometer to monitor and register tape position and permits from "one to any number of frames to be recorded in a sequence at rate of up to eight pictures per second," a 3M spokesman said. "If revisions are necessary, the system also makes it possible to edit one field at a time in stop motion."

TvB/NADA competition

Entries in the sixth annual Auto Dealer and Dealer Association TV commercials competition, jointly sponsored by the Television Bureau of Advertising and the National Automobile Dealers Association (NADA), should be submitted to

TvB by December 11, 1981. Six awards, broken out by market ranking, will be presented at the NADA Convention in Atlanta next February. Entries should be submitted to Walter Vetter, Television Bureau of Advertising, 485 Lexington Avenue, N.Y.C., N.Y. 10017.

EUE/Screen Gems goes musical

Gems Video Music is the newest subsidiary of EUE/Screen Gems, the nation's largest television commercials production shop. GVM, however, based in Burbank, will specialize in music video promotions and commercials. Director **Alan Metter** and executive producer **Larry DeLeon** will head the new division. GVM's first account: promos for the Rolling Stones.

IFTF announces seminars

Seminars on advertising and TV commercial research, programming, new technologies, children's television, international television and proposal writing will be among the fare offered at a series of seminars to be held during the week of the **International Film & TV Festival of New York**, November 11-13. The seminars, produced with the cooperation of the Broadcast Promotion Association, Eastman Kodak Co., NATPE International and TVC Video Labs, among others, will run mornings and afternoons at the Sheraton Centre in New York, the site of the festival. The week's activities will culminate in an awards banquet on the evening of November 13.

Commercials circuit

EUE/Screen Gems—EUE/Screen Gems appears to have had a hot business period recently. **Botsford Ketchum** enlisted director **Richard Black** to complete a package of spots for Safeway Stores. Representing the agency on the three 30s were: **Lise Hauser**, producer; **John Seroogy**, senior writer; **Sal Vergara**, senior are director; **Bill Bratowski**, associate creative director; and **Diane Snedaker**, management supervisor. From the studio, **Dick Cunha** and **Peter Brown** were on camera and **Larry DeLeon** was executive producer. In a TV 30 directed by **Paul Herriott** for **Lee King and Partners**, Chicago, **Jonathan Winters** appears as "Elwood P. Suggins," featured spokesperson for Ruffies lawn and trash bags. **Sharon Sturgis** produced, **Dick Tibbals** did the writing and **Jim Fortune** the art direction on the spot for the agency. **Michael Margulies** was the



Jonathan Winters, l., is the spokesperson for Ruffies lawn and trash bags in a TV 30 directed by Paul Herriott, r., of EUE/Screen Gems.

cameraman, **Boyd Robertson** the producer and **Barbara Rider** the executive producer for the studio. Another star, **Bob Hope**, appears in two 30s for Texaco Skychief Gasoline and Gasohol, via **Benton & Bowles**. For the agency, **Lisa Paillet** produced, **Joe Reiman** was writer/creative supervisor and **Charles Storza** was group head. **Jerry Bernstein** was executive producer for the studio.

Murray Bruce Productions—**Murray Bruce**, of newly formed Murray Bruce Productions, has just completed a 30-second spot for American Express with author James Michener in Hawaii. Locations, crew and casting were preproduced under the supervision of **Bill Curran**, Bruce's West Coast art director. **Ralf Bode** was cameraman and **Suzette Prigmore** and **Nancy Perez** wrote and produced for **Ogilvy & Mather**.

Swanson Productions—**Glen Swanson** completed a package of spots for Aunt Jemima and **J. Walter Thompson**, a project for Golden Farms and **Michael Fried Advertising** and for State Farm Insurance through **Needham, Harper & Steers**. The studio also finished work on spots for Schlitz via **Mendoza-Dillon** and for Rice Krispies and Sugar Smacks and Kellogg's via **Leo Burnett**. **Joanne Dimattia** is executive producer for the Hollywood-based studio.

Harrison Productions—**Jeanne Harrison** completed six 30-second home-remedy spots for **Allercreme** and **Popofsky Advertising** and **Anacin II** and **Dristan** for **William Esty Co.** The spots were edited at **Unitel Video**.

Coast Productions—Director **Bob Gips** and **Coast Special Effects** went on location at Alcoa Aluminum's plant in Pittsburgh on an assignment for **Ketchum, MacLeod & Grove**. **Monty Shook**, of the special effects unit, created a rig that would catch an aluminum can thrown into a trash can and toss it back. **Don Kress** was the art director for Ket-

chum; **Jeane Lange** the copywriter; **Patrick Collins**, senior vice president, **Jeffrey Altshuler**, **Fred Foster** and **Jonathan Gilson**, served as executive producers, respectively, for Coast. Coast's director/cameraman **Ray Rivas** also worked on two new spots, a TV 30 for **Henderson Advertising** and client, **Texsize's Fantastik**, and another TV 30 for **Jhirmack** hair products and **Rosenfeld, Sirowitz & Lawson**, New York. Henderson was represented by **Richard Olsen**, **David Capeloto**, **Jim Million**, **Susan Patterson** and **Larry Richardson**. Actress **Victoria Principal** was featured in the **Jhirmack** spot. Finally, Coast's director **Niki Minter** has completed work on a TV 30 for **Ralston Purina's Puppy Chow** and **Gardner Advertising**, St. Louis. **Wendy Littlefield** produced for **Gardner**; **John Stevenson** was associate creative director. **Marcia Malooly** produced for Coast.

R/Greenberg Associates—R/GA designed and produced the theatrical trailer and four TV 30s for Twentieth Century Fox's "Southern Comfort." The promotion was in association with **Frankfurt Communications**, represented by **Stephen Frankfurt**, creative director, and **Paula D. Silver**, associate creative director. The project, including motion-controlled prop shooting, editing, animation and opticals, was designed and directed by **Richard Greenberg**. **Robert Greenberg** served as executive producer. The studio also recently completed a TV 30, "Giant Shadow," for **Purolator Courier** and agency, **Kurtz & Tarlow**. Representing the agency on the project were producer **Tanya English** and assistant producer **Susan Scharbach**. **Alan Chalfin** art directed the spot, written by **Dick Tarlow**. The R/GA live-action team included **James Szalapski**, director of photography; **Brian Williams**, production manager; and **Herb Gains**, art director. Opticals were directed by **Joel Hynek**.

Scene Three—The Nashville studio recently completed a series of 30-second spots for **Allis-Chalmers**, one of the country's leading tractor, combine and implement manufacturers. The spots were created by **Bader-Rutter Advertising** of **Brookfield, Wisconsin**, and were produced by **Scene Three's Mike Duncan**. They feature country singer **Loretta Lynn**.

The Harold Friedman Consortium—Designer/director **Fred Crippen** has completed a TV 30 for the Phoenix-based **Circle-K Food Store** chain. Agency was **Bozell & Jacobs/J&T/Phoenix**. **Connie Myck** produced; **Jim Whicker** was art director and **Bernard Pitzler** was creative director. **Jack Hadley** was production

coordinator for the Consortium. **D. Rufus Friedman** produced.

N. Lee Lacy/Associates—**Harry Hamburg** completed a spot for the **Marschalk Co.** and its client, **Heublein Foods**, for **A-1 Steak Sauce**. The agency team included **Alice Mintzer**, producer; **Larry Elegant**, creative director; **Steve Kaplan**, art director.

Stone/Clark Productions—**Dick Stone** directed a package of 30s for **Richardson Vick's** new cough syrup, "Surround," and **Benton & Bowles**. For the agency, **Alan Clark** produced; **Lew Alpern** was creative supervisor and **Angel Basquez** and **Mel Rustom** were the art directors. **Jonathan Cranin** was the copywriter. **Mark Romansky** produced for **Stone/Clark**.

Whitson & Associates—Director/cameraman **Mickey McGuire** completed a package of Lee's jeans spots for **Bozell & Jacobs**, New York, created by creative director **Marce Mayhew**. **Kim Eddy** did the special effects for the studio. **Dick Whitson** produced.

New campaigns

St. Regis Paper is running a new campaign featuring former heavyweight champion **Joe Frazier**, who finds he cannot punch his way out of a **Stress Kraft** shipping sack. The spots were created by **Cunningham & Walsh** and will get exposure in **NCAA** football games as well as a variety of sports shows this fall.

The **Wool Bureau**, U.S. proprietor of the international **Woolmark** symbol, is running a radio campaign extolling the virtues of wool. **Douglas Fairbanks, Jr.** serves as spokesman. Two 60s have been produced by the in-house agency of the **Bureau**, and media placements were made by **Time Buying Services, Inc.**, based in **New York**.

Granny Goose Foods is getting major exposure through a new 30 produced by the creative team at **Ayer/Pritkin & Gibbons**, San Francisco. **Jim Temple** was senior art director. **Nancy Freeman** did the artwork. Creative director was **Dick Fenderson** and senior art director was **Jim Temple**. **One Pass Video** produced the spot along with **Colossal Pictures**, San Francisco.

RCA SelectaVision VideoDiscs will begin a radio campaign using five national radio networks. The discs-only radio campaign supplements print and TV promotions and was produced by **Dancer-Fitzgerald-Sample**, New York. The theme is: "This Christmas, give magic—the magic of the **RCA** videodisc system. Records that play pictures. On your TV." **RCA** is spending close to \$1



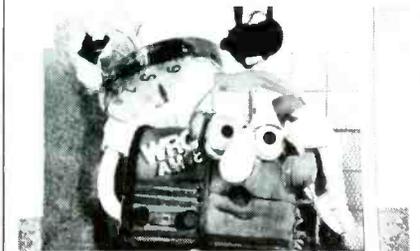
Twentieth Century Fox Television



WNBC Radio 66 NBC Radio



The Movie of Movies, Syndicated



WRC-AM NBC Radio

consortium n. As in **Harold Friedman Consortium**.
 1. a unique association of artist-designer-directors specializing in special effects, computer motion control, live action, computer generated animation, cartoon animation, stop motion, multiplane, laser holography... for commercials, television, feature films, and visual communications.
 2. a production company.

Tim Clark
 Fred Crippen
 David Denneen
 Eric Durst
 Larry Elin
 Doros
 D. Rufus Friedman
 Terry Gilliam
 Milton Glaser
 Gary Gutierrez
 Lee Howard
 Dan Kohne

Bob LeBar
 Bernard Lodge
 Lee Mishkin
 George Parker
 Oscar Pittman
 Keith Robinson
 Lee Savage
 Linda Stokes
 Jill Taffet
 Drew Takahashi
 Arnie Wong

Harold Friedman Consortium
 420 Lexington Avenue
 New York, N.Y. 10017
 Tel. 212 697-0858

Producers: **Harold Friedman**,
Allie Schloss, **Susan Rubin**
 West Coast: 2726 1/2 Grand Canal
 Venice, CA 90291
 Tel. (213) 821-0100
 Producer: **D. Rufus Friedman**



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Mazda Trucks • Foote Cone & Belding/Honig



WEST PORT PRODUCTIONS, Los Angeles

Chevrolet • Campbell-Ewald



DOLPHIN PRODS., N.Y., COMPUTER ANIMATION

Mutual of Omaha • Bozell & Jacobs



COAST PRODUCTIONS, Hollywood

International Harvester • FC&B



WGN CONTINENTAL PRODUCTIONS, Chicago

New York Telephone • Young & Rubicam



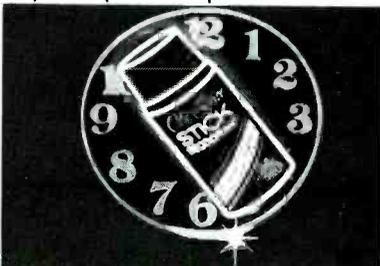
KCMP PRODUCTIONS, LTD., New York

Jhirmack • Rosenfeld, Sirowitz & Lawson



COAST PRODUCTIONS, Hollywood

People & Properties/Old Spice-Shulton/NBC



DOLPHIN PRODS., N.Y., COMPUTER ANIMATION

million on radio alone in the campaign.

Shapiro/Budrow & Associates is running an ad campaign directed at ad agency execs to improve awareness of the Spectacolor computerized electronic billboard.

Joan Fontaine is appearing as the celebrity spokesperson for Hummelwerk, the international giftware distributor, in a new campaign created by **Steifel/Raymond Advertising**.

Campbell-Ewald Co. has launched its fall ad campaign for Magnavox brand color television and videotape equipment. Actor Leonard Nimoy is featured



Actress **Frannie Andrews** readies for a take in the recent 30-second Magnavox "Hourglass" spot, created by **Campbell-Ewald**.

spokesperson. The campaign broke on network TV October 12. **EUE/Screen Gems** produced the spots through the facilities of **Rabco Television Productions Co.** of Toronto.

Music makers

Michlin & Co.—**Spencer Michlin** produced a TV 30 for **Griffin Bacal Advertising** and its client **Hasbro Toys**. **Ford Kinder** arranged and sang the vocal. Representing the agency was **Joe Bacal**, creative director. The spot is for the battery operated "Snoopy Brusha

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Selling Commercials

Squibb "Clearaid" • Green Townsend Frank



PERPETUAL MOTION PICTURES, New York

Toyota USA • Dancer Fitzgerald Sample



SNAZELLE FILMS, INC., San Francisco

Underoos • Wells, Rich, Greene



KCMP PRODUCTIONS, LTD., New York

USA Network • GM Communications



I-F STUDIOS, INC., New York

Brusha Toothbrush."

Radio Band of America—**Harley Flaum's RBA** produced a new 60-second spot for Old Tyme Jamaican Style Ginger Beer. **Robert Fearon** was creative director for **Fearon/O'Leary Assoc.**, New York, and **Merl Bloom** of **Merl Bloom Assoc.**, New York also worked on the account.

Joy Art Ltd.—**Butch Stewart** produced music for a 30-second spot for McDonald's and agency **Burrell Advertising**, Chicago. Representing Burrell was **Anna Morris**, vice president and associate creative director. She also wrote the copy for the spot. The music shop also recently completed a new spot for Erlanger Beer, via Burrell. Stewart composed, arranged and produced. **Brenda Lewis-Blonski** wrote the spots along with Morris. **Joey Randall** was associate creative director for the agency.

Studio appointments

Bernie Sohn has been appointed the new sales rep for **Alton Films**. Sohn worked for 15 years with the William Morris Agency before entering the television commercial production business. He has been a production company sales rep for the past 10 years.

James Kmec and **Ray Gilmore** have been named producer/sales reps with **TPC Communications**, based in Sewickly, Pa.

Sid Sherman has been promoted to the post of Telecine Engineering Supervisor at **Teletronics**, a subsidiary of Video Corp. of America. He was previously a maintenance engineer. At the same time, it was announced that **Dean Winkler** had been added as a design engineer.

Richard W. Schulte has joined **General Television Arts/Denver** as a director. He recently directed campaigns for The Light Store via **McGuinness & Assoc.** and **First of Denver** for **Sam Lusky Assoc.** Prior to joining GTA he was a freelance producer/director.

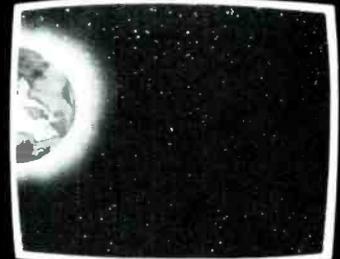
Award-winning director **Remi Kramer** has joined the **Haboush Co.** from **EUE/Screen Gems**. His 14 years experience as a director includes work on every type of product, including beer, breakfast foods, toys, autos, camera and corporate images.

Ron Aanerud has been named service and sales rep at **Western Cine's** Minneapolis-St. Paul office, just recently opened.

Dennis Minor has joined **General Television Arts, Denver** as a producer. Most recently, Minor was a producer for **Communications**, and before that a producer for **Clear Creations**.

Dolphin helps

Compton Advertising
Designer: Rupert Witalis
Producer: Art Richards



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Productions Inc.

computer animation
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10021

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(Labor Day), *King Solomon's Mines* (Halloween), *Friendly Persuasion* (Thanksgiving) and *Mogambo* (Christmas season).

Radio syndication

Clayton Webster has launched *Retro Rock*, a weekly one-hour concert series for album-oriented and rock stations with a lineup of more than 200 outlets. Fully sponsored by Lee Co. and Jockey International, the show features live concerts from the 1960s and '70s, and is available on a barter basis.

Radio Arts has added a number of stations to its lineup for the following features: *The Entertainers*, the company's adult MOR music format, has attracted KNOB (FM) Long Beach, Calif.; *Sound 10*, adult contemporary mix, has added KBEE Modesto, Cal. and WFID (FM) San Juan, P.R.; *Bright 'n Easy Country* has landed on WMIS Natchez. *Your Hit Parade* has been picked up by WCIL Carbondale, Ill., WXKS Boston, WFLT Flint, Mich., WDZ Decatur, Ill., KXXR Spokane, WDAE Tampa, KORL Honolulu, KWNT Davenport, and KCAS Slaton, Tex.

Bill Ballance, talk show personality of KFMB San Diego, has begun national syndication of his call-in program. "Billo," as he's known to his audience, is heard on four additional California stations with eight other outlets in the state and nine in Australia reported in final negotiations for the show.

Shepherdmusic is again offering *The Sounds of Christmas*, syndicated music of the holiday season, running up to 48 hours, with 12 commercial avails per hour and 275 musical selections. Designed primarily for Christmas Eve and Christmas Day, the show has been sold in 25 markets.

TM Programming, Dallas, has added the following stations for its service: for *TM Country*, WQTK St. Louis and KMIX Modesto, Calif.; for *TM-O-R* ("40 years of the best music"), WAHT Lebanon, Pa. and KAUL Little Rock.

Zooming in on people

Frank Tomeo, who for the past seven years had been vice president and associate media director for broadcasting at J. Walter Thompson, has been appointed to head the new domestic broadcast division of The Fremantle Corp., Fremantle USA.

Leonard J. Grossi has been appointed vice president, distribution finance, for **Paramount TV and Video Distribution**, and **Helen Ricketts** has been promoted to director of operations for Paramount's

domestic distribution arm. Grossi joined the company in February 1978, Ricketts had been manager of administration for two years.

Jim Ricks has been named southern sales director for Gold Key Entertainment, moving up from sales rep for the company.

Robert S. Mitchell has been named sales account exec—Central Division, for Multimedia. Mitchell had been with Warner Bros. for the past five years.

Jay Silha has been appointed to the new post of account executive, Midwest division, at **MGM Television**. He'll be based in Chicago.

Dennis Burgess has been promoted from director of market research to vice president, research, at **Columbia Pictures Television Distribution**. He joined CPT in January 1978, as a research analyst and was named director of market research in March 1980. Prior to CPT, he was a project director for three years with Audience Studies Inc. Market Research.

CPT revamps program division

Columbia Pictures Television has restructured its programming department and has made **Richard Heller** vice president of comedy development. Heller joins Columbia from NBC, where he was vice president of comedy development. In other changes within programming, **Nancy Dockry** becomes vice president, movies, miniseries and variety programs; **Rachel Tabori** has been promoted to vice president, dramatic development; **Christine Foster**, vice president, series programming; and **Kathleen St. Johns**, named director, movies and miniseries.

The reorganization of the programming departments is the first move by Jonathan Axelrod, newly appointed senior vice president of CPT.

Uses radio for cable image

A computerized video generator that automatically creates full-color images on a cable channel from a local radio station's broadcast, has been developed by **MusicVision Corp. of America**, Milwaukee. The unit automatically produces 24 different images that move and change colors in time with the melody, rhythm and sound frequencies of the music as it is broadcast by a local radio station.

The unit automatically changes images every 20 seconds in varying sequence. The station's call sign and frequency can be customized as one of the 24 images that are provided on interchangeable plug-in modules.

Equipment notes

Compact Video will demonstrate what it says is the first commercially available system for high definition television, ImageVision, to the Society of Motion Picture and Television Engineers, Oct. 25-30, in Los Angeles. The system, based on Compact Video's 655-line camera (TV/RADIO AGE, May 4), can be used to shoot movies electronically and transfer them to film with 35mm quality, Compact Video reports. The system more than doubles the apparent resolution of the usual TV image, the company says.

At the same SMPTE show, **RCA** will unveil its TK-29C telecine system and its TR-800 one-inch videotape recorder.

Sony has introduced a new Betamax videocassette recorder, the SL-5000, with all operational controls and cassette loading located on the front panel of the deck. The new model is said to be easier to use and more affordable than previous Betamax versions.

Gannett Broadcasting has received delivery of its new Quantel DLS 6030 digital library systems for electronic still-storage from **MCI/Quantel**. The units have been installed at KBTB Denver and KPNX-TV Mesa, with additional units on order for KBTB(TV) and WXIA-TV Atlanta. Gannett has also purchased four **Ampex** digital optics systems for KBTB and WXIA-TV.

AKG has introduced a new microphone, the C-535EB, which it calls the definitive vocalist mike, said to combine excellent acoustical quality with the durability of dynamic mikes.

Ronald A. Abelmann has been named president of **Conrac Corp.**'s Conrac Division. He comes from Instron Corp.

Bruce Blair, chief engineer of **Lenco**, has been appointed to the new post of vice president of research and development, electronics division.

Dalton H. Pritchard, scientist at **RCA Labs**, has been honored by the Edward Rhein Foundation of West Germany, the only American to be honored among the nine co-recipients of the 1980 Rhein Prize. Pritchard was recognized for his contributions to improved TV picture sharpness and quality.

Larry Paulausky has been appointed chief engineer of KSRR, the ABC-owned FM station in Houston. He replaces **Erick Steinberg**, who has entered the satellite receiver business.

George Francis has resigned as president and general manager of **WWWE** Cleveland to join the AMR division of **Unidyne Technology**, which recently purchased the RAM Music Research System from Cole Industries.

Multi-week cume formula developed by Katz/61

One Seller's Opinion: Putting more Hollywood into radio/63

Campaigns/62, Appointments/62, Buyer's checklist/65

Television/Radio Age Spot Report

October 19, 1981

Winner by a landslide!

AGAIN!

KELO-LAND TV racks up a barrel of Number Ones in nationwide Arbitron Sweeps



- #1 ADI S/O - S/O Women (18-49) 47 share
- #1 ADI S/O - S/O Total Households 48 share
- #1 ADI Prime Time Women (18-49) 41 share
- #1 ADI Prime Time Total Households 43 share
- #1 ADI Late News Total Households 59 share
- #1 ADI S/O - S/O CBS Total Households 48 share
- #1 ADI Prime Time CBS Total Households 43 share
- #1 ADI Late News CBS Total Households 59 share

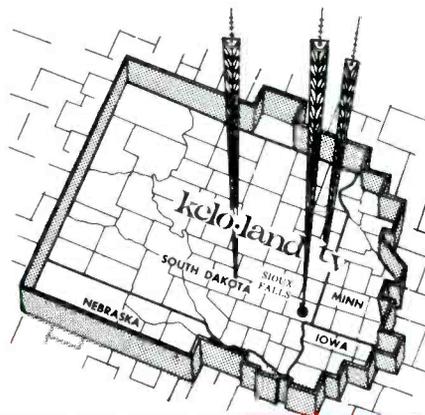


A CBS AFFILIATE

kelo-land tv

KELO-TV SIOUX FALLS, S.D.
and satellites KDLO-TV, KPLO-TV

Source: Arbitron Sweeps, May 1981.
Affiliates of all three networks in equal
facilities markets. Survey data estimates
subject to usual qualifications.



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**If you don't
promote,
a terrible
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supplies top name-brand merchandise for on-air promotions of all kinds . . . radio or television, big market or small market. We're not a trade operation. We're not a barter house. We have a better way!

If this is your year to aggressively promote on the air, you need Television and Radio Features. Call 312-944-3700, or fill in the coupon. Let our prizes and your promotion build some really big numbers for you.



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Name _____ Phone _____

Title _____ Station _____

Address _____

City, State, Zip _____

**television
& radio
features, inc.**
CHICAGO AND NEW YORK

78L

Spot Report

Television/Radio Age, October 19, 1981

Multi-week reach and frequency formula developed by Katz

Two potential radio applications emerged from the Fifth Annual Katz PROBE/Marketing Seminar for TV sales execs. One, totally new, is a strong probability for radio. The other, not completely new for television, holds definite radio possibilities.

Totally new is Katz' multi-week reach and frequency formula developed by Bill Schrank, vice president, TV/radio research. Schrank has tested the accuracy of his formula, developed for use with the Texas Instruments' TI-59 hand calculator, against actual schedule delivery plotted by TV metered measurements in San Francisco. I'm sure in my own head that this can be adapted to radio," says Schrank, "but I can't prove it because no one has put meters on radio listening." (The state of the art in radio is that Arbitron is planning to test two-week and four-week diaries sometime in 1982. But some skeptics figure that if diligence in diary-keeping tails off toward the end of the week on one-week diaries, the effect would probably be intensified across two or more weeks.)

For television though, Schrank confidently asserts that his formula "is the only one in the industry that can produce accurate estimates of reach, frequency and cume for any number of weeks up to 26 weeks. It avoids using the 'accordian' method, which crams all the spots in a five or six week flight, say, into one week, then running that through Telmar. An accordian analysis undervalues reach and frequency. Our formula gives stations a better leg up on newspapers."

Schrank adds that his formula can be used as an alternative to actual tests with meters—"which cost a lot, take time for Nielson or Arbitron to calculate and deliver, and can only be done today in the five markets that are metered."

He also calls it the only such formula that is "market and station specific, and is therefore the most accurate one around. It allows a station to spotlight its higher cume if it has one, since a cume piles up higher over several weeks.

"It shows a retailer how many weeks he should run a schedule to achieve the desired frequency or cume against his target shopper prospects. And for local or national advertisers the formula allows agencies to adjust length of flights to a product's purchase cycle."

The second potential radio application, S.T.O.R.E. (for Systemized Television Optimization for Retail Effectiveness) is totally new to television in name only. Its other two triplet brothers are CBS' F.I.R.S.T. (TV/RADIO AGE, *Spot Report*, August 24 and September 7) and STARS (Systemized Television Advertising for Retail Sales). STARS was also demonstrated at the Katz seminar by WOTV (TV) Grand Rapids, Mich., complete with glowing success stories.

Cathy Egan, vice president, marketing director for Katz' Independent TV Sales division says that the key to S.T.O.R.E. is use of high frequency in target cost-effective programs. Using such techniques as multiple spotting, road blocking, stripping and sponsorships in selective programming, she says, it "lets a retailer concentrate against his target audience and reinforce his sales message to that group."

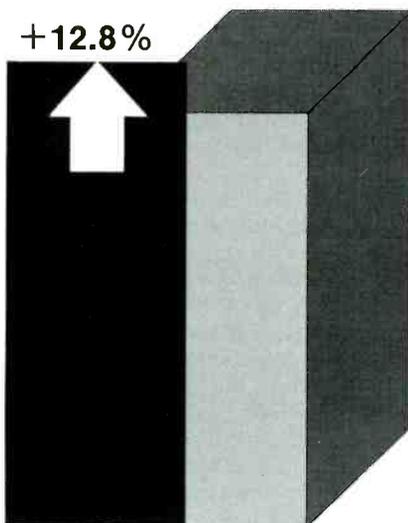
She ticks off S.T.O.R.E.'s key components as event promotion, classification dominance, target programming, effective frequency, creative framework and marketing and media planning with the help of PROBE computer programs.

Latter include reach and frequency analyses, geographic targeting, customized demographics, cume packages, frequency distribution, set control, media mix, viewership duplication and qualitative ZIP code tertiles.

Schrank points to ZIP code as one example of how S.T.O.R.E. could be applied to radio: "Besides cost efficient high frequency being one of radio's strong points, stores know, or can find out, which ZIP code areas the bulk of their shoppers come from. And radio stations can find out their listener concentration by ZIP area and see how well it matches up with a retailer's key trading zones."

July

Local business (millions)



1981: \$198.2

1980: \$175.7

Complete Business Barometer details p. 28

Spot Report

Television/Radio Age

Campaigns

Mars, Inc., TV

(Ted Bates/New York)

CANDY is being offered for four to 10 weeks in a widespread selection of television markets during fourth quarter. Media used fringe and daytime spot to attract women and children.

U.S. Army, radio

(N W Ayer, New York)

JOINING UP is being suggested by spot radio in over 100 markets during fourth quarter and will continue into 1982 with six week flights in some 200 markets throughout the rest of next year. Young males 18 to 24 are the target of the four separate campaigns: non-prior service, reenlistment, R.O.T.C. and Army Reserve.

Warner-Lambert Co., TV

(Ted Bates/New York)

VARIOUS OVER THE COUNTER MEDICATIONS are being recommended for 10 to 13 weeks through fourth quarter in a widespread list of television markets. Negotiating team placed fringe spot to appeal to teenagers and adults of all ages.

Welch Foods, Inc., TV

(Jordan, Case & McGrath, New York)

FRUIT JUICE is being offered to women in a widespread selection of markets for five weeks starting in mid-September. Buyers are using daytime and early fringe avails to do the job.

Self sharpening

Spot TV in 19 major markets is backing exposure on daytime network starting October 19 for Wilkinson Sword, Inc. and its "biggest single advertising effort in cutlery history." Campaign, out of Kurtz & Tarlow, New York, is set to "expose every woman in America age 25 and over to our self-sharpening kitchen knives." Spending at "an annual rate of \$5.5 million," Wilkinson expects to reach 77 per cent of the nation's women five or more times during the 10 week campaign. The 10-second and 30-second commercials point out that "Everytime a knife is removed from its storage case, it sharpens itself." The four basic knives in the set are a utility, a paring, a carving and a chefs' knife.

Appointments

Agencies



David Drake has been elected a senior vice president of Needham, Harper & Steers Advertising, Inc. He joined NH&S in 1976 from Leo Burnett as an associate media director and is currently manager of Needham's Department of Media Resources in Chicago.

Charles L. Bachrach has been promoted to the new post of director of network and programming, and Alice Greenberg moves up to director of network negotiation at Ogilvy & Mather in New York. Both are senior vice presidents and both advance from posts as associate directors of broadcast. Greenberg joined O&M in 1975 from BBDO, and Bachrach came aboard in 1969 following positions with MPO Sports and NBC Television.

Michele Deutschman and Frank Holland have been elected vice presidents of The Marschalk Company. Holland, an associate media director, was media director of Martin, Landey, Arlow before its merger with Richard K. Mannon into Geers Gross Advertising. Deutschman, who is director of media research for Marschalk, joined the company earlier this year from Wells, Rich, Greene.

Jacques Cornet has been appointed associated media director at Marsteller Inc. in New York. He was formerly media director at James Neal Harvey and before that worked for Dancer Fitzgerald Sample and for D'Arcy-MacManus & Masius.

Mary Ellen Heyne, Larry Larson and Marilyn Williams have been named associate media directors at Campbell-Mithun in Minneapolis. Heyne initially joined C-M in 1965, left in 1968 to join the Peterson Morris agency as media director, then came back to C-M in 1974. Larson joined the agency in 1975 and Williams came aboard in 1974 and now steps up from media supervisor.

Representatives

Michael Kincaid has been named Midwest manager for ABC Television Spot Sales in Chicago. Kincaid succeeds Philip Sweeney who now becomes general sales manager for the rep in New York, reporting to Walter Flynn, vice president and general manager of the division. Kincaid had been Detroit manager for the division.

David Nelson has been appointed Chicago sales manager for H-R/Stone Radio. He moves in from the general sales manager's slot at WMAQ in Chicago.

Moira Dunlevy, Suzanne M. Benson and Joseph Piccirillo have been named sales research team managers for Katz American Television. Piccirillo moves in from Seltel to head the White team. Dunlevy and Benson step up from research analysts to head research for the Stars and Red team.

More teams



Naiman



Carney

Petry Television has formed additional sales teams in New York, Chicago and Los Angeles. Russ Naiman, formerly Southern sales manager in Top Market Television's Atlanta office, is now group sales manager for New York's new sixth Roadrunners team. William T. Carney, formerly with Top Market Television in Chicago, will head the Saints, Petry's new fifth team in the Windy City. In Los Angeles Richard Hasbrook and Jack Devine advance to take over Petry's new Comets and Meteors teams there.

In other moves at Petry, Harry Stecker, director of research, has re-grouped his operation from four to six research groups. The two new analysis units are headed by Lorraine Harris and Lawrence Friedland. Friedland moves in from Top Market Television and Harris returns to Petry from KTLA (TV) Los Angeles where she was assistant to the national sales manager.

One Seller's Opinion

Putting more Hollywood into radio

Possibly Calvin Coolidge's greatest contribution to America was his oft-quoted observation that "The business of America is business." This may well be true, and we'd certainly like to think so—especially now that Calvin is the newly-discovered darling of Washington.

But business has come to denote seriousness, and even gravity. Therefore, most people who conduct business feel that they must affect a most sober and solemn mien.

Such earnestness may well be suited to the conduct of banking or of accounting. But it is *not* relevant to operating a radio station!

Radio is news, and radio is community service. But essentially—and to be successful—radio is entertainment. And to be entertaining, radio must be light, fun-filled, and at the very least droll.

Okay, you might think. Certainly the talent should be unserious, they should banter, they should often be funny, and even a very talented clown or two is usually not out of place. But what, you may ask, has this to do with management?

This is the crux of this essay. Management must set the tone, management must set the style, management must foment the atmosphere for the entire station operation. That includes the on-air talent side as well. Radio management can't wallow in sedateness.

Radio operators have become much too thoroughly imbued with themselves as *businessmen*. They attend meetings of the Radio Advertising Bureau, and they dream up promotions. They go to conventions of the National Association of Broadcasters (where at least some have a laugh, I've noticed, thank goodness), and they watch the bottom line. They conduct business.

Wrong. They are not businessmen. They are showmen. Or at least they *ought* to be showmen if they want to make a real success of their stations.

For starters, this means paying more attention to programming. It is not sufficient to buy the best tapes on the market for your format, and then trust to chance. It's certainly not enough to hire a programming genius out of some Midwestern town or from the West Coast.

Get personally involved. Make sure that your own on-air personalities are light-hearted, light-handed, sympatico, people-related, and don't take themselves seriously. And above all, no matter how they do it, insist that they be genuinely entertaining!

The flamboyant, old style Hollywood studio heads and production chiefs knew the secret. They knew that to be a showman, to produce product embodying showmanship, they had to *live* showmanship. We've all heard the stories and legends of those early studio entrepreneurs—of their zanyness, their foibles, their excesses. But I'm convinced that a large part of their seemingly extemporaneous extravaganzas were calculated and premeditated. They were consciously living—to the hilt—so to speak, for their people down the line: their producers, writers, directors, actors and the rest. They were living examples that showmanship heightens interest and builds audiences.

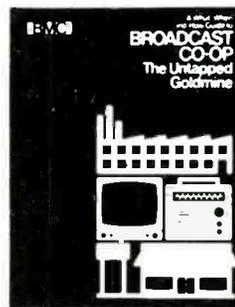
We're not suggesting that radio management live like a pre-World War II Hollywood magnate. In fact, Lord knows, most of us couldn't afford to even approach such a grandiose lifestyle. But, at the very least, let's have some fun. Let's approach our medium with lightheartedness. It will filter down. Let's never forget that we're in the entertainment business.

Nor are we suggesting that we forget sound business percepts and practices. Of course we must make sure that our income exceeds our outgo. Of course we have to take furtive glances at the bottom line.

But the product is first. If we have a showmanlike product that attracts audiences, profits will surely follow.

So let's indulge in a little more carefree behavior. Let's never forget we're showmen, and it must, to a certain extent, reflect our lifestyle. So on with the plaid, and off with the staid!—**Herb Saltzman**, *president and general manager*, WVNJ AM-FM Newark-New York

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Stations



Robert D. Gordon has been appointed president and chief operating officer of Western Broadcasting Co., Missoula. He had been a vice president of Scripps-Howard Broadcasting and general manager of WCPO-TV Cincinnati.

James P. Arcara has been named executive vice president, radio at Capital Cities Communications. He is succeeded as general manager of WPAT

STATEMENT OF OWNERSHIP MANAGEMENT AND CIRCULATION (Act of October 23, 1962; Section 4369, Title 39, United States Code)

- Date of filing, October 1, 1981.
- Title of Publication: Television/Radio Age
- Frequency of issue: Bi-weekly.
- Location of known office of publication: 1270 Avenue of the Americas, New York, NY 10020.
- Location of the Headquarters of General Business Offices of the Publishers: (Not printers). 1270 Avenue of the Americas, New York, NY 10020.
- Names and addresses of publisher, editor and managing editor. Publisher: S. J. Paul, 1270 Avenue of the Americas, New York, NY 10020. Editor: Alfred J. Jaffe, 1270 Avenue of the Americas, New York, NY 10020. Managing Editor: Sanford Josephson, 1270 Avenue of the Americas, New York, NY 10020.
- Owner: Television Editorial Corp., 1270 Avenue of the Americas, New York, NY 10020. Stockholders: S. J. Paul, 278 Mountain Avenue, Princeton, NJ 03540. Louis M. Jacobs, 703 Main Street, Buffalo, NY 14202. Joseph D. Isaacson, 34 West 33rd Street, New York, NY 10001.
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- This item must be completed for all publications except those which do not carry advertising other than the publisher's own and which are named in Sections 132,231, 132,232 and 132,233 Postal Manual (Sections 4355a, 4355b and 4356 of Title 39, United States Code).

	Average No. Copies each issue during preceding 12 months	Single issue nearest to filing date
A. Total No. Copies (Net Press Run)	19,976	19,900
B. Paid Circulation		
1. Sales through dealers & carriers	None	None
2. Mail Subscription	3,200	3,200
C. Total Paid Circulation	3,200	3,200
D. Free Distribution (including samples) by mail, carrier or other means	16,039	16,088
E. Total Distribution	19,239	19,288
F. Office Use, spoiled, etc.	737	612
G. Total	19,976	19,900

Lee C. Sheridan
Executive Vice President & Corporate Secretary

AM-FM Paterson, N.J. by **Fred Weinhaus** who moves up from general sales manager.

John E. Baker has been named vice president, general manager of WEEI-AM Boston. He moves over from vice president, general manager of CBS Radio's other owned station in Boston, WEEI-FM. He first joined CBS in 1960 as an account exec for WCBS-AM New York.

Nelson Cohen has been named vice president and general manager of KYW Philadelphia. He joined the Group W station in 1964 as a copy boy and has been executive editor of the all-news operation since July 1978.

Jerdan Bullard, general manager of Park City Communications' WZZK (FM) Birmingham, has been elected a vice president.

Norman S. Schrott will become vice president and general manager of WBIE-FM Atlanta, in the process of being acquired by Capital Cities Communications from Marietta Broadcasting Co. Schrott is currently vice president and general manager of KZLA AM-FM Los Angeles.

Ashley Elliott has been named general manager of WAMJ Radio Mishawaka, Ind. He comes to the Miramar Broadcasting property from a corporate planning position in Toronto.

William M. Dunaway has been appointed general manager of WTHR (TV) Indianapolis. He was formerly general manager of WXEX-TV Richmond, Va.

Mike McVay is now general manager of WABB AM-FM Mobile, Ala. He had been vice president, operations at WWWE Radio in Cleveland.

Marc Edwards has been named general manager of KFSN-TV Fresno, Calif. He first joined Capital Cities Communications in 1954 as news director and on-air voice at WROW-AM and WROW-TV Albany, N.Y.

Jeff Schwartz has been promoted to vice president of marketing and advertising at WLUP-FM Chicago. He had been general sales manager of the Heftel Station.

Lou Abitabilo has been appointed sales manager of WNBC-TV New York to join sales manager **Stan Levy** in the sales management group headed by **Hilary Hendler**, sales director of the NBC-owned station.

Donald C. Yeiser has been named general sales manager for Times Mirror Broadcasting's WHTM-TV Harrisburg, Pa. He had been vice president and general sales manager of WHP-TV and WHP AM-FM, also Harrisburg.

Frank J. Bussone has been tapped as station manager of WEEK-TV Peoria, Ill. He steps up from operations manager for the Mid-America Television property.

Judy Hundley has been appointed general sales manager for WNOR AM-FM Norfolk, Va. She has been with WNIS-AM Portsmouth, also as general sales manager.

Anthony J. Vinciguerra has been named sales manager of WTAE-TV Pittsburgh. He moves in from Schemnectady, N.Y. where he had been general sales manager for WRGB-TV.

TVB elects

Paul Bures, general sales manager of KTRK-TV Houston, has been elected chairman, and Gerald McGavick, vice president, director of sales for WCVB-TV Boston, co-chairman for 1982 of the Advertising Sales Advisory Committee of the Television Bureau of Advertising. Elected to the Advisory Committee's executive committee are James Boaz of WJLA-TV Washington, D.C., and James Keeley of KMGH-TV Denver.

New Advisory Committee members elected for three-year terms are Elbio Betty, ABC Television Stations; Sammy Bland of WHSV (TV) Harrisonburg, Va.; Sally Crawford of KCOP (TV) Los Angeles; Sturges Dorrance from KING-TV Seattle, and Ken Hall of CBS Television Stations.

Also Ron Jones, WRAL-TV Raleigh; Jack O'Hern from WAGA (TV) Atlanta; Howard Ritchie, WISN (TV) Milwaukee; Arnold Routson of WBNS (TV) Columbus; Ellen Shuler of WWBT (TV) Richmond; Jay Sondheim from KTVU (TV) San Francisco, and Charles Webb of WNNE-TV White River Junction, Vt.

Media Professionals



Stephen Phelps
*Vice president,
Group media director
D'Arcy-MacManus & Masius
St. Louis*

"Every new step in the application of technology to media and marketing seems to generate a demand for still more technology to deal with it. The most recent example of this that's now well under way for broadcast advertising is the mushrooming number of new radio networks and new syndicated radio programming services made economically feasible by the advent of satellite transmission.

"The result is that computers are the only answer I see for intelligent analysis of combined market-by-market audience delivery of all these new networks and radio program services being added to the existing nucleus of wired radio networks. At last count we found 19 wired network services alone promising to emerge. Such proliferation, combined with the many new syndicated pro-

gramming services now being planned, has to result in an astronomical amount of audience overlap and duplication. And that duplication will develop to varying degrees in each market, once we start combining these networks and services for any one client, trying to match those combinations with that client's market-by-market distribution.

"For smaller agencies this will probably mean that media planners will have to learn to work from the computer printouts supplied by each radio network. For the major agencies it will have to mean developing our own new computer programs to produce the most beneficial combination for each market. So we're starting to work toward writing these kinds of programs for our in-house computer operation here.

"The overwhelming volume of statistics involved in maximizing the desired demographic delivery in each market makes this a necessity, once all these new networks and syndicated services come on line. But once these computer programs are developed, it could later prove useful to adapt them for syndicated television shows, too. And further down the road we could eventually adapt these computer programs to market-by-market demographic delivery of combinations of television, radio and cable audiences: nationwide cable audiences being still another development whose growing numbers of programming opportunities have been brought into the realm of reasonable costs by the technology of satellite distribution."

Buyer's Checklist

New Representatives

Bernard Howard & Company has taken over exclusive national representation of WGAC (AM) Augusta, Ga. The station offers a personality adult contemporary format geared to the 25 to 49 age bracket.

Katz Television Continental is the new sales force for WCTI-TV New Bern-Greenville-Washington, N.C. The ABC affiliate is owned by Malrite Broadcasting.

The Lotus Representative Co. has been appointed to sell nationally for WNCN (FM) New York, WOKB Orlando, Fla., and for KBXL Boise, Ida. KBXL airs beautiful music, WOKB programs for black listeners and WNCN broadcasts classical music.

Major Market Radio Sales has been named to represent WLUP Chicago and WXYR-FM Columbia, S.C. WXYR programs beautiful music. WLUP,

owned by Heftel Broadcasting, is a personality rock station programming for the 18 to 34 market.

McGavren Guild Radio is now working for five stations owned by Communication Properties. Two are farm stations; KFGO, an NAFB-modern country station in Fargo, N.D. and KATE, an NAFB-MOR station in Albert Lea, Minn. Other stations in the group are contemporary outlet KCPI-FM, also Albert Lea, and two in Dubuque, Ia., KIWI, which offers beautiful music and WDBQ with a contemporary beat.

Seltel, Inc. has been appointed to represent WMUR-TV Manchester, N.H. and WITN-TV Greenville-New Bern-Washington, N.C. WITN-TV carries NBC programming and WMUR-TV is an ABC affiliate.

Torbet Radio is the new national sales voice for WCXI (AM) and WTWR (FM) in Detroit, for KREO-FM Santa Rosa, Calif., and for KKJO (AM) and KSFT (FM) St. Joseph, Mo. KSFT spins beautiful music and KKJO plays adult contemporary numbers. KREO airs

stereo rock and WCXI transmits country music. WTWR offers contemporary hits.

Adam Young has been appointed national sales representative for KIKU-TV Honolulu, WXAO-TV Jacksonville, Fla., for WJTM-TV Winston-Salem, N.C. and for KNOP-TV North Platte, Neb. KNOP is an NBC affiliate and the other three stations are independents.

New Affiliates

Mutual Broadcasting System has added five stations to its affiliate lineup. They are WIS Columbia, S.C., WAPI Birmingham, Ala., WHIM Providence, R.I., WLBK Bowling Green, Ky., and KKAJ Ardmore, Okla.

The NBC Radio Network has signed new affiliates WSAY Rochester, N.Y., WFAN-FM Mystic, Conn., WFSR Harlan, Ky., and KFBK Sacramento and KATA-AM Arcata, also California.

The Source is now working for WAPI-FM Birmingham, Ala., KFMI-FM Eureka, Calif., for WYCR-FM Hanover, Pa., and for KMLB-AM Monroe, La.

New York World Television Festival



Now in it's 3rd year, THE NEW YORK WORLD TELEVISION FESTIVAL continues to showcase the "best of international television" by bringing to New York audiences theatrical screenings of prize-winning programs from some of the world's best-known international television competitions:

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HONG KONG... JAPAN...ENGLAND...SPAIN...SWEDEN...
YUGOSLAVIA

AND...daily symposia on relevant international television issues...produced and moderated by Dr. R.H. Stanley of Hunter College Department of Communications.

Some of the panelists will be:

Peggy Charren, President, ACT; Herbert Schlosser, President RCA International Audio-Video; Kay Koplovitz, President, USA Network; Larry Grossman, President, PBS; Derek Blades, President, MPM, Ltd; Helio Costa, NY Bureau Chief, Globo TV; Leonard Sussman, Executive Director, Freedom House; Len Mauger, Channel 9 Network, Australia; K.T. Tsunoda, President, Sony Video Products; Herbert Schiller, Author "Who Knows? Information in the Age of the Fortune 500"; Goran Milic, NY Correspondent, TV Belgrade...and more!

Symposia: The Lotos Club - November 17 to 20

Screenings: Rizzoli Screening Room - November 17 - 20

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Program guides viewed as system moneymakers 6

Magazine publishers find new niche in cable 14

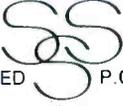
Interactive systems facing marketing dilemma 17

October 19, 1981

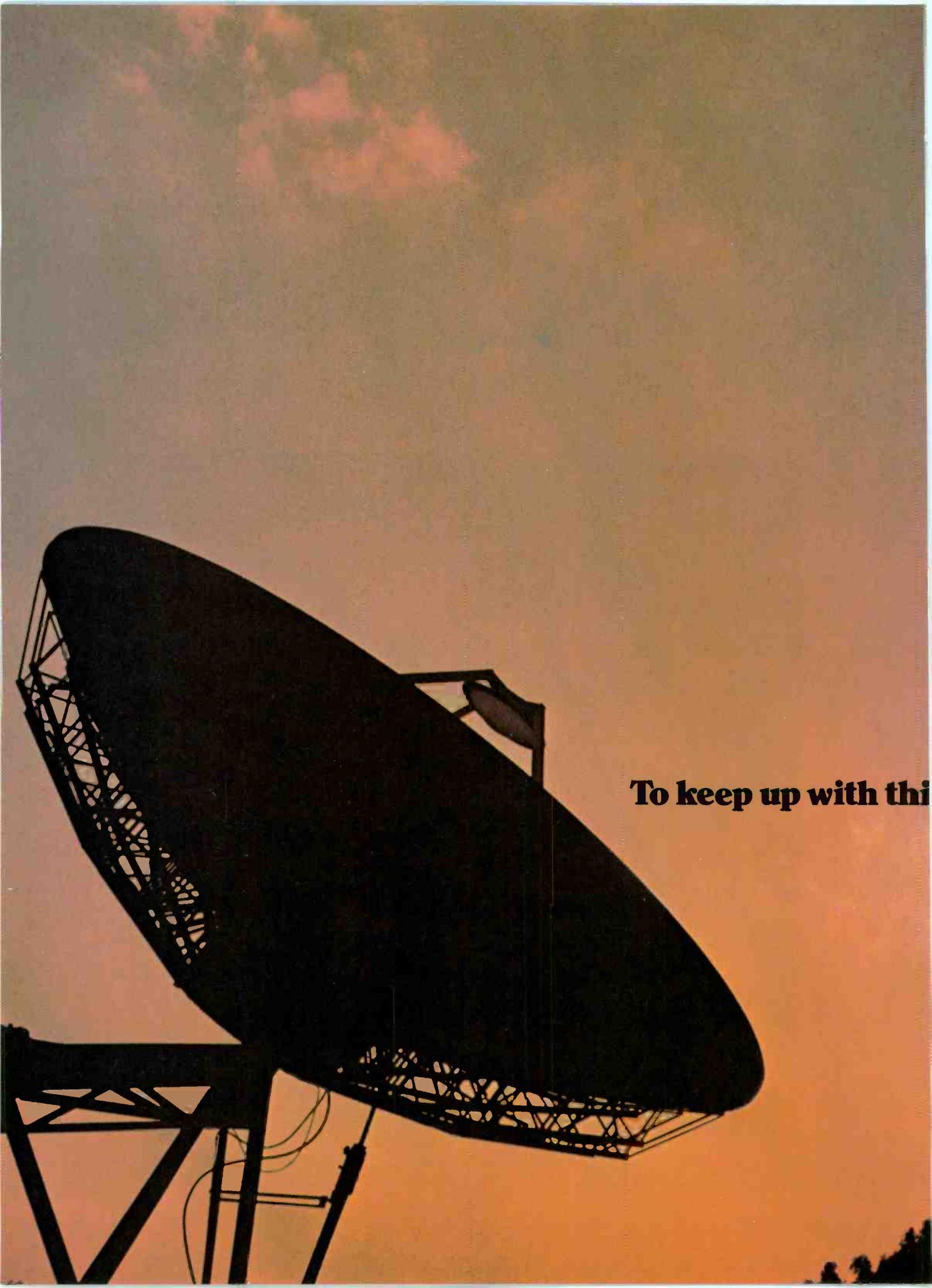
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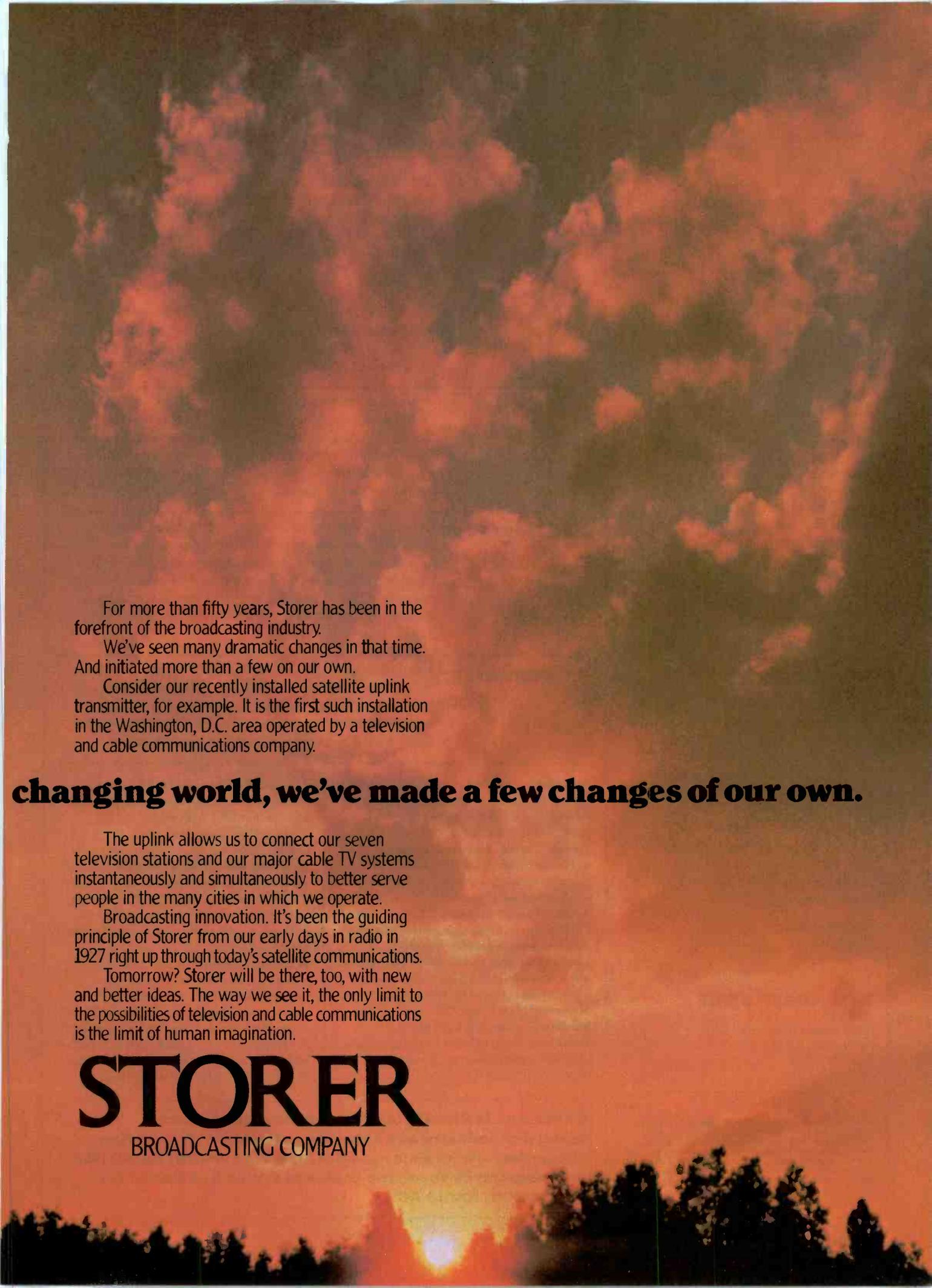
the Lifestyle network!

SATELLITE SYNDICATED SYSTEMS INCORPORATED  P.O. BOX 45684, TULSA, OK, 74145, 918/481-0881

The advertisement features a dark blue background. At the top, a rounded rectangular logo contains the letters 'SPN' in a large, bold, yellow-to-white gradient font. Below 'SPN' are several horizontal yellow lines, and at the bottom of the logo, the words 'Satellite Program Network' are written in a white, sans-serif font. Below the logo, the phrase 'the Lifestyle network!' is written in a white, cursive script. At the bottom of the advertisement, the text 'SATELLITE SYNDICATED SYSTEMS INCORPORATED' is on the left, followed by a stylized 'SSS' logo consisting of three interlocking loops, and 'P.O. BOX 45684, TULSA, OK, 74145, 918/481-0881' on the right.



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For more than fifty years, Storer has been in the forefront of the broadcasting industry.

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changing world, we've made a few changes of our own.

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Broadcasting innovation. It's been the guiding principle of Storer from our early days in radio in 1927 right up through today's satellite communications.

Tomorrow? Storer will be there, too, with new and better ideas. The way we see it, the only limit to the possibilities of television and cable communications is the limit of human imagination.

STORER

BROADCASTING COMPANY



CableAge

VOLUME 1, number 12, OCTOBER 19, 1981

Editorial Circulation
and Publication Offices.
1270 Avenue of the Americas.
New York, N.Y. 10020
Telephone: 212-757-8400
Telex: CABLEAGE 421833

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CABLEAGE is published every other Monday by the Television Editorial Corporation, 1270 Avenue of the Americas, New York, NY, 10020. Application to mail at second class postage rate is pending at New York, NY and additional mailing offices. Yearly subscription in the US and possessions: \$25, Canada and Mexico: \$30; elsewhere: \$40. POSTMASTER: Send address changes to CableAge, 1270 Avenue of the Americas, New York, NY, 10020.

The issue in focus

MAGAZINES AND CABLE

A guide to guides

Once regarded as a marketing necessity only, program guides now are being considered moneymakers for the systems—in terms of both advertising and subscription revenues. The growing number of commercial guide publishers and what they offer are also detailed in this article. (Page 6)

From print to video

The rush of magazine publishers to get into video magazines has become a stampede. These publishers say they aren't finding the transition difficult, but they're also getting some expert professional help. (Page 14)

Interaction in the market

Interactive services such as home shopping, banking and information are up against their toughest task—finding a niche in the marketplace. One of the most controversial ideas in this direction is whether systems can do a better job of selling them by bundling them into a single interactive tier. (Page 17)

System reps eye ad future

Compared with the proliferation of other services to cable systems, few companies are fighting for the opportunity to represent them in advertising sales. But those in this business now see a bright ad sales future for systems selling to both national and local advertisers—particularly where interconnects are concerned. (Page 21)

Marketing STV

Many STV operators are now going into phase 2 of their marketing effort—going after the potential subscribers they didn't pick up on the first go-around. In this phase, some innovative approaches are being used that might well be tried by cable system operators. (Page 30)

Oak Industries finds its communications segment the most profitable in operating income and income to sales ratio.

(*Corporate Profile*, page 35)

Home Theater Network is figuring made-for-TV movies and travel programming into its forthcoming 12-hour-a-day schedule. (Page 37)

Arthur Taylor is making it clear that The Entertainment Channel is no longer a part-time proposition for him. (Page 37)

Indirect selling and product information will be the thrust of a new programming service being offered by Narrowcast Marketing USA. (Page 41)

Audience research from Media Statistics is being tailored to systems that sell local availabilities on ad-supported networks. (Page 41)

Pay service potential is 35 million homes nationally for foundation services and another 20.1 million for "differentiated" services, according to Gallup. (Page 42)

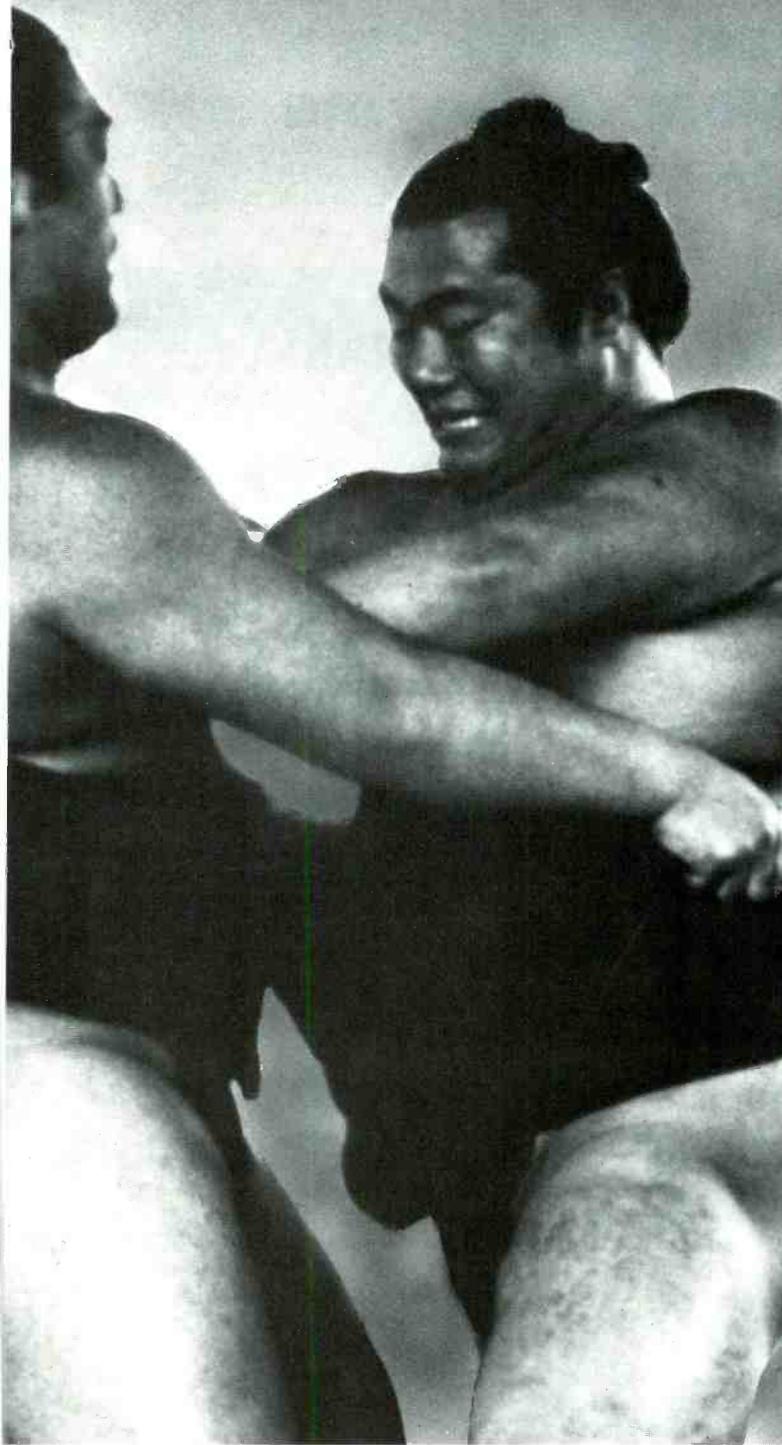
Dual pay subscribers were the target of an intensive marketing effort by Peninsula Cable TV in San Carlos, Calif., prepared in conjunction with Showtime. Nearly 60 per cent of subscribers bought the second service. (Page 42)

A critical time exists for cable operators, according to a study by Strategic Inc. It cites financial and management problems, rising construction costs and increased competition. (Page 42)

A satellite-receive dish with high gain and low cost is being given a hard look by Satellite Syndicated Systems. (Page 43)

CABLE AGE is distributed to executives in the cable television industry as a separate publication. In addition, subscribers to its sister publication, TELEVISION / RADIO AGE, are temporarily receiving copies of CABLE AGE bound into TELEVISION / RADIO AGE.

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Program guides viewed as system moneymakers

More publishers getting into the act

BY DAN RUSTIN

It used to be that cable system operators looked upon their program guides as a device for pumping up subscriber interest in the system's product, or as a means of inculcating a desire for add-on services.

But that concept seems to be changing. Many systems appear to be totaling up the 10 to 40 cents per sub per month they've been paying out for their guides and drawing a different bottom line: They now want some of that investment back in more tangible form.

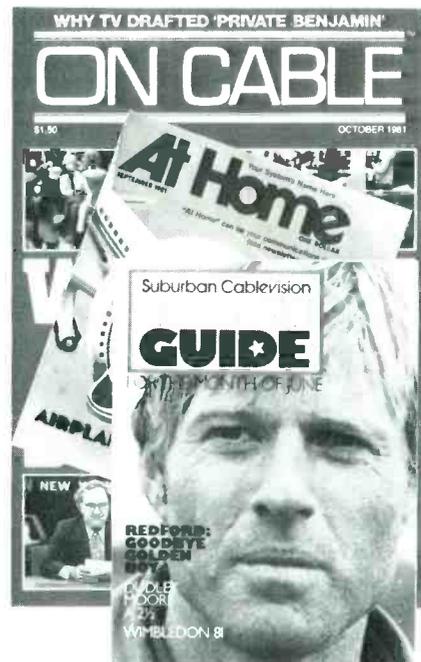
More than a few systems are now selling local advertising in their guides when they can, and some have even started adding a fee to the subscriber's bill as a charge for the monthly program listings.

Publishers encourage charges

Guide publishers—and there are about a dozen major ones around—are encouraging this new philosophy, even if they themselves don't benefit directly from the sales. As one guide producer puts it: "We ask the system to commit to our guides for a year, with a 30-day cancellation clause. What happens if there's no advertising and no paid subscriptions is this: After three months the operator says: 'Our subscribers don't really need this.' It's a complete cost to them. We try to talk our cable systems into getting advertising and signing up subscriptions, and we show them how to do it. That way, we're more certain that they'll take their commitment seriously."

That's not all. Within the past year, guide publishing has taken on a new verve. The trend has turned away from simple listings, replaced by a more lavish and exciting look to the program guide. The intent is obvious: If the system wants to sell it rather than give it away, the guide is now a product which the subscriber perceives as something of real value.

Leading this movement is *On Cable*, a total cable programming magazine which started pilot testing just 12 months ago on two systems and has been in national distribution for just nine months. Though editor and publisher Peter Funt refuses to sign up systems for less than a three-year contract, the publication has netted close to 60 sys-



Three of the "new breed" of program guides—designed to turn a profit for the system operator or, at the least, to cost him less. "On Cable," introduced last June, is sold in some markets; "At Home," due to debut in January, will be customized version of "Premium Channels" and will accept national advertising; "Program Guide" will be for sale only.

tems as customers, with 350,000 subscribers. It accepts national and local ads, and a few systems—though not many as yet—are charging their subscribers for it. The most any system charges is \$1.50 a month; the operators are paying from 30 to 50 cents per sub. The implication is that it's only a matter of time before a lot more subscriptions will be paid for at the receiving end.

Situation is fluid

On Cable is not the only publication that's being sold to subscribers, nor is the situation likely to remain static for long. Maclean-Hunter, the huge Canadian publisher with about 80 consumer and trade publications, has been experimenting with *Program Guide*, a book intended to be sold, period—no giveaways allowed. Additionally, two publishers of highly successful free-distrib-

bution guides are working up to bigger and better versions with for-sale potential. These are *Premium Channel's* new entry, *At Home*, and an expanded model of *CableView*. Both should be out about the first of the year, the same time that *Program Guide* goes national.

There are certain to be more entrants into the field as the idea of turning a loss to a profit catches on. But one other book that's being assembled in the background is sure to shake up the guide market as no other could: Word has been out that Time, Inc. has formed a small working group to look into the feasibility of creating a magazine exclusively for cable. Reportedly this committee has been casting about for two months now, looking for Time's niche. It could be anything—a trade publication, or a *People*-type personality book about cable, or an all-purpose program guide, or a guide solely for Time's owned ATC systems. At best, say reliable sources,

the Time entrant, whatever it turns out to be, is still at least 18 months away.

On *Cable's Funt* doesn't think that the competition from the two goliaths of North American publishing, Maclean-Hunter and Time, Inc., will crush his yearling magazine under foot. For one thing, both companies own cable systems. According to Funt, this causes a natural combativeness among other MSO-communications stables, like Westinghouse, Warner Amex, Cox and Teleprompter. So long as the guide field is system oriented, he thinks these companies "won't want to jump into bed with Time in a business that's already too incestuous . . . What with the spectre of Time owning HBO, Cinemax, half of the USA Network, all of ATC—who the hell wants to get their program magazine from them as well?!"

"But there's no mistaking the fact, as soon as Time, Inc.'s name is mentioned in the context of starting a new publica-

tion, people are infatuated with it. It's the giant rumbling."

New era dawning

No matter what Time comes up with, it's apparent that a new dawn has settled on the program guide business, and the day of the total-loss pamphlet is backing into the twilight. Even if operators don't ever get around to selling their guides—and many probably never will for reasons of customer goodwill—there should at least be the sound of change dropping to the cash register from advertising. Guide publishers say local advertising is increasing, and some have even started to get nibbles from national ad agencies asking for rates on all the publisher's monthly guides. Some of these may have as many as 300 separate editions for as many systems and combined circulation of nearly 2 million.

Dennis Campo, marketing director of

MAJOR PROGRAM GUIDES AT A GLANCE

Publication & Location	Frequency	Systems covered	Subscribers	Premium	Coverage Satellite	Local	Customized to system?	Advertising	Sold to Consumer?	Unit Cost to Operator	How Delivered to Consumer
Premium Channels	Monthly	300	2,000,000	Yes	No	No	No	None	No	10¢–14½¢	Mail
* At Home Hicksville, NY	Monthly	n/a	n/a	Yes	Yes	Yes	Yes	Natl/ Local	Possible	Not Decided	Mail
On Cable Norwalk, Conn.	Monthly	58	350,000	Yes	Yes	Yes	Yes	Natl/ Local	Yes (50¢– \$1.50)	30¢–50¢	Mail (at magazine's expense)
* Program Guide Toronto, Can.	Monthly	n/a	n/a	Yes	Yes	Yes	Yes	Natl/ Local	Yes (\$1– 1.75)	30¢–50¢ on 3-month trial only; 2/3 of sub income thereafter	Mail
TV Watch	Weekly	29	Total:	Yes	Yes	Yes	Yes	Local	Possible	16¢–35¢	Mail
TV Watch Atlanta, Ga.	Monthly	16	350,000	Yes	Yes	Yes	Yes	Local	Possible	16¢–35¢	Mail
TV Host	Weekly	Total:	Total:	Yes	Yes	Yes	Yes	Local	Yes (50¢)	25¢	Mail
TV Host	Monthly	12–14	200,000	Yes	Yes	No	No	Local	No	25¢	Mail
Premium TV Harrisburg, Pa.	Monthly			Yes	No	No	No	None	No	25¢	Mail
Great TV Entertainment Jenkintown, Pa.	Monthly	350	2,500,000	Yes	Yes	Yes	Yes	Natl/ Local	Possible	10¢–40¢	Mail
Cable Monthly Bethlehem, Pa.	Monthly	15	500,000	Yes	Yes	Yes	Yes	Local	Possible	16¢–35¢	Mail
Cable Week Augusta, Ga.	Weekly	5	15,000	Yes	Yes	Yes	Yes	Local	Yes (40¢; sub: \$12 yr.)	0	Subscription Newsstand
Cable Viewers' Guide Utica, NY	Weekly	50	75,000	Yes	Yes	Yes	Yes	Local	Yes (50¢)	0	Newsstand
CableView	Monthly	120	1,000,000	Yes	No	No	No	None	No	10¢	Mail
* CableView New York, NY New York, NY	Monthly	n/a	n/a	Yes	Yes	Yes	Yes	Natl/ Local	Possible	Not Decided	Mail

* In preparation

Some
day, all
pay TV
will be
this
good.

O

n July 4, 1981, SHOWTIME revolutionized pay television with a new concept of Total Entertainment, 24-hours-a-day. Our new scheduling format, comedy series and innovative "micro series" have met with unprecedented consumer response, and our movies, Broadway shows, and specials are drawing larger and more satisfied audiences every day.

We've completed an extensive evaluation of the SHOWTIME programming explosion, involving consumer research, subscriber life tracking and follow-up analysis of the Paul Kagan 1980 Pay TV Census.

The results are astonishing.

The Kagan Census demonstrates SHOWTIME's superiority in the areas most important to cable operators. Existing HBO single pay systems that added SHOWTIME in 1980 saw an average 60.5% increase in pay unit penetration (over one-third higher than HBO markets that added Cinemax or The Movie Channel).

According to Kagan, these same systems experienced a 24.7% increase in HBO penetration when they added SHOWTIME (the HBO growth in Cinemax markets was only about half of what SHOWTIME achieved, and in The Movie Channel markets only about one-quarter).

And Kagan shows that these same SHOWTIME/HBO dual systems enjoyed an average 13.4% basic lift (the basic growth in Cinemax markets was about 40% less than in the SHOWTIME markets, and in The Movie Channel markets nearly 70% less).

During the first half of 1981, the systems with the winning combination of SHOWTIME and HBO saw continued growth: 19.8% in pay units, 12.3% in HBO units and 13.8% in basic subscribers.

In a national study of dual SHOWTIME/HBO existing systems, research reveals that satisfaction with SHOWTIME has never been higher, and that the addition of SHOWTIME actually increases subscriber satisfaction with HBO. In fact, dual SHOWTIME/HBO subscribers showed a 25.9% increase in satisfaction with HBO since adding SHOWTIME.

And consumer research confirms our subscriber life findings that dual SHOWTIME/HBO subscribers are 26.3% less likely to disconnect HBO than single HBO subscribers.

If you don't have SHOWTIME, you're missing out on the best performer in pay TV. The best quality programming, the strongest pulling power, the greatest growth for companion pay services, the highest customer satisfaction and the longest subscriber life.

Some day, all pay TV will be as good as SHOWTIME.

The logo for SHOWTIME, featuring the word "SHOWTIME" in a bold, sans-serif font. The letter "O" is replaced by a circular graphic consisting of horizontal lines, resembling a film reel or a stylized eye.

TV Watch/DIP, the Atlanta firm that sells both on-air and printed listings to systems and newspapers, sees no reason why guides can't pull their weight in advertising. "The key to any successful sales operation is the ability of its people," he says. "I've seen low quality books crammed with advertising. It's the guy who gets out and sells that makes it successful."

Where ad revenue is a factor, well over 90 per cent of it comes from local sales. These are ads sold either by the system operator, the guide publisher or a third party. But right now, ad income is looked upon more as a relief from rising production costs than as a source for profit.

Subscription sales, however, could be another matter.

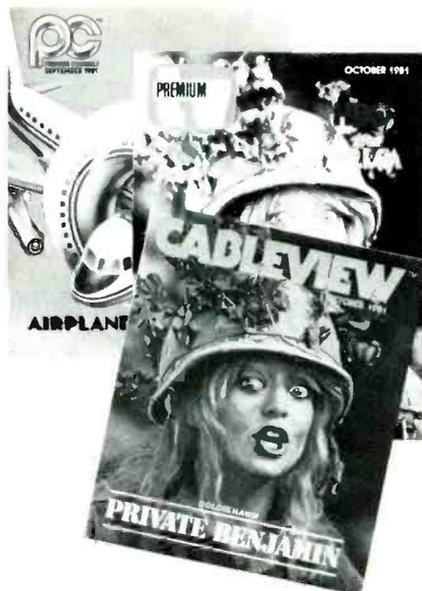
"Our basic premise," reports J. Robert Livingstone, publisher of *Program Guide*, "is that we are creating a profit center for the operator. He will go from a position of spending a great deal of money to making a pretty significant amount of money. If the operator is spending 25 cents per subscription per month for whatever guide he's using, we can take that loss and turn it around. Instead of spending 25 cents, he's making 25 cents—or more. Then it's a whole new ballgame for him."

The proposal that *Program Guide* is making to systems is a three-month break-in period. The system buys three months worth of magazines at cost (30 to 50 cents each, Livingstone figures), while Maclean-Hunter goes about a full-scale marketing effort to sign up at least 60-70 per cent of the system's subscribers. Subscribers will get the first three issues free. Starting with issue four, the subscriber is billed \$1-1.75 for the monthly guide, depending on size of the listing section. The operator keeps one-third of this income for himself. The system is responsible for enrolling all new subscribers, an exercise which isn't considered especially difficult compared to the problems of enticing older subscribers to pay for something which they're accustomed to getting for free.

How to sell it?

This, of course, is the stickiest point of the concept now: how to convince thousands of cable customers that they ought to start paying for their program guides.

Explains Dennis Campo: "It's much easier when you're selling a subscriber on your service to say: 'Here's our guide for 50-75 cents additional a month.' Ninety per cent of the people will sign up for it. But when you're dealing with a mature system, the customer says, 'You owe me. I've been looking at your guide for the past year. I don't want to pay you for it. It should be included in my \$15 monthly charge.' In that case,



Generic guides, such as "Premium Channels," "Premium TV" and "CableView," accept no advertising and have little sales potential to customers. Their virtue is that they are mass produced and sold to systems cheaply, compared to customized guides. By next year, all three will have sister publications individualized to systems, which "Premium TV" already has.

you'd better not plan on getting more than a 40-50 per cent of subscribers, which will leave the other half of your subscribers out in the cold."

The answer, obviously, is to give them something they're not getting now. The new model guide is, or will be, festooned with articles, profiles, editorials, features, photos, puzzles and advice, all related to cable. Listings will be more detailed and comprehensive, a big factor, many publishers feel, as systems expand and viewing choices become more complex. One of *On Cable's* October editions, for example, has 31 pages of editorial features, surrounding 39 pages of listings and 10 pages of national advertising. Only a few giveaway guides contain any feature material at all, and many only skim the surface of listings.

Program Guide, which has been publishing since June for Suburban Cablevision's 125,000 subscribers in East Orange, N.J. and Wayne, Mich., expects to have four or five features keyed to the films making their debut on premium services that month, according to Michael Mondini, sales director. *At Home* will be completely customized to the cable system with some local pages available for system use. *CableView's* new guide will contain no editorial matter, but will be a full-service guide tailored to the specific system. Though it's unlikely that many systems will try to sell

these two new books to their subscribers, both intend to take advertising for the first time.

Varied menu

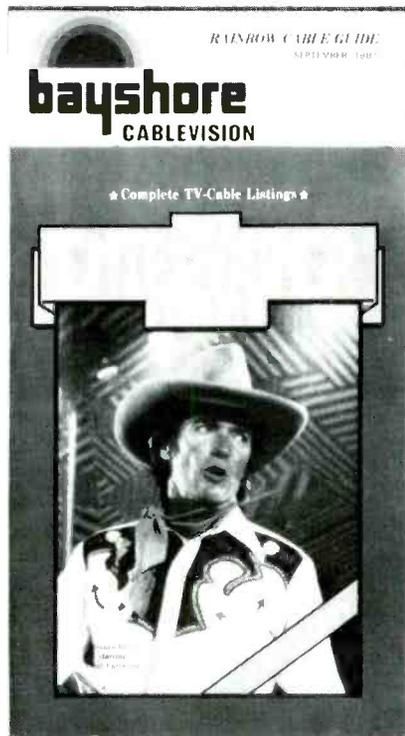
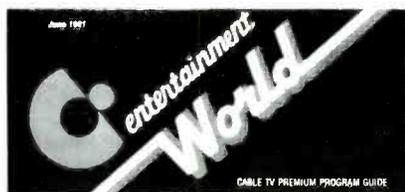
Even without the new magazines coming onstream, the cable operator has a varied menu to choose from when he shops for a program guide. They range in cost to him from nothing to 50 cents per unit and can be totally customized to his system or totally generic to the premium services. Both *Premium Channels* and the existing *CableView* are completely generic: The system's name appears nowhere on the guide. *TV Watch* produces customized listings to the system's individual design, with the operator's own title and cover and sometimes even his own editorial matter.

Two of the oldest books in the business are *TV Host* and *Cable Monthly*, both originating more than 15 years ago in Pennsylvania, where cable started. *TV Host* offers three versions—a weekly customized edition, a premium-satellite monthly, and a premium-only monthly. *Cable Monthly* services 15 systems with fully-customized guides.

There are even some guides which cost the operator nothing. Publications such as *Cable Viewers' Guide*, in upstate New York, and *Cable Week*, in Augusta, Ga., list all local channels and sell their magazines at newsstands and through subscription.

Possibly the most successful producer of guides to date, and the one to claim the largest circulation, is *Great TV Entertainment*, from TVSM (Television Sales and Marketing) of Jenkintown, Pa. Neil Heller, executive vice president, estimates the customized guide goes into 2.5 million homes subscribing to 350 systems, including nine of the top 10 MSOs. All these have come aboard since July, 1980, when the first multi-pay guide was issued. Heller predicts some systems will start selling subscriptions in January.

Says Livingstone:
"Our basic premise is that we are creating a profit center for the operator. Instead of spending 25¢, he'll be making 25¢—or more."



"TV Warch," Atlanta, produces some 45 different weekly and monthly guides specially designed to system. They have different names, different appearance, different logos, and some contain features tailored to the market. Most include local advertising, but lack of conformity has so far impeded national advertising.

As with most other guides, there is a per-unit price differential. In the case of *Great TV Entertainment*, the cost spread to the operator is 10-40 cents. This spread, standard in the industry, depends primarily on size of listing section and circulation.

TVSM is also producing a number of new and varied types of guides, almost as if to symbolize the trend within the industry toward offering as many kinds of products as the market could possibly demand. A new TVSM entry includes all pay and satellite schedules on a rolling log format; another, larger than the first, segregates pay and satellite services but expands on each.

TVSM also prepares marketing pieces to wrap around many of its guides—these "to herald the launch of a new system, introduce pay or satellite

"Because we're paying the postage," says *On Cable's* Funt, "the operator can put his postal budget to better use. It frees up the system's billing envelope. Also, it enables the operator to go to cycle billing; he's no longer married to the first of the month with a dated guide."

services, advise customers of new services available or serve any of a number of purposes," says Heller.

Also, beginning the first of next year, adds Heller, TVSM will turn out a redesigned guide "to accommodate the increased programming being carried by the major pay networks and for additional programming that will be added in 1982."

One book which is no longer on the menu is *Cable TV Magazine*, another all-around feature/listing publication which vanished after three issues early this year. Says one observer: "Their financing just evaporated."

Computerization a must

One thing which most guides have in common is computerization—listings are fed into a computer, merged with the system's specific channel designations and printed.

Also, with the exception of *On Cable*, all guides are mailed at the system's expense. *On Cable's* exemption arises from its status as a separately-sold magazine, Funt explains. He points out that the second-class mail privileges to which his book is entitled, are important to the operator not only as a cost saver: "Because we're paying the postage, he can put his postal budget to better use. It frees up the system's billing envelope; some can go to postcard billing, others use the space in the billing envelope for cable coupon networks or whatever messages they want to put in there. Also, it enables the operator to go to cycle billing; he's no longer married to the first of the month with a dated guide."

Another advantage which Funt stresses is *On Cable's* local sales ability. While local advertising in most guides is the responsibility of the system operator, *On Cable* does all the local legwork as well as national ad sales. This is because one of the magazine's parents, Continental Telephone, owns a yellow pages service. "Through the corporate connection, we have a full-time local sales staff working as our exclusive sales reps," explains Funt. "That means more than 300 sales people around the

country selling local advertising. We give the cable system a percentage of local sales, or these sales will help reduce the per-copy cost of the magazine, whichever is greater."

Some unique features

Though many guides are similar in content and appearance, many have their own unique features. At *Cable Monthly*, Russ Funkhouser, circulation manager, points out that, since his guide is one of the oldest in the country, and among the first to use a computer, its data bank is loaded with movie descriptions for the thousands of titles programmed by the 15 cable channels for which it publishes. "If a superstation



"TV Host" and **"Great TV Entertainment"** are fully customized programs, the latter from the leading producer of guides, TVSM, in Jenkintown, Pa., with total circulation of 2.5 million. **"Cable Viewers' Guide"** differs from most other listings in that it is not distributed through systems, but sold on newsstands for 50 cents, primarily in New York State. All three books sell advertising.

is carrying a movie, all we have to do is call up the number for that title and we have our own description of that film," says Funkhouser.

At *Cable Viewers' Guide*, which is sold on newsstands, Frank Gruenewald, secretary-treasurer, explains that he has an exchange policy with systems operating in his region. He gives them a page in his book for a plug on their channels.

Judi Gold, director of customer services for *Premium Channels*, published by Pubmark, an ad agency devoted to cable, points out that two-thirds of most pages in that book are devoted to four-color pictures of films on that month's premium service schedule. This "hype" (the agency's word) plays up the value of the service to the subscriber. Also, Gold says, the running listings at the outside third of each page are easier to read and more complete than most listings.

According to Frank Dillahey, assistant to the publisher of *TV Host*, his company will send a sales arm into a market to help a cable system firm up its sales approach to local advertising and will split local sales revenues with the operator.

Keeping customer satisfied

Aside from any moneymaking potential of the guides, they have other intrinsic values to any cable system. Awareness of programming is considered the most important. Last February, Showtime asked its subscribers what sources were used most in determining the programs they viewed. A whopping 88.6 per cent indicated the Showtime guide and/or that of some other pay source. By comparison, weekly newspapers racked up only 34.6 per cent.

Another study, by A. C. Nielsen, for *TV Watch/DIP*, produced a similar finding: 74 per cent of homes which had the DIP on-screen schedule available used a printed program guide listing from their cable system as a source of information on what to watch.

Many in the cable industry think this awareness of what's on is the key to keeping subscribers connected. One of these is John Cavalieri, one of the pioneers of the guide publishing business.

Cavalieri is president of the New York advertising agency, Cavalieri Kleier Pearlman, the agency which did the initial spadework in making Showtime's name a household word, and the publisher of Showtime's guide for nearly seven years. Cavalieri believes that the Showtime guide "put the service on the map."

Launched own book

Showtime eventually left the agency, and Cavalieri decided to put his knowl-



Cablevision of Long Island is one of few MSOs still producing its own program guide. Some 150,000 subscribers in four franchises receive free comprehensive monthly listings with tailored editorial matter, printed mostly on coated stock. System has no plans to charge subscribers for guide, or to sell it to other systems.

edge of the guide business to work with his own publication, *CableView*. Launched just last May, the magazine has already enrolled 120 cable systems with 1 million subscribers, at 10 cents per copy.

Cavalieri interprets the guide's function this way: "It must make the programming each month seem exciting. It should let the subscriber know why he's spending all that money. When he gets the guide in the mail, he should open it up and feel he's getting all those wonderful movies for his money.

"It's the cable system's and the service's representative in that home for 34 days," Cavalieri continues. "If the guide is informative, exciting and colorful, I can't think of a better representative."

Lesser-known movies

Another thing the guide will do, according to Cavalieri, is to make the subscriber aware of the "back of the burner" movies he may have heard nothing about before. "If you can do that, the subscriber feels he's getting 25 or 30 great movies every month, instead of just a dozen blockbusters."

One of the major problems facing guide publishers is getting satellite services to furnish them with listings in time to use them. Since most guides go to press three weeks before the start of the month covered, this means a satellite service has to solidify its end-of-month schedule a good seven weeks in advance. With guides getting more attention than ever, satellite services seem to be getting around to answer the challenge.

Notes *Program Guide's* Bob Livingstone, "We explained what significance

it would be to them to get listings, and now we're getting much better listings than before. We went from 56 pages to 88 in October, based entirely on better information from the satellite services."

In-house publication

Despite the trend toward more lavish guides from larger publishing houses, a few MSOs still continue to insist on producing their own listings. One of these is Cablevision of Long Island, owner of four suburban systems in New York and New Jersey, with over 150,000 subscribers. Cablevision puts out its own four-color guide, on coated stock, covering all the premium channels, satellite services, out-of-town stations and local originations. A staff of five writers and three editorial assistants writes all descriptive copy for the four books, which had been running about 80 pages per issue.

Editor-in-chief Maggie Melluso says that's only half the story. With the addition of several new premium services in October and the expansion in hours of HBO and Rainbow, the bulk of the

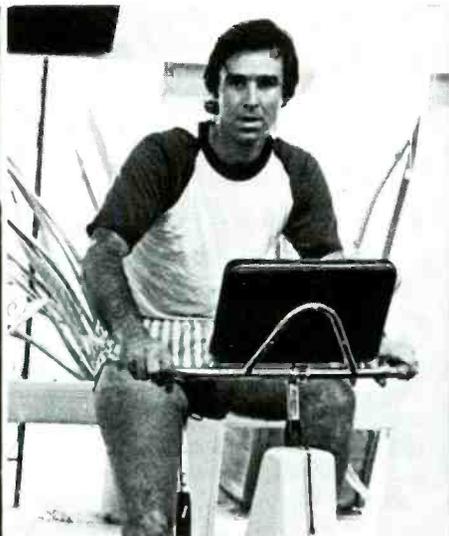
Says Cavalieri: "The guide must make the programming each month seem exciting. It should let the subscriber know why he's spending all that money."

guides suddenly exploded by as much as 64 pages for some editions. And, Melluso says, the computer hadn't been installed at the time; all listings were handled manually.

She can't estimate the per-unit cost of the guides, Melluso says, but any knowledgeable person can see that they must exceed the 25-cent average that most insiders say is standard for a guide. Still, Cablevision has no plans to sell its guides to subscribers, nor does the company expect to sell its service to other MSOs.

All Melluso can say about her experience in putting out four separate magazines manually, each bulking between 112 and 128 pages, is: "It was a lot of work!" □

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Magazine publishers find new niche in cable

Transition reported easy—with a little help

Publishers of the likes of chess and philatelic magazines may never achieve a marriage with cable, but major publishers of broad-interest magazines are the June brides of the year. The progeny of this marriage are cable video magazines, and they're just making their debut both as ad-supported and pay services in formats ranging from half-hour features on existing networks to full-blown networks of their own.

The video magazine owes its evolution almost entirely to cable, the media for which translation of print to video is not only plausible, but also a brand new profit-center-to-be for publishers, themselves swept away on the trend of specialization for the last 15 years or so. According to Kent Rhodes, president of the Magazine Publishers Association, magazine advertising revenues, which reached a billion dollars in 1967, stood at \$2.8 billion in 1980. And he sees a strong future for magazines, which will inevitably profit from their video counterparts.

Publishers moving fast

While it's too early to tell just how profitable these video magazines will be, publishers are going full steam ahead, in many cases creating entirely new corporate divisions to handle video enterprises, others stepping more tentatively into narrowcast waters. And they're signing deals with production companies to help translate one medium to the other—either units of the agencies (which have been waiting to get back into production since the networks took it out of their hands 20 years ago), or independent production companies which have grown up in broadcast until now.

And the cable industry is getting plenty of expression of publishers' interest. At a recent New York Advertising Club seminar, USA Network president Kay Koplovitz said she'd been contacted by hundreds of magazines inquiring about the possibilities of cable programming. When CABLEAGE asked for verification, Koplovitz responded, "Many of these were far too specialized for our format, their audiences too narrowly defined for our broadbased orientation. But yes, over the last few years, we've received literally hundreds of letters and calls."

Those magazines finding their way into a video format are primarily women's service at this point, though men's

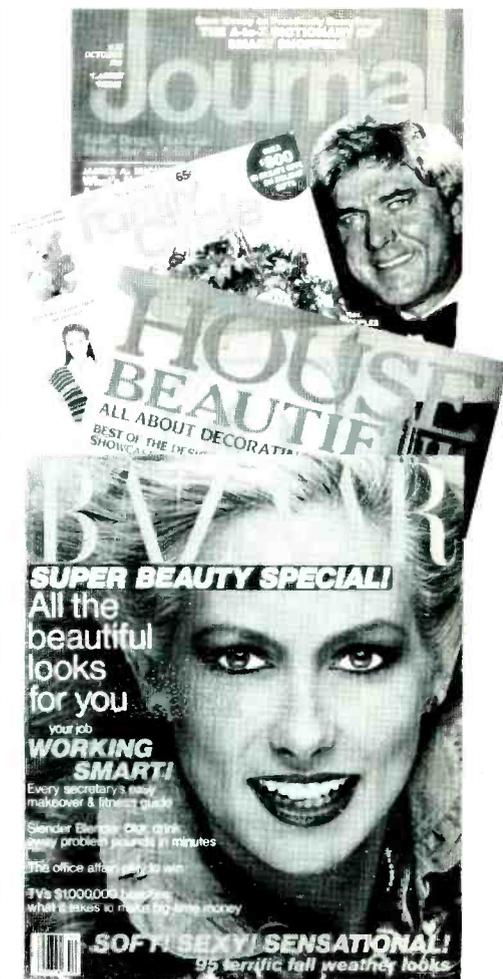
service and general interest publications are making inroads too. Not all are seeking to replicate their print audience demographics in video; on the contrary, in many instances, publishers and editors feel cable will add whole new demographic and psychographic groups that will actually enhance readership of their magazines via video magazine name identification, though this point has as yet to be proven.

Many ways to finance

As far as financing is concerned, production costs—which can range from several hundred thousand dollars for a 13-week series or one-time special to millions for a network launch—are being handled in a number of ways. In some cases, advertiser dollars are a prime source of revenue, while in other cases, publishers on their own or in association with production companies are putting the bucks up front, with return expected to come from advertisers or subscribers. While plans for aftermarket distribution are theoretical for now, until programming proves itself, home cassettes and discs as well as foreign syndication are under consideration. At the moment, most attention is being paid to launching the services and seeing how they fare on cable.

New York Times-owned *Family Circle* magazine gets the credit for bringing the first video magazine to cable, but it was partner Don Kirshner Cable Television that initiated the series and developed a pilot series based on the magazine's "Great Ideas" series of special publications. In exchange for cable distribution rights, Kirshner put up over \$1.5 million to shoot half-hour segments hosted by Gerri and Dave DeBusschere covering such topics as "Decorating Made Simple," "How to Be Pretty and Trim," and "Easy Make-Ahead Meals." Segments feature editors and writers from *Family Circle* and other publications, manufacturer executives and representatives (such as Grace Richardson for Con Edison), and personalities in their fields, such as a restaurateur demonstrating cooking.

The series made its debut on Satellite Program Network March 2. Five programs a week, telecast twice each day, offered six minutes of advertising, with initial sponsorship, at \$7,000 per week, coming from Mannington Mills, Dupont's Silverstone cookware and Del Monte tuna. But because SPN reaches only 2.3



Women's magazines are among the most active in cable, though most aren't content with replicating their reader demographics in video. They hope to attract new audiences.

million households, the series was switched to Christian Broadcasting Network on September 14, where 13.3 million homes are passed. Now telecast once a day Monday through Friday at 2 p.m., it sells a 30-second spot for \$750 with initial sponsorship from Reynolds Aluminum. CBN gets two minutes of advertising time to sell, with Kirshner responsible for the other four, which is sold by Cablecast, a newly formed division of Syndicast.

Control of content

Insofar as program content is concerned, "it's their image but our product," says Kirshner vice president—general manager Mike Mahony. And *Family Circle* director of special projects John Jaxheimer admits, "It's an experiment, pure and simple. We're looking for formats to work on for expansion." He says there are at least two other projects being discussed with agencies. On the other hand, Kirshner—whose total commitment to cable is running at \$5 million, is at work on packaging four

other cable programs in a video magazine format.

Des Moines-based Meredith Corporation started its first video magazine venture over USA Network on October 5. The publisher of *Better Homes and Gardens*, *Metropolitan Home* (formerly *Apartment Life*), *Successful Farming* and *Sail* formed a 50/50 partnership with Doyle Dane Bernbach's new production arm, Storytellers, Inc., to co-produce 13 half-hour segments of *Better Homes and Gardens Idea Notebook*.

Initially sponsored by Sherwin Williams, each segment runs six times a week in varying time slots. Sherwin Williams is taking two minutes of available time, local operators sell one 30-second spot for \$500, and deals are pending for the remaining 3½ minutes of time, going at the USA rate of \$3,000 per week. Each program contains up to four three-to-10-minute segments delivering practical information on decorating, remodeling, and landscaping in a how-to format. According to content director Margaret "Tuny" McMahon, a typical show might include a segment taped in-studio showing three ways to decorate the same room, a how-to-grow-herbs segment filmed on location in a garden, and another segment giving instruction in wallpapering a room.

"This is an initial project," says publisher Bruce Boyle, "into which we've sunk several hundred thousand dollars. We supply the creative content, and Doyle Dane does production and takes care of advertising." And as creative director David Jordan puts it, "We're not just taking magazine articles and translating them to video. First research shows what kind of programming is desirable. Then we amass material from the magazine, adding in new material where it's needed." Jordan and McMahon then worked closely with Storytellers vice president Steve Everitt on actual production.

No after market use

While this is an acknowledged experiment, Everitt says the material for the show is not ideal for aftermarket usage. "We'd have to re-edit, and perhaps re-shoot. We'll just have to wait and see the response on USA before we start thinking aftermarket distribution."

Time Inc.'s commitment to translating its print vehicles into an electronic format is longstanding. For the last several years, editorial personalities from the staffs of *Fortune*, *Money* and *People* regularly give feature reports on various radio and TV formats (including CBS-owned radio stations, ABC-TV's *Good Morning America*, CBS Radio Network, and New York's WMCA, radio), and *Discover* is about to go on the AP Radio Network.



Major men's magazines, not content with contributing programs, will launch their own cable channels. "Penthouse" will form PET Network and "Playboy" take over Escapade programming.

Corporate involvement in cable started with *Sports Illustrated*. Frank Deford regularly delivers sports features on Cable News Network, and a retrospective special ran on Home Box Office May 18. Billed as a video magazine, *Sports Illustrated: The First 25 Years* was a 60-minute tribute hosted by James Caan and featuring a good chunk of rare footage.

But the corporation's real bid for continuing cable programming came on October 13 with the debut of *Money Matters* on HBO. The one-time production that lasted nearly an hour contained one- to six-minute segments featuring a variety of moneymaking and saving ideas. "We didn't just repeat stories from the magazine," says *Money* managing editor Marshall Loeb, "but rather took themes and wrote scripts based on those themes." Segments were reported by seven *Money* staffers, ranging from reporters to the managing editor, three appearing on-screen and four giving voice-over narration, while other segments were hosted by TV professionals.

The production, which cost upward of \$250,000, according to publisher John Crandell, is a pilot. The expectation is that magazine sales will increase, though no direct advertising took place during the program, other than ID with the magazine and its staff. Production for HBO was handled by Alvin H. Perl-

mutter, Inc., who lent support and advice to Loeb and his staff in making the translation to video, a feat which Loeb characterizes as "remarkably easy."

Dreadened scope

Ms. magazine started its cable effort a year ago by approaching HBO senior vice president—programming Michael Fuchs with the idea of doing a special about women in the 1970s. But it got more than they bargained for; while Fuchs liked the idea, he thought it too narrow in focus, suggesting instead a special about women in the 20th Century.

Ms. managing editor Suzanne Levine went back to her new West Side offices, assembled her cast of editors and writers, and sat down to brainstorm. "That's the only time large numbers of staff were involved in the production; I didn't want to overstretch their regular magazine duties," she said.

To debut November 9, *She's Nobody's Baby* is a one-hour documentary special tracing attitudes toward and of women in this country for the last 80 years. The "patchwork of historical artifacts" is hosted by feminists Marlo Thomas and Alan Alda, who contributed their time and involvement at no cost. Expenses for the production, running into six figures, were picked up by HBO, though Ms. retains rights once HBO is finished with its one year (six months renewable) licensing agreement. Apart from overhead expenses, Ms. had no further production expenses, "apart from the time and expertise we lent the project," says Levine, who was executive producer for the special.

The production was written by contributing editor Susan Dworkin, whose plays have been previously produced off-Broadway. Levine is quick to praise the HBO staff, particularly Shelia Nevins, who lent a great deal of support and advice to the project. "You can't just translate the written word to video," she says. "To do so is a mistake. Editors have a sense of their editorial focus and magazine profile, but TV producers know how to bring their script to life." Part of the reason for going into cable, Levine confides, "was to reach a whole new audience which may not know the magazine all that well." Other projects are on tap.

Charter Publishing's *Ladies' Home Journal* and *Redbook* editorial are finding their way into a video format via *Count Me In*, a co-production with Fairlawn, N.J.-based Ultimedia's UTV Network, scheduled for launch next year on a yet-to-be-arranged satellite distribution system. The concept, which was Charter's, fits into the UTV Involvision format, in which specifically targeted audiences get a range of interactive programming types. Current plans call for

reaching everyone from children through senior citizens with everything from game shows to shop-at-home programming with generic infomercials.

Count Me In, produced entirely by Charter and to originate live from Ultimea's studios, will poll women on a variety of issues such as marriage, sex, religion and national issues. A panel will discuss topics arrived at from the mix of *LHJ* and *Redbook* editorial. Home viewers will then be able to express their opinions via an 800 number, and results will be tabulated and reported on-air.

But Charter, which recently formed Charter Publishing Development to explore cable opportunities, doesn't plan on stopping here. Says president Lenore Hershey, "At least two other cable projects are in the negotiation phase with agencies. It's our hope to get more involved in programming based on *LHJ* editorial, to have a program based entirely on the magazine's content." But, acknowledges Hershey, integrating print with cable is a "real trick." "You can't just transfer one medium to the other." But she's hopeful of the prospects, citing major interest by agencies in video magazine formats.

Count Me In will be produced in half-hour segments, with an initial contract running for 13 weeks. Telecast live in the early evening, the program will be repeated later in the evening. Five minutes of advertising time will be available for national advertisers, though UTV vice president—advertising Norman Levine won't discuss rates at this time. Under the UTV plan, operators will share in advertising revenues.

Three-point landing

The Hearst Corporation's conglomerate interests include print media—from newspapers to magazines to books—and electronic media from radio to broadcast TV. When Ray Joslin was appointed vice president—general manager of Hearst Cable Communications, he was charged with acquiring systems, developing programming for satellite distribution and in-home data delivery. So far, he's only been able to work on program development, and this is through the independent subsidiary created by his company and ABC, Hearst/ABC Video Services.

Already in the works is programming for ARTS, and now on the boards is that for Daytime, the women's service channel due to debut on MSN next year. According to Joslin, "Daytime will offer a departure from the last 30 years' worth of programming from network TV by providing entertaining and informational women's programming."

While specifics have as yet to be worked out, Joslin assures, "We won't simply duplicate our magazine editorial

in video format; rather, we expect to use our vast editorial resources and name identification." He notes that programming is being developed from research into audience psychographics, transcending age and other physical traits which make up an audience's demographic profile, to key into their interests. On that score, Daytime (formerly Beta) programming will be tailored for the women with above-average intelligence and education.

While deals are still in the works with the company's magazine division, plans are to draw from the expertise of editors and writers of the Hearst retinue, which includes *House Beautiful*, *Good Housekeeping*, *Harper's Bazaar*, *Cosmopolitan* and *Town & Country*. And down the road, there may be video magazine possibilities for other Hearst publications, like *Popular Mechanics*. Already



Both "Ms." and "Money" have combined with HBO for specials on their specialties.

there are rumors *Science Digest* publisher Charlie Mandel may be thinking of a video format for his publication, perhaps in response to competitor *Omni*'s new broadcast TV syndicated program, but Mandel couldn't be reached for comment.

'Newsweek' seeks outlet

Though Hearst is in partnership with ABC on the Daytime channel, this does not exclude other magazines from participating with Hearst-ABC. In fact, CABLEAGE has learned that *Newsweek* has approached Hearst-ABC with a suggestion for participating in women's programming. Hearst-ABC has made no decision on this offer.

Recently announced was the joint

venture between Rainbow Programming Services and Playboy Enterprises, Inc. to take the former's *Escapade*, a pay adult programming service featuring R-rated movies and original productions, and turn it into what will come to be known as The Playboy Channel.

The Playboy Channel, estimated to reach 7.5 million households, will feature sophisticated adult programming based on the successful editorial departments of the magazine. On this list now, says Playboy Production's vice president David Lewine, "are all service features describing aspects of the good life (travel, entertainment, products, criticism), the 'Advisor,' the 'forum,' interviews, the Playmates and other girl segments, and fiction, with a budget in the millions to begin production in October." The first segments should start appearing on *Escapade* next January.

Raising demographic goals

Bob Guccione's Penthouse International Ltd. and Bob Jacobs' TeleMine Co. have joined forces to launch a pay-tier service by the end of the year to be known as Penthouse Entertainment Television, or the PET Network. The service is to be initially telecast over Westar I, transponder 3, for 12 hours daily starting at 8 p.m. Plans are to move the service to Westar V next year when it becomes operational.

The adult channel will seek out a different audience from that of the magazine. While the magazine is targeted to the 18-25-year-old market, the PET Network will be targeted to the 25-45-year-old market, demographically more affluent. Twelve systems have already been signed, and Jacobs expects four times that number by launch, with a reach of a million households. Over \$5 million is invested in the launch alone, put up both by Penthouse and TeleMine, in which Penthouse owns a minority though significant interest.

The ball got rolling, Jacobs says, "when Guccione's agency approached us with the concept, as we'd premiered an adult entertainment service, Impact Theatre, on cable before *Escapade*." Plans call for combining editorial input from the four Guccione magazines—*Penthouse*, *Forum*, *Omni*, and *Variations*—into a format of the future, science fiction, and sex. One example of program type is *Penthouse Forum*, what Jacobs describes as "an open, free-form, Phil Donahue-like program where the audience can discuss topics like sex mores with doctors."

"We're trying to appeal to people's fantasies and give them real entertainment," says Jacobs. Programming ideas have come from meetings with both the editorial and advertising staffs of the magazines. □

Interactive systems facing marketing dilemma

Experience will determine bundling or tiering approach

BY DRAD METZ

Cable systems getting involved with interactive services for the first time are finding that marketing considerations can be more difficult to figure out than the services being offered.

The most controversial decision facing marketing strategists is over the question of bundling; that is, should services such as home shopping, banking and information retrieval be placed on a single interactive tier, thereby offering subscribers an array of enhanced services for a fixed monthly fee? The alternative is to tier each service and market it separately from the rest. (Technological differences prohibit home security from being bundled with transactional services.)

Because the vast majority of MSOs are only now beginning to implement one- and two-way interactive services, the marketing approaches taken by cable companies remain, for the

among many large and small MSOs is that these expanded services will be an essential revenue producing tier after the entertainment tiers have reached saturation. If the cable industry is to become a total communications service, execs agree, then consumers must be convinced—through appropriate marketing measures—that interactive services like home security, shopping, banking, energy management and information retrieval are beneficial and convenient.

One of cable's largest groups, Teleprompter, has gone through an organizational restructuring to accommodate the new interactive services. The company recently installed a director of security and energy services and a director of transaction and information services. This grouping of responsibility is an indication of how Teleprompter may market those services when they go

move into home security than other services because of this better definition of market. With other services, the willingness to pay is still undetermined and the technology is costly, he points out.

It is Bilodeau's belief that consumers would take home security alone right now but probably hesitate at home banking. The banks, he believes, have the power to change that. "They could start an advertising blitzkrieg that would steer the marketplace into banking at home. But I don't see that happening, not with the conservative banking industry. It's going to take some years to develop."

Likewise, the cable division of Centel Communications is extremely interested in home security. "That seems the place that we would start," says marketing and programming manager Steve Carr. "There's a demand for it. Whether there's a market for people who sit at home and purchase computer-generated pictures of clothing is another matter."

Bundling services

Here is where Bilodeau develops his notion of bundling certain interactive services: "The technology and the costs are going to dictate that we package services together to take the bite out of the incremental costs," he reasons. Bilodeau explains that the cable industry is looking for "enough services to justify the initial entry costs. That defines the packages, rather than the consumer relating certain services together creating consumer-oriented packages."

However, he believes marketing approaches should determine if consumers are likely to take certain services together or separately, and then market them accordingly. "It could result in a significantly higher cost per service if you were to offer separate services," Bilodeau says. "If you're permitted to bundle them and that's both acceptable to the market and technologically feasible, then I see it as a more economical offering."

Bundling as a marketing approach gets a fairly negative assessment from John Kelsey, manager of consumer marketing for Dow Jones, partner with Prime Cable for the new Princeton, N.J. franchise. Dow Jones is primarily involved with two-way interactive information retrieval services called Link-Online. Princeton subscribers will be able to access the Dow Jones data base as well as *The Princeton Packet*, a local newspaper. Each data base will have a separate charge, and subscribers may choose which they want, one or both.

The franchise will also offer Link-Alarm home security, consisting of TO-COM's III-A system. Says Kelsey: "We have not considered bundling them to



Hard-copy printout, two alarm terminals, two video surveillance screens, police radio scanner and digital telephone receiver highlight Colony's first security system.

present, basically undefined and experimental. With the size of the marketplace for most of these enhanced services still undetermined, most marketing execs can only hint at what methods they will use. As usual, the cost of putting interactive services on-line and the price consumers are willing to pay will affect any future strategies.

Nevertheless, the general consensus

on-line; that is, bundling security with energy services, and tying transactional services with information retrieval (videotext).

"We're looking at those service groupings as likely packaging," explains Bob Bilodeau, Teleprompter's vice president of new services development. "I can easily see security and energy being marketed separately from transactional and information services." Bilodeau says one reason for this is the readiness of the security market. It's well identified, and the consumer's willingness to pay is somewhat known. He adds that Teleprompter is more likely to

gether. There's no economy for us to bundle them; they don't use the same hardware."

Kelsey explains that home security service has a fixed fee of \$16.95 per month while the charge for information services depends on the specific information requested. With bundling, he says, "You'd be marketing something that has a fixed price and additionally has a rather steep up-front cost, with something that could vary based on the information someone is interested in during the month. I'm sure it would be interesting to try, but I can't see any advantage to that."

Marketing inexperience

One of the reasons for a difference of marketing ideas stems from the fact that few people have had experience in applying interactive services. As Jerry Presley, manager of special projects for Daniels & Associates and vice president of Mile Hi Cablevision, Denver, says, "On the whole, it's something that we're looking at. We're trying to determine the answers. Everyone is actively seeking that answer."

Presley believes, after the industry has gained some working experience in the marketing of interactive services, in several years the popular approach will be to unbundle the services. Explaining that there exists a separate market for each service, he says, "You have to attack each market individually. You really should not bundle them. The marketing strategy has to differentiate a particular product and attack that particular segment." He is quick to point out that cable television's rationale is to offer consumers a choice. "The consumer doesn't have to take all or nothing."

Quick to differ is Bruce Sanderson, vice president-business development, Cox Cable Communications, an MSO with first-hand interactive experience. Sanderson says Cox's San Diego and Omaha systems are offering its two-way INDAX system on an integrated approach, bundling all interactive services except for home security. Two-way interactive banking and shopping are bundled with one-way information retrieval, educational programs and opinion polling.

As Sanderson explains, "Once you take the package, everything is available to you." The incremental tier price in San Diego is \$5.95 per month, compared to \$3.45 per month in Omaha.

In addition to marketing research being conducted in San Diego by Nielsen, experimental users have implemented the pilot programs in both cities. Results from that study and the commercial use in Omaha will provide Cox with essential feedback from these totally diverse markets.



Bob Bilodeau,
Teleprompter

"The technology and the costs are going to dictate that we package services together to take the bite out of the incremental costs. It could result in a significantly higher cost per service if you offer them separately."

"From that we'll be able to hone in on the marketing techniques," Sanderson says. "The marketing of these interactive services is very complicated. They represent a significant lifestyle change." Home security is marketed by a separate sales force and organization and cannot be bundled because of marketing and technological differences. It runs on a different computer, requires a different method of transmission and is a totally different product with a much different pricing structure, Sanderson points out.

Having no active experience in the marketing of these non-entertainment services, Centel's Carr believes that the company's cable division, which presently has one system, Lone Star Video in suburban Houston, offering home security, will offer all these interactive services on a single tier. "You would either have or not have shopping, banking, security and reservation services," Carr explains. One home wouldn't have the banking service and another the shopping.

Although there would be only one basic monthly charge, Carr says there would have to be an additional usage charge, much in the manner that Dow Jones will bill Princeton subscribers for access to its data bases. "The person who has access to the computer 12 hours a day should probably not pay the

same as a person who accesses it five minutes a month," he adds.

But, he cautions: "At this time, we really haven't formulated a complete plan for marketing strategy. Those will be implemented when it's shown there's a desire for those types of services in the market."

First interactive step

Colony Communications is also taking its first step into two-way interactive. Its Falmouth, Mass. system is offering home security via cable or phone lines for the 4,500-home franchise area. However, the city has permitted Colony to provide the service to the remaining 11,000 homes in the town via phone lines.

Associated Alarms of Hyannis will do all the installations and maintenance while Colony will monitor the system. Such an agreement "shows that we as a cable company are willing to work with the established businesses already in the area rather than drive them out of business," says Colony president Jack Clifford.

Clifford adds that Colony will notify the public that the service now exists, while the security company will advertise the agreement with Colony to market the service via phone lines or cable. "We'll split up the pie to determine who goes after whom," Clifford notes.

Colony's president sees the implementation of the security system in Falmouth as a test case for interactive services as a whole. "This test of the two-way system will, to a large extent, tell us how well the interactive services work. This test is also being used as a test for security services to be provided at other existing Colony systems." If it's successful, Clifford indicates that the company will look to Hialeah, Fla. and other two-way systems to install home security.

While Colony is bidding home security in franchise proposals, Clifford says, "We'd like to have some hard information to go on before we really go with this." And although the MSO has no other systems offering other types of interactive services, new franchise bids are proposing each service individually with a separate charge. "We believe MSOs are experimenting and trying to find the best way to market them," he adds.

Creating or filling a need

The best marketing method for cable companies now entering the interactive fold could be determined down the road, if and when the various services are perceived by the public to be of equal value.

Should that occur, Teleprompter's Bilodeau believes the services could be bundled. How consumers perceive interactive services will be determined in

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part by the cable industry's ability to sell itself as a total communications entity. That means it will become important for systems to convince consumers that the cable industry has more to offer than just entertainment services—but additions that will provide convenience, safety and knowledge to their lives. As Bilodeau puts it, "You're marketing those solutions that can be handled through communications."

Question then: Will one of marketing's prime functions be to create a need in the public's eye, or to inform and then meet a need? Trying to create a need for services that have yet to be spelled out as necessary can be difficult, if not risky. "To create a need," Bilodeau says, "to tell homes that they need banking is a lot tougher than telling them they need security. The market has already told me I need security. Nobody's negative about security."

Dow Jones' Kelsey agrees that marketing information services is a "huge challenge," considering it is a "service that most people at this time don't perceive a need for."

Kelsey says it's difficult to change people's habits and then make them pay for a new one. "In that case you really have to offer them something that they perceive as truly meaningful."

Considering information retrieval services especially, Kelsey says the major challenge now is to figure a way to efficiently and effectively market the service.

Penetration, system upgrading

Teleprompter's Bilodeau is a strong believer that enhanced services will play a major role in taking cable toward full penetration, once the market for entertainment services has been saturated. He is an ally of energy management services, such as meter reading, because the subscriber does not pay a direct fee. "But they're the kinds of services that require a very heavy penetration, like 100 per cent," Bilodeau cautions. "Meter reading has no value unless you're in every home."

He contends that cable should become a necessary utility, something to be automatically hooked up in the home when first moving in, like the telephone. Enhanced services could help make that happen. "Any MSO that's not seeing that as its ultimate objective is missing the boat," he feels.

Bilodeau believes the best approach is for the system to practically give away its basic service just to get into the home. Once there, cable's value can be illustrated with its numerous services.

"Too many people don't want cable because they perceive it strictly as an entertainment business and they don't want to pay for television," Bilodeau adds. "They'll take a different view of



*Jerry Presley,
Daniels & Associates*

"You have to attack each market individually. You really should not bundle them. The marketing strategy has to differentiate a particular product and attack that particular segment. Consumers don't have to take all or nothing."

cable once these interactive services come into play."

The greater number of services offered, the greater number of subscribers a system can expect, is the logical conclusion of Daniels' Presley. And although interactive services will increase the basic lift to a degree, he isn't sure just what that effect on lift will be.

"We have to key in on the advantages of each particular service," Presley insists. For example, in the Daniels & Associates and ATC joint venture bid for the Denver franchise, *The Rocky Mountain News* would be a data base for information retrieval. Presley intends to educate potential subscribers on some of the advantages of electronic information over newspapers.

This awareness of the relationship between interactive services and subscriber lift could be a major factor in MSOs upgrading their systems for new tiers. As Bilodeau says, it's not essential, but it is desirable. "Cable systems will never truly be the communications systems of the future if they're one-way."

Presley is all for system upgrading. "Every system which we are now building or re-building has two-way capability," he says. He points out the "real change" being experienced by the cable industry is to have gone from

CATV to cable TV to its present phase, cable communications. "Cable is no longer simply a passive transmitter of distant signals," Presley insists. He adds that he no longer considers himself as being strictly in cable television. "Our job is going above and beyond basic service." Future revenue, he says, will come from incremental sources.

Natural segmentation

While a discrepancy may exist in marketing techniques concerning bundling and tiering, it's agreed that the methods used to sell to the commercial market are different from those of the residential. Because there exists a natural segmentation between the two markets, as Bilodeau points out, some MSOs are shifting energies from the home to the business. "That type of segmentation will definitely take place," he insists. "Anyone who tries to use residential marketing techniques in the business environment is doomed to fail." However, he thinks a solid business marketing technique has yet to be developed.

Specifically, Presley indicates that the banking industry will be broken down into two segments: bank to bank and bank to home subscriber. Daniels & Associates intends to attack the former market first. "After an expertise is developed in that market, you'll probably see a much greater emphasis placed on the home market," Presley says. The main reason he suggests for going after the business end of the market first is simply because no other industry is doing it; whereas others are servicing the residential market via phone lines.

Home security, on the other hand, is just the opposite, Presley maintains. The market for the high-end business user (i.e. jewelry stores) is saturated by existing alarm companies. It would be a tough market to crack, he thinks. However, for home security, cable will be active and aggressive. Home security has been proposed in Denver by the Daniels/ATC joint venture. Presley adds that Daniels & Associates will probably install a home security function in an existing system in the near future, although he declined to identify it.

A discounted monthly charge for subscribers taking all interactive tiers is probably the way systems who tier will have to go, Presley believes. "If you added everything up together, very few people could afford it. That is a real marketing question that can be answered through testing. It's simply putting it out on the market, trying to maximize your revenue and seeing what the price sensitivity curve is," he says.

Presley says price sensitivity research shows the breaking point to be around \$40-45. "But, "we just don't know for sure." □

Success of system reps indicates local ad future

Interconnects play key role with national advertisers

System operators will ultimately get their share of the advertising revenue increasingly being directed to cable—if the experiences of the few sales representation firms selling local time are any indicator. While none of these relatively new sales rep firms claims to be solidly in the black yet, they appear as close to black ink, if not closer, than most of the ad-supported cable networks.

Sales representation is one of the few areas of the cable industry that has not been inundated with competition. In fact, there is only one national rep firm so far—Eastman CableRep, which represents 10 system interconnects for national advertising, while most of these have their own national and/or regional sales forces.

Others joining in

But Eastman may not be alone on the national scene for long. The 3M subsidiary, Cable Networks, Inc. (CNI), has singled out 20 major markets for its unique interconnect/representation arrangement. It is currently operating only in the New York area, where it plans to build a central microwave transmission facility and become the satellite receive station and headend for a number of systems on a break-even basis while earning its revenue as a sales rep.

On a longer-term basis, another possible major force in the cable representation business is Cox Cable Communications' CableRep. Currently it represents only 10 Cox systems and deals almost entirely in local ad sales. Although it isn't actively seeking to represent systems outside the Cox realm, a move into selling national time is on the drawing board, and Cox hasn't ruled out becoming more than a house rep at that time.

Aside from these three major forces, there have been little more than some false starts toward getting into the rep business in a big way. A recent one is from Cable Spot Television Sales, Inc., operated by Roger O'Connor, who also heads Program Source, Inc.

Program Source continues to operate as a firm that places programming on satellite networks or individual systems. Cable Spot Television Sales had represented the Daniels operated Total CATV in Baton Rouge, but, according to O'Connor, the experience wasn't encouraging: "The agencies wouldn't buy. It was too small a market, and they

would have had to take money out of spot TV."

O'Connor notes that prospective clients posed problems too: "Cable systems are not in the real world. One problem is that they would not go for a rep contract. Contracts imply exclusivity—and, if an agency calls them direct or somebody in the system gets an idea of his own, they just want to go with it."

Finally he adds, "We're not able to compete with Eastman in interconnects or CNI in the New York market, so we're just not exploring it further at this time." Cable Spot is now devoted to



Barbara Lowe, Eastman CableRep's vice president, marketing services, says a certain amount of viewer data is necessary in approaching agencies.

helping systems "solve marketing problems," he notes.

From radio to cable

Eastman, with its background as a radio rep, has found a natural niche in cable system representation, according to Robert B. Hance, III, vice president and director of sales, and Barbara E. Lowe, vice president, marketing services.

Obviously, being a radio rep, Eastman doesn't have the conflict of selling cable TV at the expense of broadcast television. It goes up against the latter much in the same way radio has been doing it all along. Representing interconnects or major areas of penetration only, it sells roughly the same kind of geographic areas broadcast radio and TV do—the Arbitron ADI (Area of Dominant Influence) or the Nielsen DMA

"For cable to work successfully for advertisers," says Eastman's Hance, "they need the frequency of radio—25–30 spots a week."

(Dominant Market Area).

"Our approach is somewhat analogous to radio," Hance explains. "Most cable people talk in terms of selling television at radio rates." Comparability to radio is the closest description Hance gave of rates. The 18-month-old cable rep operation sells on a straight commission basis, but he would not disclose the commission. As for profitability of the company, he indicated it is not yet in the black, nor was it expected to be at this time, but he eventually sees it as overtaking radio representation in revenue.

"In order for cable to work successfully for the advertiser," says Hance, "they need the frequency offered in radio. A successful schedule has a minimum of 25 to 30 spots a week." He adds that the length of campaigns sold generally parallel those on spot TV—three to six weeks.

Eastman sells time primarily in the ad-supported cable networks' local availabilities, either on a single interconnect, a group of them or all of them, depending on the advertiser's needs. It does not sell to local advertisers. In the Connecticut interconnect, for example, this is handled by a firm called Cablenet, set up for that purpose. The interconnects handled nationally by Eastman are as follows:

■ Gillcable, San Jose, Calif.: For Gill's own 85,000 cable homes, time is sold on its Classic Movie Channel, MTV: Music Television and CBS Cable. In the 28-system San Francisco Bay Area interconnect, which brings in an additional 335,000 homes, the Gill-originated Sportschannel and Cable News Network are sold.

■ Cox Cable, San Diego: Including the service it provides to Southwestern Cable and Times-Mirror Cable in San Diego County, it has a 315,000 subscriber base and 45 per cent penetration of the San Diego market. In addition to local origination channel KCOX, it has dedicated channels for Entertainment

and Sports Programming Network and CNN.

■ International Cable, Buffalo, N.Y.: In a four-system interconnect, it reaches 93,000 cable homes in the Buffalo suburbs and an additional 97,000 in metropolitan Buffalo and Niagara Falls via microwave interconnect. It offers the Buffalo Sabres Cable Network, and CNN is sold for three of the systems, reaching 163,000 homes.

■ Palmer Cablevision, Naples, Fla.: Although this is a single system, penetration of 30,000 is large enough to offer it as a market. Along with intensive local origination, it has time on ESPN, CNN and CBS Cable. Interconnection is expected with another large system in the area.

■ Tulsa Cable Television: Again one system, but with 95,000 homes and eight advertiser-supported channels.

■ Cable Advertising Network, Seattle: A four-system interconnect reaching 179,000 subscribers. As for common networks, CNN reaches 124,000, ESPN 160,000 and USA Network 54,000. There are an additional 18,000 subs receiving CNN and ESPN through Cowlitz Cable in the Portland ADI.

■ Central New York Interconnect: With six systems in the 175,000-home interconnect, it is usually pieced up into separate markets—the four systems serving the Syracuse-Elmira area and one each in Rome and Binghamton. USA Network is available on all six, ESPN and CNN reach 90,000 on three Syracuse systems and MTV is available on two of them, reaching 55,000 homes.

■ Connecticut Interconnect: Expecting to access every cable system in the state within two years, it currently comprises seven systems. ESPN is available on all, reaching 232,000 homes. CNN reaches 157,000 on five systems.

■ Boston Interconnect: The link of five major systems comprises 206,000 cable homes. Each system has local origination availability. ESPN reaches 161,000 homes, USA is on three systems serving 105,000 subscribers and CNN serves Colony Communications' 60,000.



Merritt Rose, director of advertising for Cox Cable Communications, says the firm's in-house CableRep operation would take on representation of other systems "where they fit in."

■ Philadelphia: Being set up by Harron Communications, this major-area interconnect expects to start operation next February with at least 25 systems serving more than 350,000 homes. Inventory will be available on ESPN, CNN and MTV.

Hance says local availabilities on the networks are the easiest to sell, but local movie channels also are not difficult, being a familiar buy to the agencies.

Need for research

A certain amount of viewer data is necessary in approaching the agencies, according to Lowe. Although there is no abundance of local data to sell against, she points out that national data from CNN and ESPN has been helpful. She adds that Gill has done some local measurement with Arbitron and some of the systems have done Nielsen or Arbitron telephone coinidentals. The San

Francisco area can also use Nielsen meter measurement and has 40 per cent cable penetration, she notes. There are some problems with this in the interconnect, though, because the common programming is carried on different channels from system to system, making total viewing in the interconnect difficult to tabulate from the meter studies.

CAMP studies

CAMP (Cable Audience Measurement Profile) studies by Arbitron have been done in San Francisco, Tulsa and San Diego, offering a week's worth of cumulative audience data by daypart. Describing the results of the Gill study, for example, Lowe says, "We can tell an agency that, in the course of a week, 87 per cent of the cable households are reached at least once by one of the three channels on the interconnect."

Absence of data

"The agencies would like to see more data," Hance asserts, "but they recognize there's going to be an absence of it for a while. The more sophisticated agencies are moving into cable without what would be ordinarily necessary for them to buy spot TV."

Hance says that advertisers also can be sold on the basis of local sales success stories elicited from client systems. One example that has been used deals with a single-location camera store in Gill's domain of Santa Clara County. It reportedly started out spending \$2,500 a week for 25-30 spots promoting a single line of cameras and drew customers from a 50-mile radius. By the fourth quarter, it was spending 35 per cent of its ad budget on cable, larger than the share going to any single TV station. There's another story about a foreign car dealer five miles away from the nearest cable but spending 100 per cent of its budget on cable.

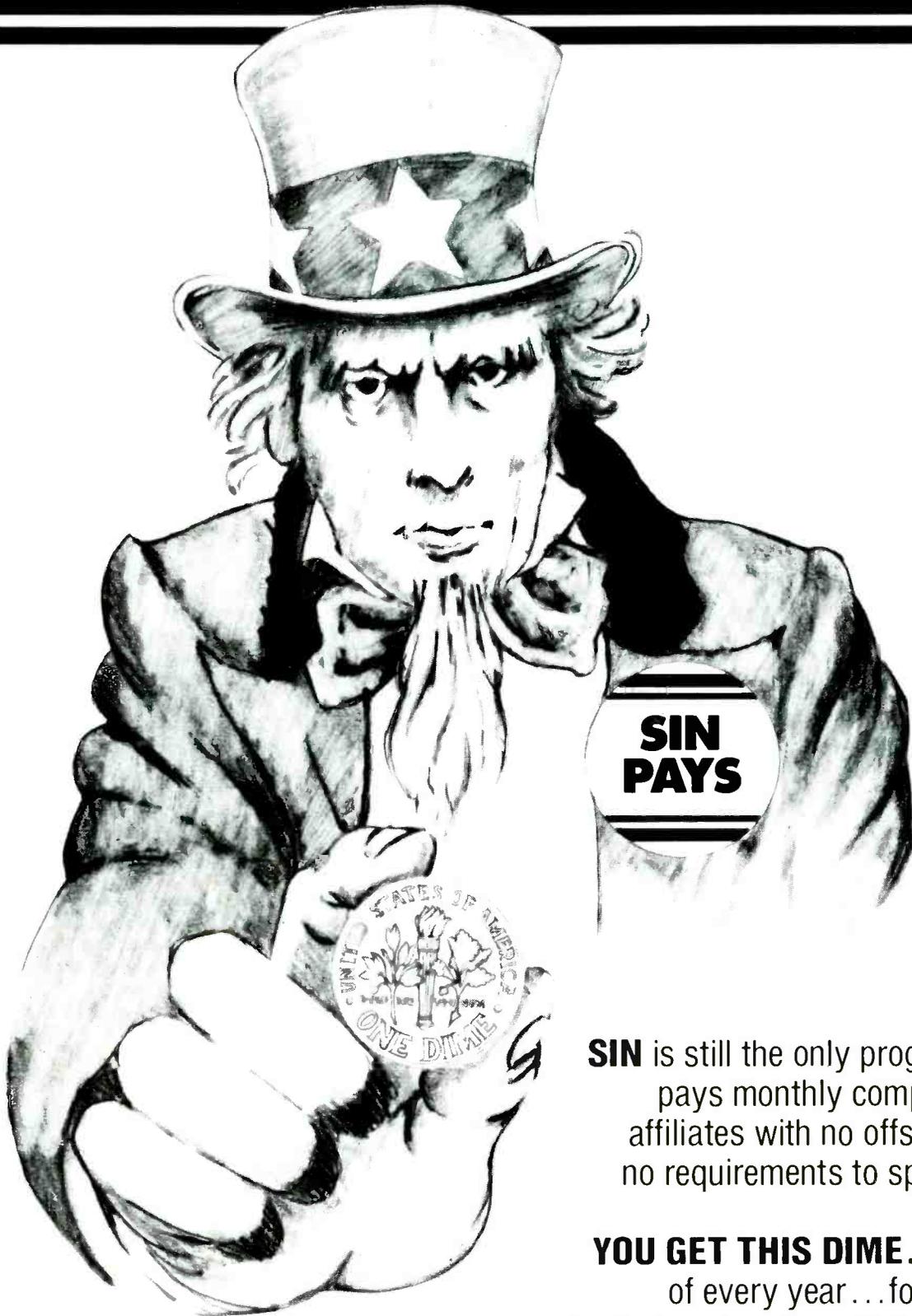
Hance says "pretty close to two dozen" agencies are now spending with Eastman: "The West Coast offices of the major agencies have clients pressing them into cable more rapidly than on the East Coast because of the greater visibility of cable there." He says the leadership role in buying cable goes to Doyle Dane Bernbach, Ogilvy & Mather and Young & Rubicam. Ted Bates is active, but only for the Coors account, he notes, and J. Walter Thompson has bought out of the West Coast but not the East Coast.

Sales offices

Eastman has its own sales offices in New York, Chicago and Los Angeles, plus associations with outside reps to cover Boston and Seattle.

Hance reports the largest orders have been received from Coors out of Bates and the U.S. Postal Service for

"The agencies would like to see more data," Hance asserts, "but they recognize there's going to be an absence of it for a while. The more sophisticated agencies are moving into cable without what would be ordinarily necessary for them to buy spot TV."



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Express Mail out of Y&R. Some of the other major advertisers are Texaco, Volkswagen, Hertz Buy-A-Car, the Smith Barney investment firm, Italian Swiss Colony, American Express, Mobil, Porsche-Audi, Thomas J. Lipton and Bank of America. He notes that few of them buy all 10 interconnects.

Changing attitudes

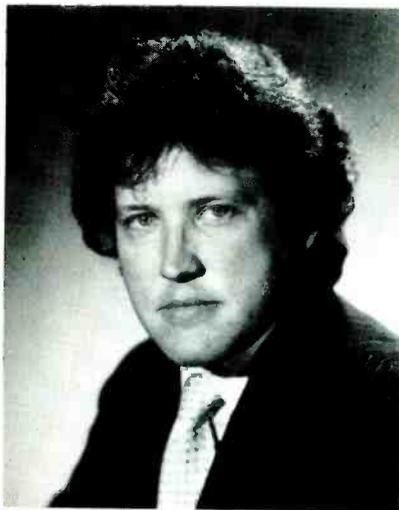
In the 18 months Eastman CableRep has been in operation, Hance has seen a major attitude change among agencies: "At first, no one wanted to buy us. Now some are buying regularly."

Lowe explains, "They're recognizing that audiences for their spot buys on TV stations have largely diminished. Now they recognize that they have to buy cable to cover that market."

Adds Hance, "Five years ago, they were getting 100 gross rating points in a particular market, and they're now getting only 75 GRPs for equivalent inflationary dollars. As I go around to agencies, I find research directors working on surveys on where their missing rating points went."

Linking New York

So far, the only interconnect not being sold by Eastman is in New York, where CNI is spreading its roots. But John P. Kramer, vice president and director of sales, says there has been considerable misinterpretation of his company's goals. First of all, he doesn't consider it a rep firm. Because of the forthcoming microwave link and other services it performs, he labels it more of a "complete marketing service." Secondly, he objects to having CNI identified solely with the New York market. He discloses that, of the 20 markets where 3M has committed to build Metropolitan Transmission Centers (MTCs), sales operations should begin in one or two more within the next few months. In New York, where microwave facilities will not go into their first stage of operation until the middle of next year, he says CNI had projected \$4 million in



John P. Kramer, vice president and director of sales for Cable Networks, Inc. prefers to sell off a "consumer profile," constructed from Simmon data, rather than off audience measurement.

sales for 1982 and so far is running ahead of projections. It has been selling in New York for 14 months on the basis of "bicycling" commercial tapes between systems.

It's not as unusual as it may seem that an operation of this nature should grow out of 3M. The company already operates Magazine Networks Inc., which prints ads and sells on a local basis in national magazines. It owns the paper and printing plants and actually inserts the local pages into the magazines, splitting the ad revenue with the magazine publisher. Because of this background, Thomas P. Sassos, now vice president and general manager of CNI and formerly vice president and director of broadcast at Ogilvy & Mather, went to 3M with his idea for cable. Kramer crossed paths frequently with Sassos in his attempts to set up a somewhat similar operation and decided to throw in with him.

CNI, according to Kramer, sells on an ADI basis for more than a dozen systems, covering most of the New York ADI,

including Manhattan, Westchester County upstate, Nassau and Suffolk Counties on Long Island and seven northern New Jersey counties. The missing links are Brooklyn, The Bronx, Staten Island and Queens, yet to have cable.

CNI represents systems for local origination, the Madison Square Garden Network, CNN, ESPN, USA Network and is considering CBS Cable. It sells both to local and national advertisers, and one incentive it gives systems to let it represent them is paying half of their cost for CNN.

CNI's sales pitch differs considerably from that of Eastman in that, instead of audience data, it sells against a "consumer profile" constructed from W. R. Simmons demographic data on the market—such as magazines read, TV programs watched, radio formats listened to and product usage.

"When we make a presentation to a bank looking for trust fund customers," Kramer relates, "we can talk about a small segment of the market with a high income that reads a lot of magazines and is involved with active sports. On radio, their primary listening is to all-news and classical; they do no real primetime TV viewing and watch primarily informational programming and a lot of sporting events. And this is an old-school type of audience that would rather watch college games than professional games. For this type of audience, it makes sense to put a schedule together on CNN, one or more of the sports networks and CBS Cable."

Qualitative research used also includes frequency of restaurant patronization, sporting equipment owned and extent of investment portfolio. Audience research from the cable networks is used only as a point of reference: "If we approach it a whole other way, we don't get asked for this data."

A partnership

Kramer views CNI's relationship with the systems more as a partnership than as a straight rep arrangement. For example, it has done a print advertising campaign for the systems to help them sell both to subscribers and potential advertisers.

CNI hasn't approached every system in the ADI to join the interconnect, Kramer notes, "because we reach an economy of scale where we can't justify the additional homes delivered by some small systems in terms of the incremental costs of handling tapes."

The forthcoming microwave interconnect will operate on a cooperative basis, with systems owning a pro rata share of stock in Metropolitan Transmission Center based on the number of homes each reaches. This is a break-even situation for 3M, which will earn all

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"You have really hit it right on the nose with CableAge. It fills the niches for agency media executives, providing us with important information found nowhere else. There's no question it tells us what we need to know to be able to appraise the developments in this fast moving and emerging medium... Keep up the great work."

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"CableAge is well edited and well written. But above all, it is responsive. We know in a tangible way. We placed an ad in CableAge on our Super Space Theatre and received specific responses."

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"I want to express our appreciation for the excellent editorial on 'Supercable.' It has to be the finest dissertation on 400 MHz technology I have seen in any CATV publication."

Samuel B. Compton Manager, Marketing Communications,
Jerrold Division, General Instrument Corporation

"CableAge is tailored for the busy cable executive. I find it very helpful."

Jack Clifford President, Colony Communications

"Congratulations... It's another winner..."

William S. Frolich Executive Vice President, The Christal Company, Incorporated

"What a good-looking and good-reading magazine. With all of the new cable publications that have sprung up in recent months, it's a pleasure to read one with such a clear sense of important issues and events."

Don Menchel President, MCA TV

"I am delighted to see a magazine of this type finally emerge and find that it provides information that is valuable to me as an advertising professional."

Hugh Johnston Account Executive, BBDO, Incorporated

"Excellent magazine—superior to all the other slick cable trades—covers key issues intelligently, purposefully."

Herb Hobler President, Nassau Broadcasting Company

"Every industry should have a publication that gives its readers not just the shop-talk gossip, but hard financial analysis of the industry as well. CableAge does it."

Norborne Berkeley Jr. President, Chemical Bank, New York

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its revenue through commissions on sales.

Commissions vary according to the service sold, according to Kramer. CNI takes less of a commission on MSG because the service is costly to the systems: "We make nearly nothing on it. It's a loss leader that, because of its popularity to advertisers, we can use as a wedge to sell time on other programming. With CNN, because we pick up half the cost, we split the revenue 50-50."

The free advertiser-supported networks are sold for more of a typical rep commission.

As for the interconnect, the first stage, expected to be completed by the

30-second spots, \$650 on MSG. Typically, he notes, orders are for 15 to 20 spots a week in flights of six to 12 weeks, and CNI pushes the concept of multi-channel placement. Key advertisers are Saks, Chase Manhattan Bank, Miller Beer, Mobil, General Electric, Campbell Soup and a number of auto dealerships.

Agency response

"Every presentation to an agency is turning into a three-hour thing," Kramer contends, "because the people there really want to know what we have to offer. To the retail community, we've been kind of like a Godsend because our area is better defined for those who want

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middle of next year, will allow commercial delivery over five channels. Roughly a year away is the ability to operate as a headend for each cable system in the ADI. 3M essentially will be a carrier service then, picking up the satellite networks and delivering them to the systems with commercials inserted. Kramer says the systems would keep their earth stations primarily for backup use.

Although CNI is yet to see black ink, Kramer reports, it could conceivably reach that point by the end of this year. The operation has five salespersons locally, with Kramer handling contacts outside the New York area. He notes other offices probably will be opened before long, starting perhaps with the West Coast.

Where the entire interconnect is sold, rates average about \$250 for most

**Says Cox's
Rose: "Any
medium must
recognize the
need for
accountability."**

to place emphasis on metropolitan or suburban areas. We have a lot of mini-markets, and this gives us an advantage over the broader coverage of the TV station. Banks do business only in one state; there's no Macy's in New Jersey and no Bamberger's in New York. Our sales are about 60-40 between the total market and pieces of it."

House rep

Where Cox is concerned, its CableRep is now strictly a local-oriented house operation, but Merritt Rose, director of advertising for Cox Cable Communications, says CableRep would represent systems other than Cox's "where they fit in." The 10 Cox systems served total more than 300,000 subscribers, and Rose expects that 12 systems will be involved by the beginning of next year.

"We've defined ourselves as a local advertising sales rep for the time being," he explains. "Almost 100 per cent of our sales are local on a system-by-system basis. The few multiple-system sales that we have are mostly for direct-response advertising."

The outlook for selling national advertising? "We don't expect to move in that direction until '83 or '84, when there will be a lot more national advertisers looking at cable on a market-by-market basis. Then we expect to get

more involved with other systems, but local will still be more important.

"I'm perhaps the only person in the industry who's not a fan of interconnects. If you go in that direction, you'll continue to be compared with spot TV. I think it's a short-term solution to put cable into a spot TV concept. The ADI or DMA is a television term. This is a different medium, and it can accomplish different things. We can sell on a ZIP code basis to accomplish certain things. This is highly suitable for advertisers with more narrowly confined market areas—almost every fast food operation, retailers of every kind, car dealer associations—almost everything but package goods. I see the national cable networks more as a medium for package goods. But there's even room for them in cable where major metropolitan areas are wired. The smaller markets are too time-consuming for them to buy."

Dig enough for national rep

Rose explains Cox's San Diego system is of sufficient size to warrant national representation and states, "Eastman is doing a fine job for them." Locally, most revenues come from network availabilities—particularly CNN and ESPN, with USA right behind them. "We don't have LO on all our systems, but, where we have it, they do quite well. Live local newscasts on two of them are very effective, and so are our alphanumeric informational services."

CableRep has been in operation since January 1, with one salesperson in each system, plus a full time assistant and usually two insertion technicians. Rose says ad revenues are improving steadily, and CableRep is now covering personnel and equipment expenses and "making a little money." A 30-second spot sells for \$1 per 1,000 subscribers, so it would cost \$20 on a 20,000 subscriber system. Typical packages are either 25 or 50 spots per month in four-week flights.

As for receptivity in the marketplace, Rose reports, "If we contact someone who's a subscriber to cable, we're usually welcomed and can immediately begin selling. Otherwise we have to do some education."

Research used is mostly qualitative, both studies coming from major ad agencies and Nielsen data. Rose says CableRep eventually expects to do more viewer research, and it has had CAMP studies done in San Diego and in the Tidewater area of Virginia. Rose ultimately looks to diary and telephone coincidental studies and use of the research services offered by Media Statistics.

Rose, who was the Cox TV station in Pittsburgh for a number of years, concludes, "Any medium must recognize the need for accountability." □

STV operations innovate in phase 2 of marketing

Retail tie-ins, direct selling help in mature markets

Having plowed through the first layer of customers in the market for subscription television, established STV operations are now advancing into the second phase of promotion in their markets. New efforts at market penetration are imminent at many of the larger STV operations. Where the traditional television and print advertising is no longer enough to attract new subscribers, innovative marketing methods are being developed, many of which could be applied to basic and pay cable sales. This is a necessity in a time of mass cable system expansion, which is causing problems for some STV companies. Many of the STV operators are actively trying to market their services for use on the expanding channels of the cable systems themselves.

Point-of-sale

The market for STV includes anyone who lives in a target area, owns a television set and can afford the \$15 to \$25 a month that most STV systems charge. This makes the television department of a large retail store a very logical place to begin direct-marketing STV.

Virtually all of the top STV services use this method of direct marketing, taking advantage of both the number of customers present in the stores and the capacity that the retailers have for credit checks and billing. Rick Kulis, vice president of sales for SelecTV in Los Angeles, reports, "We have an arrangement with Sears by which we use their stores and service centers to solicit subscriptions from customers using their

There is general agreement that retail sales techniques work best in "mature markets" where there has been enough advertising to make the public aware of the STV product.

credit cards as well as their normal cash sales."

As in any other form of direct marketing, the key is to make it as easy as possible for the customer to immediately make the purchase. Kulis continues, "Customers would be standing in line and we would have a display there where they'd be able to read our brochures and actually make a purchase using their credit card if they felt that they actually wanted to do that at the time."

Aside from credit and billing services, the STV operation that makes this sort of deal with a department store also gets to make use of the retail sales people. According to Werner Koester, president of Oak Communications, "The way it works is, if someone buys a television set, the salesman who sold the television

quota, they get the service themselves for free."

Panoff adds, "Basically, we're starting off with in-store promotions, point-of-sale displays, posters, questionnaires and fact sheets for consumers. In addition, we are producing trailer tapes showing the color films that will be available each month, which will be shown on demo machines in our television departments."

This process is not, by any means, limited to the largest department stores and chains. Nor is it limited to stores that already sell television sets. Robert Cahill, counsel and vice president at Chartwell Communications, Inc., reports, "We have agreements with about 60 different retail outlets in Los Angeles, including drug stores. There is usually a brochure at the counter, and you can subscribe right there."

'Mature' markets

There is general agreement that these retail sales techniques work best in "mature" markets, where there has already been enough television and print advertising to make the public aware of



"We have agreements with about 60 different retail outlets in L.A., including drug stores. There is usually a brochure at the counter, and you can subscribe right there."

Robert Cahill, Chartwell Communications

set would at the same time try to sell the STV service, sometimes at a discount. You know, the salesman would throw in so many months of service at a discount. Then, of course, after the discount expires, the subscriber would either continue the service or he would not."

In some cases, the STV service makes a point of rewarding the retail salesman for his efforts in helping to market STV. Wometco Home Theater, for example, has this sort of an arrangement with New York's Crazy Eddie's retail stores. Dave Panoff, director of service for Crazy Eddie's, Inc., explains, "We are a natural outlet for WHT. Our customers are buying a lot of televisions. They pay the installation charge, and our sales people take all the relevant information and forward it to WHT. Then a member of their sales department calls the customer to set up the installation date . . . Our sales people do not receive commissions for this, but if they sell a certain

the STV product. Robert S. Block, president of Telebase, Inc., which licenses STV systems in this country and England, says, "Unquestionably, retail marketing of STV sales works best if you first have a natural level of awareness and intention to buy. The retailer then becomes a focus for distribution."

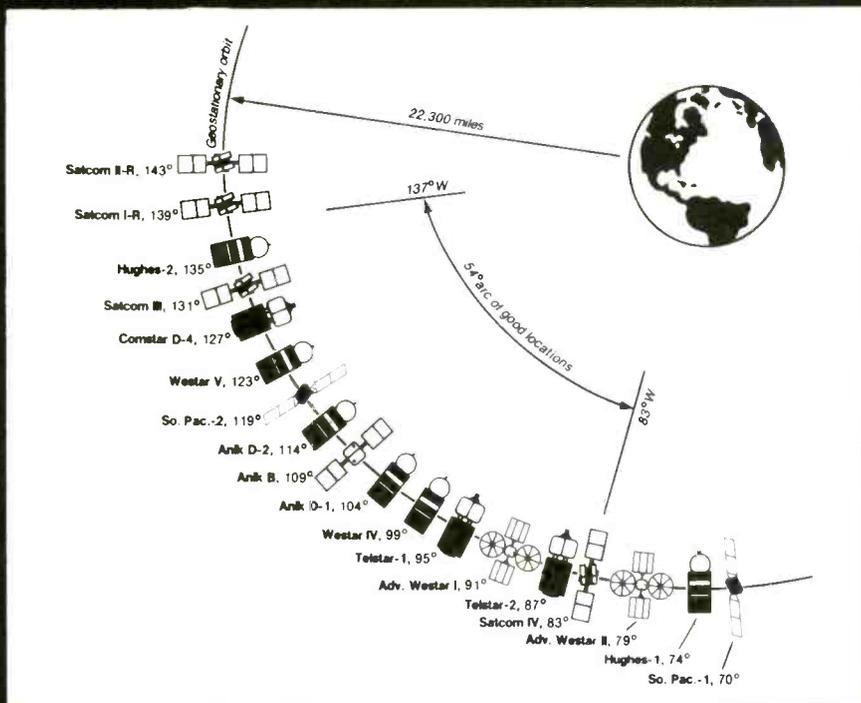
The willingness of the STV operations to purchase broadcast and print advertising is one of the main reasons why so many stores are interested in these arrangements. Block continues, "In only rare cases can you get a retailer involved in active selling—in the business of genuinely soliciting customers. The retailers are usually more of a passive distribution system which makes the service available to customers that already want it."

This is confined by spokesmen for such STV operations as Oak Communications and American Television and Communications, which currently have

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Werner Koester, Oak Communications

"I think we have the same visibility as Coca Cola. If someone talks about ON TV, you don't have to spend a lot of time explaining what it is."

services both in areas that have been heavily advertised in broadcast and print and those where little general advertising has been done. Confirming that general advertising spurs retail sales, Koester says, "Like in Los Angeles, I think we have the same visibility as Coca Cola. So, if someone talks about ON TV, you don't have to spend a lot of time explaining what it is, while, in the newer markets, you have to spend quite a bit of time to explain what it is. So a retail salesman, someone who sells television sets, is reluctant to do it in these newer markets, because it takes up so much of his time."

ATC's senior vice president for subscription television, Chip Morris, reports, "We use the mass media to raise awareness of the product and in an attempt to induce subscribers to make a spontaneous purchase. . . . Early in the product life, when you're going into a new market situation, the mass media approach is a pretty effective one. You're in a mode of attracting the high-likelihood kind of subscriber."

More theory than practice

Morris admits that this is more theory than practice, stating, "We don't have any mature market situations yet, but after you reach a mature market situation, you would expect that the general selling techniques would become less effective than the direct selling techniques."

WHT backs up its retail sales with a combination of television and print advertising. According to John Auld, WHT's executive vice president and operating officer, "Our type of service is a kind of impulse buy . . . We run television commercials . . . and, in addition, we advertise in the major newspapers."

No print used

Significantly, Chartwell does no newspaper advertising at all, either in general selling or in backing up the retail effort. According to Cahill, "We almost never use print advertising. Our market research shows that it is not as effective as television."

Tulsa's In Home Service, run by Southern Satellite Systems, has used general selling techniques as a necessary prelude to a very extensive campaign of direct selling. According to Jack Mann, vice president and general manager of In Home Service, "At first we relied mostly on television and print, but we're pretty well convinced that the answer to this business is a whole bunch of other marketing approaches."

In Home Service usually opts for discount arrangements in the stores as a means of promoting retail sales. Mann states, "We're running 'do it yourself' campaigns in many retail outlets. That's where the customer comes to a centrally-located store that we have promoted. . . . We've got a technically oriented salesperson there. The customers come into the 'do it yourself' area in the lumberyard or wherever it's taking place and the salesperson puts them through the process of how to install it. . . . The customers can then purchase an installation kit for \$15, which is a savings of \$35 on our usual \$50 price for installations."

Starting fresh

The San Francisco Bay Area's S.T.A.R. Broadcasting operation has recently joined the STV field. According to S.T.A.R.'s director of marketing Don Balsamo, "We're beginning to make deals with such retail stores as Sears, Emporium, and Capitol Department Stores, and we may possibly make arrangements with Fotomat and outlets

like that. This we will promote via window banners and point of sale material at the store, transparent decals on the television sets and probably a 10- to 12-minute cassette that will be permanently replaying for viewing at the stores, showing some of the coming attractions."

S.T.A.R. also intends to run a large number of contests in the next few years, with the prizes including free STV. Balsamo believes in publicizing these contests partly through giveaways of tee-shirts and balloons at childrens' clothing and toy stores on the principle that the items given away eventually come to the parents' attention.

Sports tie-in

One of the more ambitious arrangements that S.T.A.R. has worked out is with the Golden State Warriors basketball team, which is covered by S.T.A.R. in the Bay Area. As Balsamo puts it, "We are currently negotiating with the Warriors for a deal where they would give the people who subscribe to S.T.A.R. \$50 worth of tickets for free. Also, in the Warriors' program guide, we will have a coupon good for one-half off on our STV installation fee, so anyone going to a game can get that."

Balsamo also reports tentative plans for a "S.T.A.R. Night" at the Warriors' home arena. At this promotion, subscribers will receive a coupon entitling them to get into the game at half price and, at halftime, take part in a free throw contest.

Tulsa's In Home Service has made arrangements with a local bank to finance what is called the "Ten Dollar Installation Plan." According to Mann: "Because the up-front money of close to \$100 that we usually charge is more than some people have, we've worked a deal out with our bank, the Republic Bank, to finance that plan. They pay us the \$100 front money and then finance the plan out. The people pay the bank \$10 a month for a year."

Customers for this arrangement pay through either Master Charge or Visa, but In Home has taken care to stream-



John Auld, Wometco Home Theater

"Where cable is already established before us and people are familiar with the pay-television concept, we find it helps us to increase sales."

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Bill Mechanic, SelecTV

"We try to sell to the cable services. We want them to pick up our signal and sell it on their cable."

line the application process. Mann explains, "We take these orders by phone and get as little information as we can in order to avoid scaring them any more than we have to. . . . We get a speedy credit approval through the bank or Master Charge or Visa. And then, on the basis of that, we make the install."

Koester of Oak contends that door-to-door sales also work most efficiently in areas that have experienced a recent advertising blitz on television and in print: "We do door-to-door in particular in those areas that have high visibility. Without such visibility, there is a serious decline in the number of sales made in this manner."

Chartwell tells its door-to-door people to first cover their territory by hanging printed advertisements from the residential doorknobs and then going back later and knocking on the doors. According to Cahill: "We have found this method to be very effective. . . . Our marketing plan calls for a lot of retail outlets and a lot of door-to-door sales."

Basically order takers

In STV, most telephone sales staffs are basically order takers, paid on a small salary-plus-commission basis and kept most active immediately after television commercials. However, SelecTV's Kulis points out that this is less true in areas where the operation is competing with cable television or other STV operations: "They're not your traditional order-takers in that, in L.A. and Milwaukee, in our STV operations, we have strong competition from other STV and MDS operators. Most of our calls that we get in are mainly interest calls—shoppers' calls. This means that our phone people have to be virtually salesmen. They not only have to know enough about SelecTV to sell it, they also have to know enough about the other services to tell the consumers the difference. . . . Basically, what we try to do in our phone room is stop the buck right there at our phones. . . ."

In addition, Kulis reports that Sears, which has arrangements with several different STV operations in different

cities, maintains its own telephone sales service from data available on past service contracts or appliance sales forms. Through these, the Sears telephone staff gets the name and address of potential purchasers. Says Kulis, "The way it works out is that they actually sell the product by soliciting the sale. Then they actually install the service and turn over to STV a finished customer."

The competition factor

Koester contends that STV operations can effectively compete with each other, but that they are better off avoiding those areas where cable has been installed: "By and large we concentrate on soliciting subscribers in the areas which are not cabled, and we are trying to avoid direct competition. You really have to take it city-by-city. For instance, Chicago isn't cabled much at all, so it's really not an issue. In L.A., the cabled areas are usually shaded by mountains, where an STV signal is not too strong anyway."

Mann reports that In-Home bases its marketing concepts on avoiding the well-cabled Tulsa area, preferring instead to compete for the suburban and rural areas that are not, and in some cases, will not be cabled: "Particularly in Tulsa, the local cable system has 95,000 subscribers. . . . We're really punching away at those people that sit outside the cable area. Our penetration inside Tulsa Cable's territory is only about 11 per cent."

However, in Los Angeles, Cahill re-

ports a different situation: "So far subscription has been able to compete with cable. STV has grown rather dramatically here in L.A. Between the two systems—SelecTV and ON TV—there's probably over 450,000 subscribers."

Auld contends that the success or failure of STV versus cable is largely a matter of who got to the territory first. He states, "We find that, where cable is already established before us, the fact that the cable's been there a long time and people are familiar with the pay-television concept helps us to increase sales. . . . But in those areas where cable is moving down the block, there are times when people will think "My God, I can get all of these different channels if I hook up with the cable service, and consequently we do sometimes get disconnect orders in those areas."

Auld sees the ultimate solution to this sort of competition in selling the STV service to the cable systems themselves, especially in areas where cable has taken a long time to be introduced and STV has built up sizeable audiences. According to Auld, "Since we do have a big subscriber base already sitting there, it would be advantageous and, of course, profitable, since the cable systems are now putting in so many channels that they have difficulty in filling them all with shows anyway."

SelecTV's vice president of programming Bill Mechanic reports a similar marketing effort: "We try to sell to the cable services. We want them to pick up our signal and sell it on their cable. . . . There is a large demand for our product, and it benefits the cable operator to carry the signal. . . . If the people want us over the air, that's fine, and if they want us on the cable, that's also fine."

Auld contends, however, that it is not so much the technique of marketing that matters in preparing STV for a profitable future. What matters, he says, is ". . . the programming itself. The success of STV will, to a great extent, depend on how much the consumers are impressed with the quality of what is being shown. If the consumer wants what you have, then it's easy to sell STV, whether or not the people are also getting cable." □



Chip Morris, American Television and Communications

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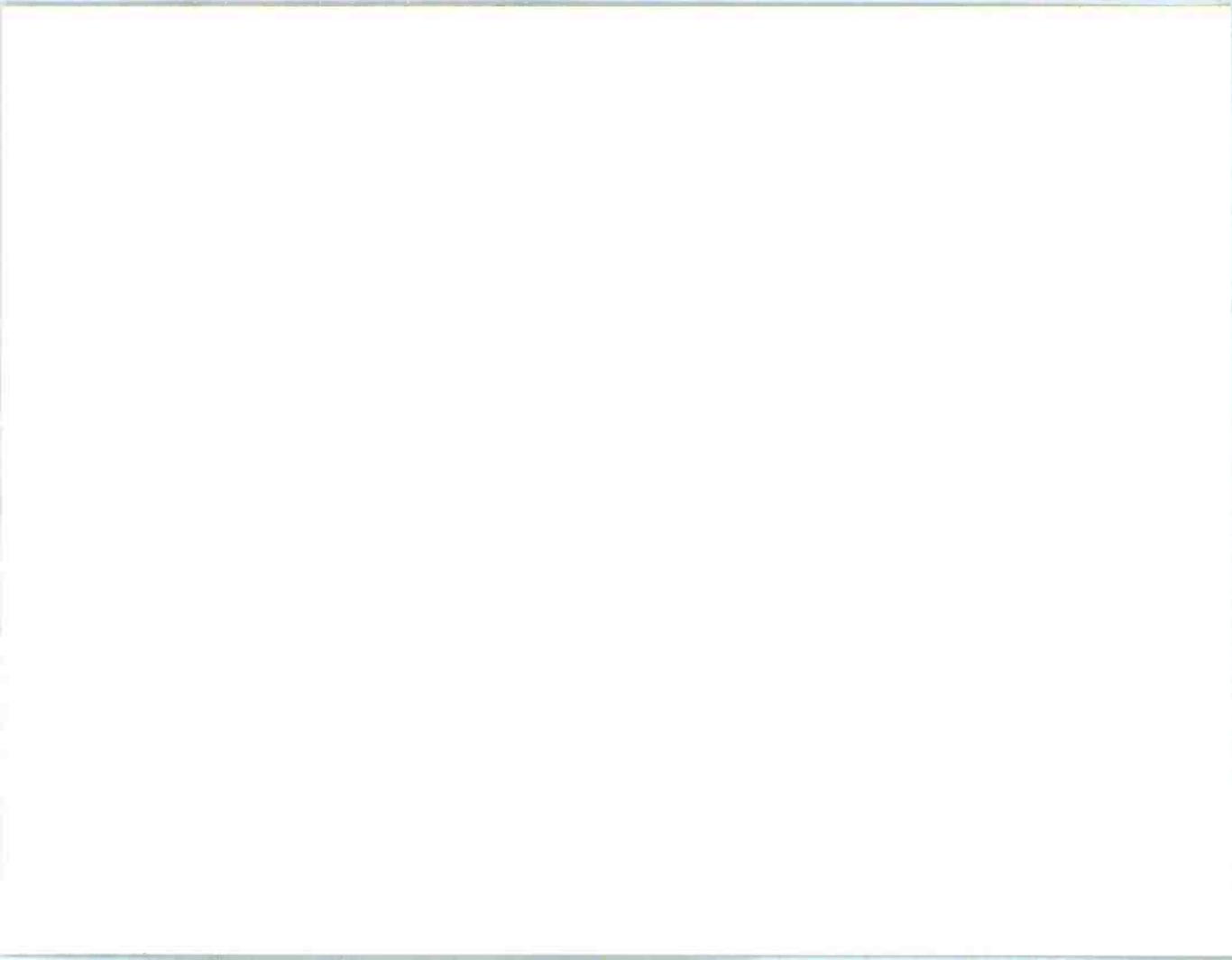
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Payment or company purchase order must accompany order





CORPORATE PROFILE

Oak Industries Inc. and subsidiaries

Industry segment data, years ended Dec. 31, in millions

	SALES	% TOTAL FOR YEAR	OPER- ATING INCOME	% OF TOTAL FOR YEAR	% OF SALES
Communi- cations:					
1980	\$161,373	41.9	\$32,572	55.9	20.2
1979	78,505	27.9	16,162	41.8	20.6
1978	31,688	16.5	4,498	21.1	14.2
Materials:					
1980	87,724	22.8	10,218	17.5	11.6
1979	80,892	28.8	11,458	29.6	14.2
1978	58,759	30.6	8,608	40.4	14.6
Compon- ents:					
1980	136,489	35.4	15,486	26.6	11.3
1979	121,951	43.3	11,042	28.6	9.1
1978	101,734	52.9	8,226	38.6	8.1
Total:					
1980	385,586		58,276		15.1
1979	281,348		38,662		13.7
1978	192,181		21,332		11.1

Oak Industries' future tightly knotted to cable

Oak Industries is deep into cable and STV, and its prospects are likely to parallel those of the industry. As the data in the accompanying table indicate, the communications segment of the company is the dominant one, and is also the most profitable.

It should be noted that, although the communications segment accounted for 47 per cent of the identifiable assets of the company last year, it contributed nearly 56 per cent of operating income. Understandably, in 1980 Oak management directed 60 per cent of capital expenditures into communications. Oak's commitment to this segment is not merely a matter of adding to past momentum in 1980, capital expenditures in communications were about 24 per cent of all assets, compared to 28 per cent in 1979 and 34 per cent in 1978. The contribution of cash flow due to depreciation and amortization is less than a third of capital investment.

Movement to verticality can have its dangers

Oak Industries is working toward a condition of vertical integration in cable. This condition has three major parts: equipment, transmission and programming. It is as if Ma Bell provided conversation along with the telephone. When a company is in an "infant industry" its caprices are indulged and its grasping at

Oak Industries is working toward a condition of vertical integration in cable. This condition has three major

everything is tolerated. But eventually, as Ma Bell has learned, verticality can be a red cape to civil authorities and demands for divestment, accompanied by the costs of litigation, can become an unwinding thread in the garment of success.

Oak Industries was founded in 1932 as mainly a materials and components supplier. In 1978, a remodeling resulted in two operating subsidiaries: Oak Technology and Oak Communications. Among its early functions was as an important supplier of rotary TV tuners. When cable started, Oak led in the development of the first multichannel converter. With that, cable subscribers had access to over a dozen channels.

In an attempt to go beyond the role of master antenna servicing, cable operators started offering special events and began to selectively distribute programming. Oak introduced video scrambling in 1971 as the first "hard security" system. In 1973, the company introduced to CATV operators a full-system remote box-disconnect control. Called Address-O-Code, it was the predecessor of TotalControl. With the TotalControl Dimension 2, the next step, came a base for two-way interactive service. This permitted for the first time electronic banking, home shopping, instant opinion polling, and various emergency alerts. Dimension 2 is still being fieldtested. Using its development of this technology as a basis, Oak is working on an order related to Cox Cable's Indax system.

New subsidiary, Oak Media, in programming

Oak made a big step into programming last June with the formation of a new corporation, Oak Media Development. It has three main lines of interest: production and programming for television, satellite broadcasting for entertainment and business, and cable system ownership. This new subsidiary expects to get involved in programming for all pay TV delivery systems. Its president, John P. Gwin, is credited with Oak's strong position in STV. An example of this leadership was the presentation via cable of the now-famous welterweight title bout between "Sugar" Ray Leonard and Thomas Hearns last month. Last year, Oak provided to its subscribers two big fights between Leonard and Roberto Duran.

Oak Media Development plans to do satellite broadcasting for entertainment and for business, which reads as moving toward data transmission. Nothing definite has been disclosed about this part of the subsidiary's business.

Oak owns two California cable franchises. One is Oxnard Cablevision, Inc., with about 23,500 subscribers, of which 11,000 take premium services. Bought last February for about \$22 million. A previous acquisition, in July, 1980, was Castro Valley Cable TV, Inc., serving parts of Castro Valley in Alameda County, near San Francisco. Of 8,000 subscribers, about 3,500 take premium services. Oak is considering the acquisition of other cable systems but does not plan to bid on new CATV franchises because of the intense competition.

One of Oak's major achievements is the introduction of the "TotalControl" system,

introduced late in 1979. This addressable decoder has been sold to such MSOs as Teleprompter, Cablevision, Viacom, Niagara Frontier, Four Flags, and Sammons.

Theft of service is a major cause for concern An important aspect of TotalControl is its ability to minimize theft of service and theft of converters. Although introduced less than two years ago, it gained wide acceptance. At the end of last year it had a backlog of \$32 million. The system offers 35 channels which can be turned on or off from the system's computer, which also can control any of the programs offered. Included too is software for computer handling of the system's accounting functions.

A matter which cannot be ignored is that devices for the unauthorized reception of STV programs have been built and are being used. Oak has protected itself through litigation. Last year, the FCC warned that the making and use of devices to decode or unscramble STV signals constitute a violation of the Communications Act.

Regardless of what the law may say, Oak's main defense against illegal devices will have to be technical innovation, rather than litigation. But even a technical advantage can be a slippery one—who can guarantee that what Oak can do, nobody else can do?

Although the communications segment of Oak's business has become the dominant one and offers the greater promise of growth, its materials and components arms are still significant.

The materials branch makes laminates and specialty materials used in printed circuits. It also makes products out of a heat and chemical resistant plastic material, "PTFE," technically known as polytetrafluorethylene. Most of these laminates are copper-clad rigid materials. Oak management places the company as the third largest domestic producer of laminates with the broadest product line. Oak is also the biggest laminate maker in Taiwan and Korea.

Owns its own source of copper foil Furthermore, Oak is said to be the only domestic laminate producer with its own source of copper foil. In conjunction with Mitsui Inc., the company can take care of all its anticipated copper foil needs.

Oak is the leading U.S. maker of products made from PTFE. This material is coated onto glass fabrics and pressure sensitive tapes used in electrical insulation and general use.

Although the materials segment faces strong competition in all of its product areas, no one maker competes with Oak in all lines of the materials segment.

The component segment of Oak makes control and switching devices and parts used in such residential appliances as gas and electric ranges. It also makes and installs institutional energy management systems and items for appliances in recreational vehicles. Oak is a leader in the manufacture of controls for gas ranges in the U.S.



John P. Gwin was named president of Oak Media Development, set up last June as company's program arm.

and Mexico; and is an important element in England and South Africa as well.

Oak began production, in 1979, of the touch sensitive membrane switch which differs from conventional switches in that it interfaces directly with electric semiconductor devices. Last year the full travel membrane keyboard was introduced.

A half-billion dollar industry at mid-year From the balance sheet point of view, Oak was a half billion dollar corporation on June 30, 1981, with sales of \$525,017,000. On that date, on the liabilities side, the long term debt of \$202,121,000 was covered by equity amounting to \$192,714,000. The stock market, however, appraises the equity more generously. As of last Oct. 2, the 12,582,226 common shares outstanding at 29 $\frac{1}{4}$ had a market value of \$368,030,111 or nearly 90 per cent over book value.

At an indicated dividend rate of 24 cents per share, the yield is 0.8 per cent. The price/earnings ratio is about 15 times.

During the first half of 1981, sales advanced to \$252 million, a gain of 40 per cent over the comparable 1980 period. Net income rose to nearly \$13 million from about \$9.5 million, up 36 per cent for these periods. Sales for all of 1981 are estimated at \$500 million, close to 30 per cent over the \$386 million of 1980.

During 1981, sales advanced in the second quarter to \$126,909,000 up 1.8 per cent from the first quarter. Net income in the second quarter rose to \$6,687,000 up 6.9 per cent from the first.

Chicago STV station a major surprise Positive developments during the second quarter were the established profitability of three ON TV systems in Phoenix, Ft. Lauderdale/Miami and Chicago. The ON TV system in Los Angeles was already in the black, but the company's fifth system, which went on the air last March in Dallas/Ft. Worth, has yet to be reported as a contributor to profits. The Chicago channel became profitable after only eight months of operation, which is said to be unprecedented in STV.

The Form 10-K for last year discloses that an aggregate of 502,300 shares of common stock, or 8 per cent of the total outstanding, was owned by Eberstadt and Putnam, investment management subsidiaries of Marsh & McLennan.

—Basil Shanahan

Programming

Off-TV, travel to fill added time on HTN

Supplementing its one-movie-a-night service with another one running 12 hours a day as of January 1, Home Theater Network will be buying a certain amount of made-for-TV movies and will also go heavily into travel features, Peter Kendrick, president tells CABLEAGE. Made-for-TV buys will concentrate on the top ratings-getters, he reports, starting off with *Elvis* and *The Gathering*, which will appear in HTN's November/December program guide.

Kendrick: "Most research shows that consumers don't need 24 hours of pay TV. It's not there because the audience is there, but only because pay services got into it for competitive reasons."



The expansion, says Kendrick, will also allow system operators to make more money on the service and gives subscribers a lower-priced option at a time when Home Box Office, Showtime and The Movie Channel are all raising prices and forcing retail increases.

The original service, on Satcom 1, transponder 21, costs operators \$1.90 or \$2 a month, depending on volume, and has a recommended retail of \$3.95. For the new 4 p.m.-4 a.m. service, cost to the operator is \$2.95 and suggested retail is \$6.95. A transponder has not been assigned yet, but Kendrick points out HTN is part of Westinghouse Broadcasting—"the company that enjoys the greatest number of transponders."

Kendrick notes the expanded service will retain the G/PG-only approach and says this and the still-lower price than the 24-hour services should make it fit in well either as a second level of service in multiple-tier selling or as a lower-cost alternative to the other services. While conceding that system operators don't want to detract from the profit-potential of higher-paying services, he also holds, "Most research shows that consumers don't need 24 hours of pay TV. It's not there because the audience is there, but only because pay services got into it for competitive reasons."

The general programming approach for the new service, called HTN Plus, will be to run a children's or general

audience/family movie from 4 to 6 p.m. ET. The 6-8 p.m. slot will frequently be devoted to travelogues, sometimes in combination with related movies. A primetime feature film will appear at 8 p.m. At 10 p.m., there will usually be a hosted travel magazine. This, says Kendrick will differ from the earlier travel spot in that it will deal less with travelogues and more with information on vacation travel. At 11 p.m., one of the newer films will be shown, as this is primetime on the West Coast. The travel magazine is slated for a 1 a.m. repeat. He points out that none of this is engraved in stone.

Kendrick discloses there is a good chance HTN will do some production of its own, probably starting with the Travel Channel. A recent survey conducted by HTN placed travel second only to movies in what customers wanted more of. He adds, "Over 67 per cent of families surveyed said it was 'important' to have a cable service specializing in movies suitable for everyone in the family, with over half saying it was 'very important.'"

Little doubt remains about Taylor's role in program service

Arthur Taylor is giving all the indications that The Entertainment Channel will be a lot more than a part-time job for him. Immediately following a New York press conference where the management and operating details of the Rockefeller Center/RCA joint venture were spelled out, Taylor—known to be something of a private person—was everywhere in sight at the recent Cable Software Symposium and Exhibition in New Orleans.

In New Orleans, he told CABLEAGE that he would continue to make such public appearances as a matter of necessity, although his duty at the earlier Catel Expo in Las Vegas was primarily confined to his hotel suite. He discloses his separate operation, Arthur Taylor & Co., will continue, but without a great deal of participation on his part for some time. He says The Entertainment Channel's new executive committee convinced him of the importance of "deeper involvement" in the venture.

Taylor, who projects the new venture breaking even in its third or fourth year, now has the definitive title of chairman, president and chief executive officer. Vice-chairman of The Entertainment Channel's executive committee is Herbert Schlosser, RCA executive vice



Taylor: Visibly at the helm

president.

Playing key roles are: John C. Diller, executive vice president and chief operating officer, who was involved in the formation of RCTV; Arnold M. Huberman, senior vice president—programming, former vice president of film programming at Home Box Office; Mark L. Van Louks, senior vice president—marketing and affiliate relations, formerly vice president of marketing, programming services and franchise development for United Cable Corp.; Angela P. Schapiro, senior vice president—business affairs and operations, a former Home Box Office vice president instrumental in developing Cinemax; and Thomas A. Conway, vice president—finance and administration and chief financial officer, formerly vice president and director of finance administration at public TV station WNET New York.

Taylor announced "all definitive agreements necessary to bring The Entertainment Channel to life" have been signed, sealed and delivered. In addition to programming agreements with BBC and other sources, this includes a long-term agreement with Wold Communications to originate the programming from its technical operating center in the Empire State Building via Westar III, transponder 7. Following the service's launch, sometime in the spring of next year, transmission will ultimately shift to Westar IV.

On the programming side, Huberman tells CABLEAGE that The Entertainment Channel will venture into some programming that could not be aired on broadcast TV. As a typical example, he gives the stage show, *Piaf*, which uses considerable language that would not be broadcast-acceptable. Huberman reports 75 per cent of the schedule for 1982 has been acquired and most of the rest has been planned: "We're well into '83 with some of our acquisitions." BBC will represent 40 per cent of the programming. Some co-productions are being done with BBC, and joint pro-

duction with RCA's SelectaVision videodisc operation is under consideration, he says.

Taylor indicates rates for systems taking the service are yet to be decided, and efforts to sign up cable systems and advertisers have barely begun. Also to be negotiated is a second transponder.

Eros adult service gets transponders on Westar III

Broadcast Programming Inc. has secured commitments for time on transponders 7 and 12 of Westar III for its Eros adult service, Brian O'Daly, president, tells CABLEAGE. One will be for weekday use, the other for weekends, he reports. BPI, he says, will be on the satellites as of December 15, but most of the systems being signed will start receiving it January 1. Early into the Cable Software Symposium and Exhibition in New Orleans, 11 systems reportedly had been signed.

Eros will beam out between midnight and 5 a.m. ET with what O'Daly describes as hard-R and what appears to be the "hardest" adult programming offered to cable. O'Daly says his company will be spending over \$1.4 million a year for satellite time, having put up \$360,000 in advance to cover one month's rent and a two-month deposit.

"Our whole approach is to come in the cheapest in the industry based on our library—50 per cent foreign and 50 per cent U.S.," O'Daly says. Charge to systems offering Eros as part of a basic package is 50 cents per subscriber per month; \$1 if it goes as a separate pay service. Recommended retail is \$3-\$5. He says there are currently 1,000 films in the Eros library.

O'Daly says subscribers will have "hands-on control" in that clips will be sent 60 days in advance of transmission. If there is significant objection to the content, he explains, the film involved will not be shown.

Holiday specials offered by MPC as system first-run

Metromedia Producers Co. (MPC) is offering six "MPC Holiday Specials" to stand-alone buyers on a first-run basis. The hour-long programs, with prices subject to negotiation, use hand puppets similar to The Muppets and deal with Hallowe'en (the only one produced so far), Thanksgiving, Christmas, Easter, Mother's Day and Father's Day. Like the Hallowe'en show, *The Crown of*

Bogg, the specials would all have a fantasy story line.

According to Jim Phillips, director of cable marketing, "a couple smaller systems" have bought the package so far for sponsored local origination. He says the package initially is being offered to cable systems and STV operators and that networks or major pay services would be approached only if the initial thrust is not rewarding. He says there is "almost a six-figure budget" behind each special.

MPC also is offering a long list of off-network made-for-TV movies, *The Undersea World of Jacques Cousteau* and the miniseries *I Claudius*, *Wild Times* and *Roughnecks*.

Cox begins INDAX pilot program participant selection

Cox Cable Communications has begun to send direct mail "invitations" to subscribers in its San Diego system for the selection of participants in the MSO's INDAX interactive services pilot program.

Three hundred respondents will participate in the INDAX pilot while A. C. Nielsen will conduct pilot program market research.

Participating subscribers will receive banking, shopping and information retrieval services free of charge for the first 90 days; thereafter, INDAX will cost \$5.95 monthly.

Cox Cable president Robert C. Wright is convinced the San Diego pilot is important to the company's complete understanding of INDAX operational and marketing considerations and its consumer behavior implications. However, Cox will not delay its INDAX launch in Omaha while waiting for San Diego test results.

In addition to Omaha, Cox will deliver INDAX services to its recently awarded New Orleans and Vancouver/Clark County, Wash. franchises and to subscribers in its existing Santa Barbara, Calif. and Macon, Ga. systems.

Ad agency joint venture to develop cable programming

Needham, Harper & Steers Advertising, Inc. (NH&S) has entered into a joint venture with International Cable and Television Attractions, Inc. (INCAT) to form CablePix, a partnership the agency considers to be a major development for NH&S clients in opening the doors to the burgeoning home pay and cable market.

CablePix representatives, who will be

responsible for developing, producing and distributing programming tailored to the needs of NH&S clients, are making presentations to NH&S offices to elicit account, media and creative group suggestions and support for the venture.

NH&S says it is taking this significant step at a time when cable television is on the verge of reaching the "critical mass" of 30 per cent penetration that advertisers have traditionally keyed as necessary.

"Due to cable's low cost and smaller audiences," explains William E. Cameron, senior vice president and director of television programming, who serves as NH&S rep to CablePix, "advertiser-supplied programming once again becomes affordable and puts agencies back into the business of creating marketable programming and clients back in a position of financial control."

Advertiser-sponsored shows major thrust of Reeves Cable

Reeves Communications has formed a new subsidiary, Reeves Cable Productions, Inc., to develop and produce programming for the cable TV market. Michael Yudin, formerly vice president-network programming at Backer & Spielvogel, will head Reeves Cable as executive vice president.

Grant Reeves Entertainment will act as the exclusive marketing agent for Reeves Cable. According to Merrill Grant, president of Grant Reeves, the thrust will be toward advertiser-sponsored programming.

Yudin reports Reeves Cable is already in production on a sports-related series sponsored by a major advertiser through Scali McCabe Sloves, a New York-based ad agency. The program was specifically designed to provide that advertiser with the ancillary benefits unique to cable TV, including direct viewer involvement and program related promotional, merchandising, and direct marketing opportunities.

Telease pledges to revolutionize pay-per-view

Telease, Inc. has indicated that in the near future it will introduce new technology which would enable consumers to buy pay-per-view programs on an impulse basis. Company president Robert S. Block states that impulse purchase capability makes advance ordering of pay-per-view programs unnecessary.

In addition, he says, "Cable systems,

subscription TV, MDS, and DBS operators, even commercial stations and networks, can and will retail home video products to the public electronically on a pay-per-view basis for a fraction of the present prices. This will eliminate piracy, increase revenues and reduce costs enormously."

Block says that, by mid-1982, Telease will be introducing a new pay television system called MAAST (Multiple Audio Addressable Secure Television) which will not only have the capability to permit MAAST home terminal subscribers to purchase programs on a pay-per-view and tiered basis, but will also permit transmission of up to five subscriber-selectable audio channels simultaneously with every program.

He explains that the new MAAST system can automatically turn the subscriber's home video recorder on at the appropriate time, unscramble the signal, record it on a blank videotape and turn off the recorder at the end of the transmission. The system also automatically bills the subscriber for the purchase.

Post-Newsweek unveils two new children's series

Post-Newsweek Productions unveiled two new series projects at the Software Symposium in New Orleans. The programs, developed by Stu Rosen, will be produced by Post-Newsweek Productions in association with Rosen's Cherrywood Productions.

Jungleton Junior High is a half-hour children's program chronicling the activities of a furry and feathery preteen student body as they grow up and goof off in the halls and classrooms of their junior high school. The series, a Post-Newsweek spokesperson says, is aimed at a six to 11-year-old audience and will blend humor and pertinent social/personal issues. The central figures will be contemporary puppet characters.

The George Frankie Half-a-Comedy-Hour is a half-hour series combining the rapid pace and broad satirical appeal of late evening programs with a "variety of comedy" format which melds several proven styles of humor into a single structure.

Cinemerica appoints Daniels & Associates to find investors

Daniels & Associates has been appointed by Cinemerica, Inc., a Los Angeles programming company, to find a partner to help introduce a cable channel for viewers over 45. Such an investor would fund the purchase of a transpon-

der and uplink for the 24-hour daily Cinemerica network, the retirement of existing indebtedness and provide working capital.

Cinemerica has spent about \$700,000 over the past two years developing a programming service and distribution network. Plans to launch its service were delayed by a number of factors including the loss of the RCA satellite, which was to transmit Cinemerica programming.

However, Cinemerica president Ken Silverman remains optimistic that the network can become a reality since many cable operators and advertising agencies have expressed their intent to incorporate this new programming into their systems and to purchase commercial time on the network.

Silverman says programs for the channel would come from traditional sources like ad agencies and motion picture distributors, as well as special market distributors such as chambers of commerce and non-traditional program sources like colleges and corporations.

Silverman also foresees the possibility of distributing Cinemerica programming to others outside the cable network throughout the world: airlines, educational TV, foreign TV, hospitals and nursing homes, as well as the cassette and disc markets.

Fox Telecommunications signs first British pay TV licensing deal

Twentieth Century Fox Telecommunications has signed a multi-picture licensing agreement with Rediffusion Ltd.'s "Starview," Britain's first subscription television channel. Starview serves 60,000 homes in Wales and northern and southern England.

Included in the agreement are the Fox Academy Award-winning films *Norma Rae* and *The Turning Point*. *Breaking Away* and *Silver Streak* will air this month.

Ed Michalove, vice president-sales for Fox Telecommunications reports that licensing agreements with other British pay TV systems are expected to be announced in the near future. "We feel pay television will be as successful in Britain as it has been in the U.S.," Michalove says. "The Fox agreement with Starview represents a milestone in the growth of pay TV worldwide."

Teleprompter of Worcester premieres new series for Hispanic community

Worcester 10, the local channel of Teleprompter of Worcester' Mass. recently premiered a new weekly series concerned with Worcester's Hispanic

community. *Que Opina Usted de . . . ? / What Do You Think About . . . ?* will air every Wednesday evening at 7 p.m. and Saturday at 9:30 p.m.

The program attempts to provide an option for this important population (Worcester's largest minority population) to present its views on current issues, people, and places in Worcester. The initial shows look at the Latin Association for Progress and Action (ALPA), Great Brook Valley Residents for Improvement, and El Centro Las Americas. Future shows will be bilingual.

Channel 10 is encouraging citizens to consider producing shows or segments of *Que Opona . . .* It is also looking for art, musicians and bands to be featured on the program.

MG-Perrin-Hoffner joint venture to provide software for pay cable

MG Films, Perin Enterprises, and Hoffner Entertainment have formed a joint venture to provide programming for the pay cable market. MG-Perin-Hoffner will also package software and syndicate it to pay TV, basic cable, home video and broadcast markets.

According to Willa Hoffner, marketing methods will vary depending on the specific characteristics of each property acquired.

For non-broadcast distribution, MG-Perin-Hoffner is presently developing a situation comedy based on a well-known motion picture. Negotiations are also in progress with an independent production company on the West Coast for the purpose of developing pay cable projects. The first properties to be announced by the joint venture are expected to be those in a major feature film package.

Libra Films, Unifilm, form partnership for pay TV and home video markets

Libra Films and Unifilm have formed Picture Source Associates, a co-venture to represent feature films in the pay TV and home video markets. The new company will present all films released by the two parent companies and will actively seek to represent other distributors and producers.

Sam Kitt, formerly in charge of theatrical sales at Libra and who will head Picture Source Associates, has sold the Libra/Specialty release *Return of the Secaucus Seven* to Showtime, The Movie Channel, Cinemax, SelecTV, Wometco, Oak and Theta.

Picture Source has more than 25 films in inventory and recently concluded an exclusive worldwide repre-

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sensation agreement with Embrafilme of Brazil, which produces 25 films a year.

Richard Kidd Enterprises formed to produce new cable programming

Richard Kidd Productions, Inc., a Dallas-based production company, has formed RKP Entertainment, to produce and distribute new and original programming for cable television. Already completed is *River of Thunder*, a 30-minute program on whitewater rafting in Chile, and two 60-minute music specials, *Delbert McClinton* and *Clarence Gatemouth Brown*, each featuring the live performances of these artists along with personal interviews.

RKP's production staff is presently developing several program series. Production will begin in January, 1982, utilizing its in-house studio facilities.

For the past 15 years, Kidd has been producing corporate films, television commercials and documentaries.

VU-TV will distribute four new children's series to pay, cable markets

VU-TV and ZIV International recently signed an agreement allowing VU-TV to distribute four new children's animated series to the domestic pay and cable television markets.

The package includes *Spunky and Tadpole* in 150 3½-minute segments, *Space Angel* in either 260 five-minute episodes or 52 30-minute adventures, *Captain Nemo* in 78 five-minute episodes and *Fables of the Green Forest*, available in 52 30-minute shows. The four series are available independently as well as in a package format, starting in November.

LBS Video sells Thanksgiving cartoon special to HBO

LBS Video has sold a 30-minute programming special, *B.C., The First Thanksgiving* to Home Box Office. Based on the popular comic strip written by Johnny Hart, *B.C., The First Thanksgiving* is produced by Abe Levittow and David Hanson.

LBS Video is offering the special as holiday fare on HBO for Thanksgiving '81, '82 and recently screened the program at the Software Symposium in New Orleans.

According to LBS Video, *B.C., The First Thanksgiving* "is a visual delight, featuring colorful animation and the humorous characters immortalized in the cartoon strip."

'Bravo Magazine' features footage of Houston Ballet classes filmed in China

Bravo Magazine's series on important arts companies in the U.S. will feature footage of the Houston Ballet classes in China, reporting on the company's recent visit to that country.



Filmed in China, the Houston Ballet is a recent feature of *Rainbow's* "Bravo Magazine."

The feature on the Houston Ballet will interview Ben Stevenson, artistic director of the Ballet and Li Cun Xin, the young Chinese student who made headlines last year with his controversial marriage to an American dancer.

Bravo Magazine is presently completing stories on many other major American arts centers.

Hearst/ABC Video's women's network, 'Beta,' now known as 'Daytime'

Hearst/ABC Video Services recently announced that its women's cable programming network, previously referred to by its working title of *Beta*, will be named *Daytime*. The service is scheduled for debut in the first quarter of 1982 as a four-hour-a-day show, weekdays from 1 p.m. - 5 p.m. ET.

The network will deal with self, home, family, and relationships and cover current issues. It will also deal with such subjects as food, entertainment, etiquette, crafts, health, exercise, diet, beauty care and the latest fashions.

C-SPAN survey shows improved support for televising U.S. Senate

A recent C-SPAN survey indicates that 58 U.S. Senators either favor or lean toward favoring televising their floor proceedings, similar to what the House has been doing since March 19, 1979.

Support has improved considerably since C-SPAN conducted its first poll of U.S. senators this past February. The number of lawmakers listed as firmly in favor of television in the Senate has risen from 35 to 41.

Advertising

Retailers to tie in new satellite delivered ad service

A new series of national consumer showcases on cable television is the primary vehicle Narrowcast Marketing USA will use to get major corporations to take advantage of advertising opportunities on cable TV. The new service will present video exhibitions of nationally distributed products in coordination with neighborhood merchants in franchise areas. Delivered free to cable systems via Satcom I, Narrowcast Marketing USA (NCM) will bow November 20 and 27 at 8 p.m. ET with a consumer electronics showcase.

The four-hour showcase will be presented six times for a 24-hour "spectacular" each of the two days. Another consumer electronics exhibition is scheduled for April. NCM is hoping to present five additional showcases in other consumer-related areas, each to be shown twice yearly.

According to NCM president Edward L. Niner, the object of the showcases is to help consumers make their buying decisions. Most retail clerks, he says, are often too busy or just don't have the knowledge to give consumers a thorough background in products. Also, a 30- or 60-second TV spot can stimulate interest but can't communicate solid product information.

A five to 10-minute video exhibition allows national manufacturers to present in one voice what they would like salesclerks to present universally, Niner explains. Design, quality control and product benefits can be related through such a marketing approach, he adds.

Each segment will feature experts in their field being interviewed by veteran newscaster Frank Blair. "The key here is to be objective," Blair says. "Objectivity is not usually a part of a sales pitch. We'll give factual information, so when a consumer walks in the store, he'll be prepared."

NCM's consumer showcases are not shop-at-home shows, Niner emphasizes. There is no direct selling as with an 800 phone number. Manufacturers are encouraged to support local stores. In one case, Code-A-Phone is offering its retailers a 100 per cent co-op to take crawl space during each presentation. This will direct consumers to where they can find the product and also offers cable operators an opportunity for additional revenue. There will be 300 crawl spots during each two-day period. Niner points out that cable operators are

also paid a fee by NCM for taking the service.

Cable operators will not have to worry about channel capacity, Niner says. NCM does not require that a full channel be dedicated to it. An operator can preempt a program on an existing local origination, access or distant signal channel for the duration of the showcase.

A five minute tape will cost an advertiser about \$20,000, Niner says. This figure will increase in proportion to the number of systems taking the service.

MediaStat measuring ad-supported webs for local sales support

Systems that need research to back up their local sales efforts in conjunction with advertiser-supported networks will be able to get it from Media Statistics, Silver Spring, Md. The researcher has just completed its first pilot study of its new Cable Audience Analysis, which measured the cable viewing levels of Elgin, Ill.

Conducted for Consolidated Cable's Elgin system, the survey found that in an average week, 58.9 per cent of the cable homes in the market had watched Entertainment and Sports Programming Network, 48.7 per cent tuned to Cable News Network, and 41.7 per cent watched USA Network.

Robin MacArthur, director of MediaStat's cable division, reports that in the Elgin study, USA's audiences skewed toward higher incomes than the other two networks, with 27.8 per cent earning over \$35,000, to 25.3 per cent for ESPN and 23.8 for CNN.

The survey is a telephone recall study in which viewers are asked whether they watched any of the three ad-supported networks that day or the previous day. Breakouts provided include average viewing comparisons by network, plus weekly and daily cumes, viewers per household, daypart cumes and demographic composition of the audience.

MacArthur says the highest level of viewing in Elgin was from 7 p.m. to midnight on ESPN, which had a 23.2 per cent cume. USA, from noon to 4 p.m., had the largest number of viewers per household, 1.5.

Time periods were broken down into 6 a.m.-noon; noon-4 p.m.; 4 p.m.-7 p.m., and 7 p.m.-midnight.

MediaStat says that, in addition to household income, it can also provide demographic data on education, occupation and some buying preferences.

The researcher expects that in future surveys it will include no fewer than 300 interviews (the number logged in the Elgin study) with a maximum of 1,000 households covered in larger markets.

MacArthur says she is working with a large number of local cable systems on providing them with future audience-measurement reports.

AT&T, Mobil Oil sign up as new sponsors with ARTS

AT&T and Mobil Oil have signed with ABC Video Enterprises to become sponsors of the Alpha Repertory Television Service (ARTS). Under the terms of the agreement, AT&T will underwrite ARTS for one year, beginning October 5, 1981, continuing through the third quarter, 1982.

Mobil's agreement is a year's sponsorship of ARTS beginning in January 1982.

Sportstec to hold exclusive sales rights for Sports Channel events

A new corporation, New York Sportstec Marketing and Sales, Inc., will have exclusive sales rights for all sporting events appearing on Cablevision of Long Island's SportsChannel network. Sportstec will also serve as the representative for the New York Mets radio broadcasts for all commercial sales.

In explaining the reason for forming the new company, president Jerry Wolff says, "I felt there should be a sales organization that could centralize the advertising that is being placed in sports on cable television."

J. Walter Thompson USA completes advertiser guide to cable communications

The media resources and research unit of J. Walter Thompson USA has completed the second edition of the Advertiser Pocket Guide to Cable Communications.

The updated version highlights the values of cable advertising in nine different areas and the multiple appeals of four media: the video of television, the targeted formats of magazines, the low cost and high frequency of radio and the local interest and appeals of newspapers.

Copies of the Advertiser Pocket Guide to Cable Communications, second edition, may be obtained by writing to: Ron Kaatz, director of media resources and research, J. Walter Thompson USA, Inc., 875 North Michigan Ave., Chicago, Ill. 60611.

Gallup study projects pay TV potential of fully wired U.S.

If the nation were fully wired and with a multiplicity of pay services available, there could feasibly be 35 million homes with at least one foundation pay service and another 20.1 million with at least one "differentiated" service, according to Dean J. Maitlen, executive vice president of The Gallup Organization. This projection comes from The Gallup Video Entertainment Study, which considers Home Box Office, Showtime and The Movie Channel as foundation services and served up Bravo, Cinemax, Escapade and Home Theater Network to respondents as differentiated services.

This total projection of Gallup's sample to U.S. TV homes includes those where basic and pay cable are available, those where only basic is offered, and those where no cable is available. Willingness to pay for such services shows extreme variations among the three groups, with significantly more positive response where pay services are available—obviously indicating the effect of aggressive marketing and exposure to the pay services through neighbors.

Where 46 per cent of total TV viewers said they did not want any pay TV, this comprises 51 per cent of those in unwired communities, 36 per cent in wired communities with no pay service and only 27 per cent where pay is available.

The standard Gallup projectable national sample of 1,500 households was used during June for in-home personal interviews. Before respondents were asked of their likelihood of buying each of the seven services, they were shown 8½-by-11-inch cards describing them.

Of the TV households that opted for at least one pay service, 25 per cent, projected 20 million homes, said they would want just one at \$18 per month; 13 per cent, 10.4 million, would want two at \$25 per month; 9 per cent, 7.2 million, three at \$32; 3 per cent, 2.4 million, four at \$39; 2 per cent, 1.6 million, five or more at \$46 or more.

In all wired communities, among those who would pay for at least one service, 33 per cent, or 7.7 million, would want one foundation service only; 15 per cent, 3.5 million, two foundation services only; 13 per cent, 3 million, one differentiated service only; 11 per cent each, or 2.6 million, wanted either one foundation plus one differentiated or two foundation and one differentiated.

Those opting for other combinations amounted to 17 per cent, 4 million homes.

When the total group interested in pay TV, both wired and unwired, is analyzed, the potential homes add up as follows: one foundation only, 14.7 million; two foundations, 5.1 million; one differentiated only, 5.1 million; one foundation plus one differentiated, 4.6 million; two foundation plus one differentiated, 4.2 million; one foundation plus two differentiated, 1.7 million; three foundations, 1.1 million; other combinations, 5.1 million.

Looking at those who would want foundation or differentiated services exclusively, 21 million would want one or more foundation services and no differentiated services, while 6 million would be interested in one or more differentiated service with no foundation service, according to the study.

Showtime, TCI marketing effort sparks dual pay subs

An intense marketing effort by TCI's Peninsula Cable TV system in San Carlos, Calif., prepared in conjunction with Showtime, together with a multimillion dollar plant upgrade, has transformed nearly 60 per cent of Peninsula's pay subscribers into dual pay subscribers. The system's incumbent pay service, HBO, also netted a 4.8 per cent increase in penetration.

The introduction of Showtime was a partnership between the two companies, says Del Heintz, TCI's regional marketing director. "We had a day-to-day relationship emphasizing how we should handle the launch as a team."

A media campaign followed the opening of the system's Cable TV Store, where subscribers could pick up new 36-channel converters, with newspaper and radio ads encouraging the public to sign up for the enlarged basic service and Showtime. This was followed by a combined Showtime free preview and locally originated telethon with TCI and Showtime personnel.

Later this month TCI will mail 35,000 Showtime multipay mailers produced by the D. M. Group to both current and potential subscribers. The early phase of the joint marketing effort has seen total pay units to basic penetration rise from 56.3 per cent to more than 90 per cent. Showtime to basic penetration is now at 32 per cent, while 58 per cent of HBO subscribers have added Showtime.

Critical time exists for cable industry: Strategic Inc. study

A critical time exists for cable companies, their equipment and program suppliers, and competitors, according to a newly released study by Strategic Inc. *Cable Television, Impact of New Technologies and Services* cites a number of factors creating this situation, including financial and management problems, lack of programming and services, scarcity of satellite space, rise of new construction costs, and increasing competition.

However, the report says that cable and pay TV companies are being acquired and formed by large, financially strong institutions such as Time Inc. and Westinghouse. Also, "Publishing companies, financial institutions, broadcasters, entertainment companies, movie theater circuits, information suppliers, and telephone companies are getting into the cable act, providing the industry with needed capital and management expertise," the study indicates.

Advertisers are also preparing to provide necessary dollars. In 1980, \$50 million was spent on advertising in cable TV, compared to \$11.3 billion on commercial networks. The newly-formed Cable television Advertising Bureau, funded by the major cable operators, projects \$3 billion in advertising revenues by 1990.

Teletext and video markets are expected to reach between \$1.5 billion and \$4.5 billion by 1990, creating new opportunities for information and equipment providers, cable companies and telephone companies, the report states.

It says that, even with conservative data, the cable industry will grow at an average rate of 28.1 per cent, including an average 10 per cent per year inflation rate.

Valley Cable completes \$2 million headend site for two-way system

Valley Cable TV's Los Angeles cable system recently completed construction of its \$2 million Chatsworth master headend site, thereby giving the West its first two-way cable system able to carry more than 54 channels. The \$50 million system will not only now offer subscribers multiple pay tiers, added cable networks and local programming, but also the ability to receive home security, banking and shopping services.

Networks

SIN gains 27 new affiliates, makes first move into Wisc. and Iowa

SIN—National Spanish Television Network's affiliate total recently rose to 139 with the addition of 27 new cable system affiliates during a record growth period over the past several months.

Bill Stiles, executive vice president of SIN, reports new affiliates are located in 10 states, including eight systems in Texas, seven in California and four in Florida. The addition of these new systems also includes SIN's first entry into Wisconsin and Iowa, with one affiliate in each state.

AETN signs Continental Cablevision to affiliate agreement, launches service

American Educational Television Network recently signed Continental Cablevision of Boston to an affiliation agreement. Continental's 54 systems, representing 400,000 subscribers, joins the more than 230 AETN cable affiliates that now reach 2.3 million subscribers.

The network recently transmitted its first programming via satellite to cable and UHF stations. A series of six one-hour programs was developed in conjunction with the International Association of Chiefs of Police.

Passaic County Cablevision agrees to carry UTV programming

Passaic County Cablevision, a new urban build in northern New Jersey that will pass more than 50,000 homes, has agreed to carry UTV Cable Network programming.

Bill Padalino, UTV's vice president of marketing and affiliate sales, says the network is finalizing negotiations for affiliation with several other major cable systems. The company expects to begin cablecasting by early 1982.

Prism tops quarter million mark in total subscribers

Prism recently passed the quarter million subscriber level, five months after reaching the 200,000 mark.

The Philadelphia-based regional cable television network, now in its fifth year of operation, transmits to subscribers in eastern and parts of western Pennsylvania, southern New Jersey and northern Delaware.

Seven MSOs pledge 2.5 million subscribers to the Weather Channel

The Weather Channel, Landmark Communications' new 24-hour weather network scheduled to launch next spring, has obtained affiliation commitments from systems totaling more than 2.5 million subscribers. President John

Coleman says the network has commitments from systems owned by seven MSOs: United Cable TV, Cox Cable Communications, Storer, Daniels & Associates, Metrovision Cable Communications, Times Mirror and TeleCable.

The advertising-supported service offers cable operators two minutes of local avails per hour.

Technology

SSS takes hard look at new high-gain, low-cost dish

Satellite Syndicated Systems so far is encouraged by the potential of a new 2.98-meter satellite receive dish that it tested at the Cable Software Symposium and Exposition in New Orleans, according to Selman Kremer, vice president of cable marketing. The antenna, from Savac International of St. Petersburg, Fla., was placed atop the Hyatt Regency during the convention for testing, and SSS continues to work with Savac on further tests.

One advantage that Kremer sees in the dish is its low cost—about \$1,800 as against \$4,000 or more for the more typical five-meter dish. The price does not include low-noise amplifier or receiver.

Another key feature, he adds, is its narrow look angle, which means it won't become obsolete if the Federal Communications Commission decides to reduce spacing between satellites from the current four degrees to two degrees. In fact, says Kremer, "It should be able to provide a good picture with 1½ degrees of spacing." The dish has an off-axis target squelch configuration built into it and, according to the preliminary test, says Kremer, this increases its ability to receive a narrowbeam signal.

One more advantage Kremer says is likely is the high gain: "It appears to magnify signals better because of the smoother, laminated aluminum surface of the dish, offering clearer pictures with less power. We were amazed at its ability to function in New Orleans with the great amount of AT&T terrestrial microwave presence in the area."

Further testing by Savac will be viewed closely by SSS, he notes, to see if the antenna offers improved sidelobe rejection and to further prove out high-gain capability.

SSS, according to Kremer, is taking a pioneering position in establishing better delivery mechanisms as well as use of additional satellites. Last January, it shifted from the prized Satcom 1—then selling its transponder to the now-

defunct Premiere service—to Westar III to help the latter "get established."

Blonder-Tongue earth station modulator available for superband frequencies

Blonder-Tongue Laboratories, Inc. reports that its earth station modulator, ESM-4928 is now available in the superband frequency range. The unit is specifically designed with all the features required for operation with Television Receive Only (TVRO) satellite terminals where the audio and video are provided as separate baseband signals, the company says.



Specifically designed for use with TVRO earth station satellite receivers where the audio and video are provided as separate baseband signals, is Blonder-Tongue's ESM-4928 Earth Station Modulator.

A company spokesperson says the ESM-4928 is a vestigial sideband audio/video modulator with extremely accurate crystal controlled visual and aural carriers to minimize color beats and audio distortion. The unit has a calibrated video modulation meter and a true peak-reading LED audio overmodulation indicator to assure precise modulation control.

S.A.L. Cable establishes 24-hour, toll-free hotline for emergency equipment

S.A.L. Cable Communications has established a toll-free, 24-hour telephone hotline for customers needing hardware or electronic components on an emergency basis. "The hotline shortens downtime or construction delays in CATV systems as much as is humanly possible," a spokesperson says.

The hotline number is 800-645-9062. In New York state, it's 516-694-7110.

Wall Street Report

WCI, paced by Atari, makes net income gain in first half of '81

Cable network subscriptions up

Paced by the rapid growth of Atari products, Warner Communications, Inc., reported an increase in net income of 52 per cent in the first half of 1981, compared with the first six months of 1980, going from \$60.6 million to \$92.1 million. For the same period, per-share earnings rose 37 per cent, from \$1.07 in 1980 to \$1.47 in 1981. Revenues for the first six months increased 46 per cent over those of the comparable period in 1980, hitting \$1.3 billion as compared with \$877 million.

The consumer electronics and toys segment of WC's business figures to be a continuing high performer. According to a recent analysis by Montgomery Securities, San Francisco, Atari's revenues in 1981 will "approach \$1 billion—a gain of over \$550 million in one year. Operating earnings for this category could approach \$200 million, a gain of \$130 million in one year."

In the second quarter, in Cincinnati, Warner Amex launched its first two-way interactive cable Qube service since the pioneering experiment in Columbus, Ohio. Warner Amex Satellite Entertainment Co.'s *The Movie Channel* and *Nickelodeon* cable program networks grew in subscriptions by 74 per cent and 55 per cent, respectively. In early August, WASEC's latest innovation, *Music TV*, began operations.

For the first six months of 1981, operating income from consumer electronics and toys was \$72.1 million (up from \$18.6 million in the same period last year) and from filmed entertainment \$45.2 million (up \$49.3 million).

Warner Communications, Inc.

	Three months ended December 31,		Year ended December 31,	
	1980	1979	1980	1979
Operating revenues:				
Consumer electronics and toys	\$ 188,942	\$ 82,672	\$ 512,743	\$ 238,066
Filmed entertainment:				
Theatrical distribution	116,556	83,107	369,647	433,746
Theatrical films in television distribution	25,172	27,151	142,661	62,683
Television series	38,841	30,718	156,626	113,261
Recorded music and music publishing	267,586	226,712	805,732	725,323
Publishing and related distribution	17,699	17,779	72,005	74,948
TOTAL	\$654,796	\$468,139	\$2,059,414	\$1,648,027
Operating income:				
Consumer electronics and toys	\$30,281	\$ 6,738	\$ 69,929	\$ 6,293
Filmed entertainment	1,286	25,115	60,832	117,570
Recorded music and music publishing	34,680	30,463	82,902	81,706
Publishing and related distribution	2,341	3,285	10,782	18,073
TOTAL OPERATING INCOME	68,588	65,601	224,445	223,642

1980 results broke all records

These results followed a record-breaking year in 1980, when WCI's per-share earnings (excluding the gain from the sale of 50 per cent of its cable operation) rose 21 per cent to \$2.38 from \$1.97 in 1979, and income rose 26 per cent to \$137.1 million from \$109.1 million the previous year. Including the gain from the sale, earnings per share were \$3.63 in 1979. Revenues for 1980 were \$2.1 billion compared with \$1.65 billion in 1979, a gain of 25 per cent. The 1979 earnings reflect a \$91.7 million after-tax gain from the sale of a 50 per cent interest in WCI's cable subsidiary to the American Express Co., and per-share equivalents reflect an adjustment for a 2-1 stock split which took place December 20, 1980. Consolidated revenues of the cable operations WCI owns jointly with American Express rose 33 per cent to \$107.8 million in 1980, which was just about a break-even.

Local program (from page 43)

will float between Saturday and Sunday and between the 8-9:30 a.m. and 9-10:30 a.m. time periods, depending on the network's sports schedule. And Chronicle's Omaha station, WOWT(TV) has also initiated an early morning newscast to lead into *CBS Morning News*.

In addition to early morning news expansion, late night newscasts are being given increasing attention by stations.

Corinthian Broadcasting Corp. has been a leader in this area. Five years ago, all of its stations launched 15 or 30-minute newscasts just before sign-off. The reason, explains Phil Lombardo, president, is that, "there are enough people who work between 4 p.m. and midnight who don't get to see a local newscast."

Most other late-night newscasts at this point are repeats of stations' 10 or 11 p.m. news. For instance, KXAS-TV repeats its late evening news at 1:30 a.m.; and KING-TV, which went to a 24-hour format this spring, repeats its 11 p.m. news at 4-4:30 a.m. (between two movies).

WCCO-TV Minneapolis has taken this concept a step further. For about three years the station has been running the Reuters and UPI alphanumeric news services from 2-6 a.m., supplemented with local inserts and weather information.

Three weeks ago, the station began operation of a leased cable channel, using the cable outlet to repeat its 10 p.m. news at 12:30 a.m.; to strip its locally produced (and previously aired) documentaries in primetime; and to combine an alphanumeric service with hourly updates.

WCCO-TV has a separate documentary unit that produces hour-long programs that are aired once a month in primetime and then followed by a phone-in town meeting on the subject examined. The station also produces about 26 special programs a year on such subjects as one-man versus two-man police patrols and the problems of settling Cambodian refugees in the United States. Since Minnesota has been the recipient of a sizable number of these refugees, the station considered the subject important enough to send a crew to Southeast Asia.

While cable is considered the "enemy" by many broadcasters, others, in addition to WCCO-TV, see opportunities for some intermixture.

Storer's Bagwell believes, "Broadcasters are going to have to be more involved in producing additional programming on cable channels. We are investigating leasing cable channels ourselves."

At Corinthian, Phil Lombardo says,

"We talked about being a news provider to cable channels and decided that was not a good role for us. News is our identity, and we feel that if we share it, it's no longer our identity."

However, he adds that his company could become a software provider to cable. "There are narrow interest subjects that we might be able to provide software for—subjects so narrow in appeal that they would not be appropriate for a television station."

Lombardo admits that, "Nobody has come up with a specific type program yet, but we are going to explore it."



KNXT (TV)'s "2 On The Town" with Steve Edwards and Melody Rogers is considered a prototypical local success story by the CBS station division. Now aired daily in Los Angeles, the weekly version on WCBS-TV New York may expand as well.

ABC's Boyer believes that, "down the line it's possible we could offer a service, production or expertise" to a cable operator. In fact, he says ABC is in the talking stages on a venture with Nickelodeon under which "we would produce children's programming, which we would air on our local stations and then offer to them for residual use."

The most publicized broadcast-cable cooperative venture is the planned Group W-ABC Satellite News Channels 24-hour cable news service, which will have arrangements under which television stations will supply five minutes of regional news per hour.

The news service has divided the country into 24 regions, and, according to a Group W spokesman, "regional associates" are already set for 13 of those regions. They include Group W stations in four regions (KYW-TV Philadelphia-eastern Pennsylvania; WBZ-TV Boston-New England; KDKA-TV Pittsburgh-western Pennsylvania; and KPIX(TV) San Francisco-northern California); three Scripps-Howard stations (WCPO-TV Cincinnati and WEWS(TV) Cleveland-Ohio; and WMC-TV Memphis-Kentucky/Tennessee); two Metromedia stations (WNEW-TV New York-metropolitan New York; and KTTV(TV) Los Angeles-Southern California); KUTV(TV) Salt Lake City (Hatch)-inter-mountain states; Fisher Broadcasting-Northwest (KOMO-TV Seattle;

attract viewers for both.

"These things are happening—they're real; and it's our intention to be a participant in the latest state of the art." Scripps-Howard also has a reciprocal agreement with Cable News Network and plans to maintain that in addition to its tieup with Satellite News Channels.

Rick Eldridge, vice president of Knight-Ridder Broadcasting, Inc., has an open mind about the situation. "We're obviously very interested in what types of programming they're going to do," he says, "and whether it will detract from what we normally carry on ABC in news and sports."

The view is not so magnanimous from some other broadcast groups with ABC affiliates. "The news is bad enough," says Hearst's Frank Snyder. "The sports is worse (a reference to ABC's agreement with Getty Oil, parent company of ESPN, to jointly develop and operate a sports pay cable service beginning next spring).

"I'm very disturbed by it," Snyder continues. "We're going to watch it very closely."

Corinthian's Phil Lombardo terms ABC's ventures with both Group W and ESPN as "conflicts of interest." And Lin's Blake Byrne adds that, "We're definitely concerned about it. How is it going to affect network services? Will they be able to provide two services without hurting the primary service?"

At ABC Television, Phil Boyer characterizes the cable ventures as "complementary services," pointing out that, despite the success of all-news radio, "there are still ratings for the 6 o'clock news." In another analogy, he adds, "You don't *not* read *Time* magazine just because you read a newspaper everyday."

In a closed circuit telecast to ABC affiliates three weeks ago, Fred Pierce, executive vice president, ABC Inc., explained that, "We are obligated to involve our company in the developments which are clearly changing the nature of the communications industry, and you have the same obligation."

Group W's Newsfeed

Group W stations, meanwhile, are going ahead full force with their satellite-transmitted Newsfeed operation for broadcast. Rich Sabreen, vice president, news operations, for the Group W TV stations, says Satellite News Channels and Newsfeed are, "separate entities. One is on cable; the other is for over-the-air broadcasters."

Newsfeed's clients include the Outlet stations, WPIX(TV) New York, KARD-TV Wichita, KOA-TV Denver, KTVJ(TV) Joplin-Pittsburg and KUTV Salt Lake City. Sabreen also notes that, "we expect to have some announcements shortly."

Newsfeed, he says, is putting special

emphasis on providing a local angle on national events for participating stations. For instance, he points out, "We went to the Miss America pageant and did interviews with contestants from each of the client's states."

"And when the President gave a speech, we went live afterwards with seven Congressmen."

Washington bureaus

Washington is an area several station groups are concentrating on via their own bureaus. This, they emphasize, enables them to inject localism into a national or international event.

Cox Broadcasting recently opened a Washington bureau, and, according to Mike Kievman, executive vice president television, "It allows us to bring Senators and Congressmen into our marketplace."

Chronicle Broadcasting has had a Washington bureau for some time. Says Francis Martin: "We're not necessarily looking for a local angle, but we're able to report on the heart of a story that may be in Washington but might also affect our viewers. I'm not sure cable wants to or is able to serve that need."

More and more stations' locally produced news features are giving a local twist to a national or international subject.

WDIV-TV Detroit, a Post-Newsweek

station, is sending a crew to the Mideast to do an informational program. Explains Amy McCombs, general manager: "We have a substantial Arabic population here; and being an urban center, we also have a substantial Jewish population."

"We were in Poland in July," she continues, "because we have a large Polish population. We did a news series, plus a special." WDIV-TV also started a weekly primetime public affairs program early this year called *Free For All*.

Gannett plans to increase its primetime documentary output to a minimum of four a year this fall; and Taft Broadcasting Co. has a five-year timetable for expansion of local programming, according to Lucie Salhany, vice president, television and cable programming. She declined to outline specifics, however, because of competitive considerations.

While the bulk of local programming expansion is in the news-documentary area, some is also educationally-oriented. And a few stations are dipping into comedy-variety.

Corinthian, in January, began airing on its stations a primetime young people's semi-dramatic series called *Historyland*. The premiere program, *Williamsburg: Voices of Liberty*, traced events leading to the signing of the Declaration of Independence. After airing on Corinthian stations, Lombardo says the series might be marketed to

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The Journalism
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for distinguished service
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American Chiropractic
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and medallions of merit**



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Des Moines, Iowa 50312

Plan also to do a suitable work for the calendar year 1982 and enter before March 1983.

other outlets by the company's TVS Television Network.

Corinthian also has a daily afternoon news-feature show in development. The company recently hired James W. Dauphinee, former executive producer of WCBS-TV New York's 7:30 *Magazine*, to be executive producer of this project.

Comedy-entertainment

WDIV-TV is in the process of producing some comedy-entertainment specials in conjunction with Dick Purton, a top 40 music personality with radio station CKLW in nearby Windsor, Ont., Canada.

KGMB-TV, a Lee station in Honolulu, is producing two specials that it also plans to syndicate. One is *Christmas in Hawaii* with Susan Anton, Carol Burnett and Jim Nabors. The other is a Chinese opera performed on location, the rights for which were negotiated with the Chinese television network. The station then hired Steve Allen and Jayne Meadows to host the show and provide between-the-acts commentary.

Dick Weiner, general manager, who is also executive vice president of Lee Productions, says he decided to take advantage of the fact that, "the stars come out here all the time. One way to hold onto what we've built is concentrate on local news and local programming."

While there are differences in the strategies they are employing, there is little doubt that almost all TV stations recognize the necessity of an expanded local programming posture. Although this invariably means an increase in the local use of primetime, most broadcasters feel a strong partnership with the networks is vital to their future.

While there are differences in the strategies they are employing, there is little doubt that almost all over-the-air television stations recognize the necessity of an expanded local programming posture.

Although this invariably means an increase in the local use of primetime, the majority of broadcasters feel a strong partnership with networks continues to be vital to their future.

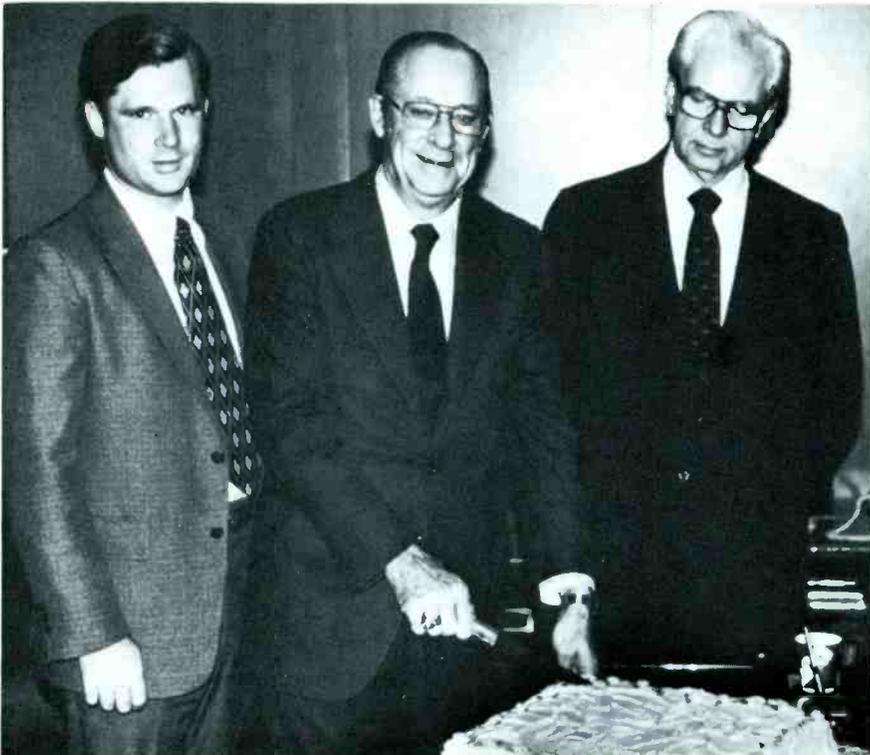
However, there are exceptions. Gan-

nett's Alvin Flanagan issues a warning. If necessary, he says, "We're going to be ready to go it alone. The time may come when a network affiliation in television is regarded the same as it is in radio." □



Alvin Flanagan (far l.), president of Gannett Broadcasting, believes network affiliations may become less important as localism increases in importance; Phil Boyer, vice president, programming for the ABC O&Os (top r.), says his stations are looking at all kinds of local programming for all dayparts; Ken Bagwell, bottom r., president of TV station division, Storer Broadcasting, has formed a corporate office of program development.

How sweet it is



Carl E. Lee, c., president of Fetzer Broadcasting, slices into a cake given WKZO Radio in honor of its 50th anniversary. At his side are William C. Robbins, secretary-treasurer, l., and Gordon S. Anderson, administrative vice president

Issue ads (from page 47)

cacy spots on a contingency basis.

Elliott feels strongly, though, that advertisers contemplating advocacy campaigns should approach it with the same disciplines they would apply to product advertising. It is fruitless to develop good creative concepts, based upon careful research, and see these opportunities lost due to inadequate media support, he states. As long as advertisers are going to do issues campaigns, "they should do enough of it to make an impression."

While cable will some day provide a means of reaching selective audiences in a very efficient manner, that day "is not around the corner," Elliott states."

Political ramifications

Specialists in the field of advocacy advertising and in managing initiative and referendum campaigns for corporations and institutions make other points:

- Issue advertising, if not now, will ultimately become an important element of the sophisticated corporation's communications program. Its purpose will be to position the corporation in a favorable public light and make it easier for the company to respond in particular instances when it is attacked.

- The initiative process, where many industries find themselves under such assault, is growing, in part due to a general feeling among the citizens that government is unresponsive to their needs and direct action is quicker and more reliable.

- Corporations must become more research-oriented in order to 1) keep abreast of changing public attitudes on matters affecting the conduct of their business; 2) ascertain what, if any, image they now have among the public; and 3) plot the impact of their corporate/advocacy advertising strategies upon evolving public attitudes toward themselves and their industries.

- It is becoming increasingly necessary to broaden the intended target of issue advertising to mass audiences as well as the so-called "thought leaders." Lawmakers at all levels of government have come to depend upon public opinion polls to help them in their voting and development of legislation. A forward-looking strategy in corporate communications must take this trend into account. Therefore, television campaigns should be considered as a complement to more focused print efforts.

- Over the long haul, advocacy advertising is destined to find a home in cable, but over the short haul, spot television figures to be the most efficient and effective way of delivering advocacy mes-

sages to desired viewers. Even if the television networks were to begin accepting issue advertising unconditionally, there would not be a huge surge in network expenditures for that category, sources maintain, due to the regional and local nature of most controversies giving rise to advocacy campaigns.

Most sources believe, however, that the overall market for issue advertising on TV in the coming decade is bullish.

David Millenthal, executive vice president of Hameroff/Millenthal, a Columbus, Ohio-based advertising and public relations firm specializing in media advocacy, describes the outlook as "excellent. Corporations are just beginning to realize that the mass media approach is the best way to get through the communications clutter and really get a message to the public."

Millenthal, who has worked with both business and citizens groups in his career, notes that television advertising can have a demonstrable effect on the way the public perceives issues. As an example, he cites an initiative campaign he once worked on in a large Midwestern city, served by a distinguished daily newspaper. "The newspaper editorialized twice in our favor" on the ballot proposition, he says, and subsequent tracking polls showed that about 7 per cent of people in

the city were aware of the newspaper's favorable endorsement. That figure either stayed the same or dropped in measurements taken over the course of the next few days. "When I put that editorial in an advertisement and put it on television, 40 per cent of the people said they knew that the newspaper had editorialized on the subject."

The point is, Millenthal explains, that "people don't know where they get their messages," whether from advertising in the newspaper, commercials on TV, opinion pieces in the magazines they read or, simply, the guy next door. In the final analysis, the elitist stigma attached to receiving one's information from TV disappears, he believes.

High saturation

Therefore, the key to running a successful campaign lies in getting "the highest saturation of your message across" so that it breaks through the "high wall" of competing and often antagonistic messages.

"If you just have a spot here or there, it never gets through. When you use a fleeting concept of large amounts of frequency over short periods of time, I believe you are able to break through that veneer and get inside people and

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enable them to retain the message. Then you come back with another flight to reinforce that message.”

This fighting concept proved successful in initiative campaigns Hammeroff/Millenthal managed for the Ohio Electric Utility Institute and for a group of business organizations opposed to a forced-deposit “bottle bill” proposition placed on the Ohio ballot.

The same basic approach can be applied to corporate issue advertising campaigns, he contends.

Consumer groups' plight

The high premium he puts on achieving frequency also reveals consumer and public interest groups to be at a competitive disadvantage. “Corporations and established institutions have money, and citizen groups, of course, don't have as much; which means they are at a terrible disadvantage because it takes money to buy the frequency necessary to make their point.”

Nevertheless, Millenthal says this is not a new situation and probably will not change drastically if the Fairness Doctrine is repealed. In his experience, the doctrine has not been an insurmountable obstacle to getting issue ads on the air.

While he would welcome a relaxation of network acceptance policies regarding advocacy ads, Millenthal says that, in fixing media schedules, “you've got to consider buying in a way that is most efficient for the audiences you are trying to reach. And in fact, a lot of issues may be more important to people in the Southwest than in the Northeast. So, I'm not convinced that if the networks allowed advocacy advertising, agencies and advertisers should immediately start developing national programs.”

Harvey A. Englander, president of The Englander Group, Newport Beach, Calif., a consulting firm specializing in political campaign management and issue advertising for industry, believes that corporations must become more active in the issue advertising area in order to seize the high ground from those who would attack them. He sees corporate advertising almost as insurance against the vicissitudes of popular democracy via the initiative process as well as the actions of hostile lawmakers in Washington, D.C. or state capitals across the country.

According to David D. Schmidt, editor of *The Initiative News Report*, a bi-weekly newsletter, published in Washington, D.C., dealing with ballot initiatives nationwide, there has been a dramatic increase over the past 10 years in the number of questions being put before voters in statewide referendums. Since 1976, which appears to have been a turning point, there have been approxi-

mately 50 initiatives held every two years, he says. Most have dealt with matters affecting business, such as nuclear power plant construction, taxation, the location of chemical waste dump sites and various plans to mandate returnable soft drink bottles. A total of 23 states and countless more cities and counties presently permit voters to put propositions on the ballot.

Image scrubbing

Englander maintains that one reason these propositions make it to the ballot in the first place is because “these industries have not done anything to clean up their image and promote themselves as publicly aware companies. They've been aloof from the fray. And all of a sudden, instead of compromising and seeking out legislation they can live with, they're stuck with an initiative they can't live with.”

As a result, “backed into a corner,” these industries find they have to “spend

The Englander Group's Harvey A. Englander believes corporations must become more active in the issue advertising area in order to seize the high ground from those who would attack them.

\$1 million to \$2 million to beat the initiative,” when they could have spent the same amount on a long-term issue advertising program that might have nipped the initiative in the bud.

Englander, who did the media work on Proposition 13 in California for Howard Jarvis and has managed the advertising and media for 20 political campaigns around the country, including that of the late Sen. Hubert Humphrey, says that major corporations and industries must begin thinking positively about corporate/issue advertising. Most advertisers, he says, continue to think of the form as “a defensive mechanism rather than an offensive mechanism. They want to know why they should spend the money if there doesn't appear to be any reason to do it. I think the smart industries, however, will take the offensive to talk about things that are important to them, and I think that's going to happen more and more as the acceptance of issue ad-

vertising takes hold.”

In the past, he adds, television stations have used the Fairness Doctrine “as a shield to hide behind” in rejecting issue ads.

However, that situation has been changing, and he notes that TV stations in major markets of California—Los Angeles, San Francisco and San Diego, for example—have been quite cooperative in their policies on the matter.

Another firm with experience in handling some of the more thorny problems faced by the business community in its dealings with the public is Winner/Wagner of Los Angeles. Among its clients are all three of California's public utilities (Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric), Con Edison in New York City and General Public Utilities, owner of the Three Mile Island nuclear power plant.

Paul Mandabach, a senior vice president at W/W, states that the initiative process is growing because “the public no longer trusts government to make decisions for them on public policy issues and the public is prepared to use whatever vehicle exists to supersede that process—and is doing so with a vengeance.”

Impact of polls

At the same time, he says, legislators and national officials are polling constantly in their districts to get a fix on what people are thinking about particular issues.

Therefore, corporations seeking to have a say in legislative outcomes must increasingly address “mass attitudes, not simply the thought leaders, on issues of importance to them.”

Mandabach believes that elimination of the Fairness Doctrine would accelerate the use of issue advertising. He also states that he has held discussions with executives from both ABC-TV and NBC-TV about their acceptance policies and found both networks to be “very interested in considering and in some cases airing” issue advertising. Winner/Wagner has not yet sought to purchase time on the networks, Mandabach explains, primarily because most of its clients are regional or statewide advertisers.

However, the firm has bought time on network affiliates. While ABC's nightly news program, *Nightline*, which has been opened up to issue ads, might be considered for a buy sometime in the future, Mandabach says that, for now, “We frankly can get more coverage on a local affiliate basis, where we can buy primetime as well as fringe,” than with *Nightline*, which consigns the spots to late fringe viewing. □

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Arbitron (from page 48)

"Our rates will triple next year," Walker complains, "on top of which they want to increase the number of (rating) books."

Walker says he's comparing a three-year vs. a five-year contract.

The group owner admits the lack of Arbitron data will be a problem. "Our reps (McGavren Guild and HR/Stone) say it will be a handicap, a disadvantage." Walker talks, however, about subscribing to Birch, which Insilco will use also, and MediaStat.

"Built-in bias"

The Mid-West president says another factor in his company's decision to cancel is Arbitron's "built-in bias." He finds, as have others, that it hurts certain formats "because there are particularly active people who don't fill out diaries."

Others in the process of dropping Arbitron are two outlets of First Media Corp., WZGC(FM) Atlanta and KFMK(FM) Houston. Bud Polacek, general manager of the Atlanta outlet, says that it was not a group decision, but was up to each manager. According to Polacek, in the 1976-'79 period, the station paid \$12,280 a year for Arbitron, last year it was \$34,495 and for the coming year, it would be \$48,202.

The Atlanta station chief explains that part of the increase is due to the station's rising audience, which, of course, affects its rates. But he can't swallow having to pay for success. "Why should Arbitron charge you on the basis of your ability to market your station?"

He feels the Arbitron price is way out of line, anyway, and points out that subscribing to Birch and to International Demographics, will cost him only about \$8,500 a year each, with 12 monthly reports.

Polacek's colleague in Houston, Dan Mason, says that unless there's further negotiation, he intends to drop the Arbitron service. The increase to his station, he reports, is 113 per cent, going from a one-year to another one-year contract. His station also has shown a big jump in its unit rate due to rising audience levels.

The highest minute rate is unfair, Mason contends. "We price radio using our rate card in our own way." He believes that using an average rate would be more equitable.

The station has been using Media Trend for audience measurement information and is "strongly considering" buying the International Demographics service. These services, says Mason, cost only about 8 per cent of what Arbitron charges and "I only get four books as against 12 from the others."

A smaller station dropping Arbitron is WOWD(FM) Tallahassee. Bill Stoeffhaas, general manager, notes that, while there's been no increase in his unit rate, his cost for one a book a year has risen from \$3,500 to \$9,000. He noted, however, that the earlier price reflects a discount for signing up in advance of the book's publication.

Stoeffhaas says there's a "fair amount" of national business in the market and that not having Arbitron to sell with will "probably hurt to some extent." He uses Birch and local surveys by Florida State University.

One report about a defection may be premature. The report cited Taft Broadcasting as dropping out of the Arbitron picture, but Carl Wagner, executive vice president for radio, says only, "I'm not going to negotiate with Arbitron in the trade press." He made clear, however, that he is severely troubled by the Arbitron prices. In answer to Arbitron's contention that some of the new costs are high only because the old five-year contracts were such a bargain, Wagner has a curt reply: "I don't agree. We paid our way."

One development that has kept station tempers high is a letter sent to about 100 group owners by outraged Jim Kime, vice president of King Broadcasting's radio group.

Kime cited his calculations that the new five-year contracts would boost his stations' costs from \$147,500 this year to \$520,000 in 1986. He says he received about 18 to 20 letters in response and about 10 to 12 phone calls. The responses, he remarks, ranged from "rage to self-flagellation."

The combo rate

Another factor roiling the dispute between Arbitron and the stations is the discount given for selling jointly-owned AM and FM stations in the same market in combination.

Disallowing such discounts previously given is another reason for the cost increases stations are currently finding tacked on to their new contracts.

Aurichio says there's been no change in Arbitron's policy but adds that the research service is being stricter about determining whether there is truly combination selling. Arbitron had accepted information in SRDS as evidence of an AM-FM combination sale policy but it now asking for an affidavit.

An AM-FM combo rate does not require simulcasting, but there has to be combination selling practically across-the-board for the station to qualify for the discount, explains Aurichio. The discount, he points out, is roughly 50 per cent. □

Satellite (from page 40)

However, despite such sales pronouncements, the three major networks are moving steadily towards full-scale satellite delivery for their affiliates and are planning new networks on the bird, while both RKO and Mutual move into high gear spreading their hookups on subscriber stations.

ABC's prediction

At ABC the prediction is that all of its six networks and its two program services will be delivered by satellite to affiliates by 1984. Its two recently announced 24-hour networks, Direction and Rock, will get off the ground on January 1, using central reception points for programming on the bird, in combination with landline delivery. Subscribing stations for the Direction network are being asked to guarantee the network 145 minutes per week for national advertiser use, and 84 minutes per week during an 18-hour broadcast day on the Rock network, explains Chambers.

As to ABC's two services, which will be produced by ABC Radio Enterprises, the plan is to start both via satellite. The talk format, *Talk Radio*, will go on the bird on an interim basis sometime in the second quarter in a joint venture with World Communications, using Westar III. The talk service is expected to air 18 hours daily and will have four national minutes per hour.

Super Radio, its music service, will air sometime later and will also get an interim satellite airing before winding up on the ABC's own transponder in 1984. The advertising structure for the music format hasn't been determined as yet.

CBS's planned network service, RadioRadio, the young adult format, and its existing radio network could be available by satellite to affiliates as early as 1983, according to CBS Radio president Robert L. Hosking. But meanwhile, RadioRadio will be off and running in April, 1982, with some 60 or 70 affiliates expressing interest in the service, which will provide news, features and music specials. CBS News will produce two-minute newscasts every hour and perhaps some features. The existing network runs about 182 spots per week and has a lineup of 416 affiliates.

At NBC Radio, Richard Verne, president, notes that plans to move into full satellite delivery involves two phases. One is getting 600 ground stations for its affiliates by offering financing arrangements to the stations. The first step also entails setting up a longform overnight service, *Night Talk*, which will begin airing via terrestrial lines but may go satellite later on an interim basis. Phase two entails the network's com-

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mitment to have all its programming fulltime on the bird within the next few years.

Verne adds the network is seeking additional longform programming and is exploring and developing other projects. One program being eyed is a country music special, he says. Depending on the program, Verne says the network will ask for compensation from its affiliates via "some form of inventory." In the case of *Night Talk*, the network retains three minutes per hour for national advertising during the seven-hour program.

At RKO, besides its RKO I network, the company is rolling out clearances on the RKO II network, now on the bird,

Nick Verbitsky, extreme r., president of United Stations Country Music Network, says the network has signed a \$2 million deal for transponder space. Gene Swanzy, vice president/broadcast services at MBS, near r., feels digital is really a hybrid system.



and is planning to expand its RadioShows network. RKO II has a present lineup of 75 affiliates and growing, according to RKO sales director Lyons, and has a substantial number of national advertisers on board. These include charter advertisers Champion Spark Plugs, Dow Jones, K-Mart, Craig Stereo, Goodyear Tire & Rubber Co. and Borden. The network, which premiered on Westar III, transponder one, on September 1, is expected to have 150 affiliates after its first year and 200 some six months after that. RKO I gets 148 minutes per week for national advertising, and RKO II, which consists mainly of news and features, takes 150 minutes weekly.

RKO's RadioShows is considered a network by the company because it's a separate service and has some different affiliates from those subscribing to the RKO I or II service. It has one element at this time, *America Overnight*, a longform six-hour phone-in format. However, RadioShows will contain additional elements, "mini-paks," including music specials, sports and talk, beginning in January. RKO is a partner with Sunbelt in selling national spots on *America Overnight*, with both companies splitting five network 60s per hour. Local stations get the same number of time for spots, notes Lyons.

At Mutual, the only network that has put up its own money to acquire earth stations for its affiliates, about 550 of its subscribers are currently hooked up for satellite transmission, notes Kriemelman. Mutual which had more than 1,000 affiliates, reduced the number to about 900 over the past year, as part of a plan to drop stations which air a number of Mutual programs and to pick up ones that agree to carry more programs.

Kriemelman estimates that Mutual's investment in owning the receive dishes is costing the company between \$6,000 and \$10,000 each, depending on the equipment that's necessary and the site involved. But he figures the money is well spent. "On an actuarial basis, we are

saving about \$3 million per year that we give to Mother Bell." Mutual at present runs "a few hundred commercials per week," with most of the spots sold as 30s, according to Kriemelman.

Meanwhile, ABC, CBS and NBC are gearing for digital distribution. Two of the networks, CBS and NBC, have recently signed letters of intent to use the Audio Digital Distribution Service (ADDS) of RCA American Communications for their radio programming via satellite. As of presstime, ABC had narrowed its choice of carrier to either RCA or American Satellite Corp.

On the receiving end, both ABC and NBC have inked letters of intent with Scientific-Atlanta for earth stations for its affiliates, while CBS still hasn't firmed a vendor. The three networks' executives see digital as the wave of the future and as a technology that will leapfrog their present analog setup, while adding clarity of the signal, less interference, higher dynamic range, among other advantages, over analog systems presently in use.

CBS's Hosking notes that one of key plusses for digital vs. analog is that it allows for both its regular network and its new projected network, RadioRadio, to be sent out simultaneously. The ADDS system provides a signal-to-noise quality of 75 dB or better for both 15 KHZ and

7.5 KHZ service plus a voice/data channel at 32 kilobits per second and allows a network to distribute several channels simultaneously on a nationwide or regional basis.

But both networks and program services using the analog system maintain that digital has problems, although most foresee going into digital when and if it becomes an industry-wide use. "For one thing, a digital system must have all its programs carried from the same uplink, while analog systems can take programming fed from a number of different uplinks," notes a spokesman at Mutual. Bonneville's Patton notes that digital is much more expensive than analog and requires much more transponder space than analog.

SMN's Ivan Breaker, vice president/general manager, sees stations deriving little benefit from digital. "They can't broadcast it, and all the networks will be doing is putting in a system that has to be transferred back to analog anyway." He admits digital will have a superior quality to analog, "but the lack of interference is another matter." He says, "you have better chances of less interference with analog than with digital because if part of signal fades out or disappears on analog, there is still enough of a signal left to pick up something. But with digital, once the signal is lost or there is a fade, there is no chance to get the signal back."

Mutual's Swanzy feels any signal that's broadcast will have interference. And, he says, digital is really a hybrid system "because you start out analog, then convert to digital and back to analog. You can't really say you have digital if only the middle piece is digital."

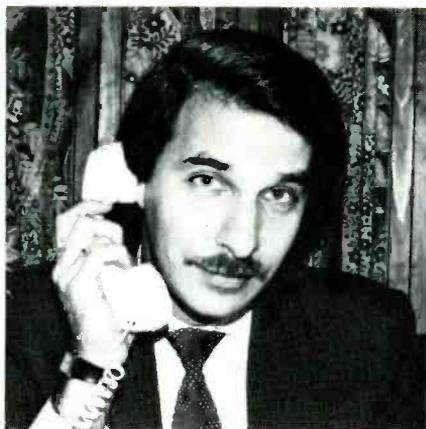
Additional services

Other program services announced to go on satellite or already using satellite delivery, include the Sheridan Broadcasting Network, the Global Satellite Network, Tuesday Productions, NKR Productions, The Wall Street Journal Report, TM Programming and Starfleet Blair. According to Skip Finley, SBN president, the network will be satellite-delivered by mid- or the end of 1982 on a sub-lease basis from either a TV audio subcarrier and/or a point-to-point system. He notes that the network's present lineup consists of 109 affiliates and he expects the total to reach 120 by the end of the year, or more than one-third of all black-programmed stations in the U.S.

At present, the news and information network broadcasts about 16 hours per day, from 6:50 a.m. to 10:50 p.m., but Finley will probably tag on an hour or two at each end when the network goes satellite. SBN takes one minute for na-

(Continued on page 78)

In the Picture



Edward Weiner

New vice president, media director at Geers Gross Advertising believes that "It's not enough to lay out a solid media plan. It's got to have some sizzle. Besides reaching target consumers it should have something like a spot in the Super Bowl that can energize the trade: the client's sales force, distributors and employees."

Ed Weiner says he absorbed a lot of very useful ideas from Herb Maneloveg at Della Femina, Travisano where he had been acting media director before Maneloveg arrived from Kenyon & Eckhardt. And he's already putting some of those ideas to good use at his new agency, Geers Gross Advertising. That's where he recently signed on as that agency's new vice president, media director, to succeed Howard Kamin, now vice president, marketing at the Association of Independent Television stations.

Says Weiner: "Herb is a man who's overflowing with ideas. All you have to do is follow him around with a cup and catch them. One of the things he taught me is that there is no security in this business. The only security is in yourself, and in your own abilities and how far you can make them take you."

Another point that Maneloveg impressed on Weiner is that "It's not enough to lay out a solid media plan. It's got to have some sizzle. Like a spot in the Super Bowl. Besides all the consumers that see it, it's something that can energize the trade. Gets a client's other constituencies talking about his campaign: his employees, his sales force, his distributors."

That's just what Geers Gross is doing for Sambo's to turn a public relations problem into an opportunity to build awareness for the restaurant chain: not only for its new name, No Place Like Sam's, but also as an economy food buy in a warm and friendly atmosphere where the whole family can afford to eat. And despite technical difficulties requiring a hold-up in the name change in many parts of the country.

Says Weiner: "Especially in the restaurant business, and especially when you tell your customers they'll be treated like family, you have to stress that point to your people who work there, and who will be the ones who can make or break your claim—because they're the ones you're counting on to treat your patrons like family."

"Ideally," continues Weiner, "you'd get all 30,000 cooks and waitresses from 'Family Sam's' 1,200 restaurants all over the country into one big convention hall and pump them up. But who'd be left to mind the store, on top of the costs of airline fares, hotel rooms and all? The next best thing was our two-minute commercial to talk to them all, in each of their 213 ADIs, at the same time we were talking to customers. And then merchandise it to the employees, so they know what time to watch for the TV and listen in on the radio in their market. So we arranged for each station manager to call his local Sam's restaurant managers to be sure and tell his people what time their spots would run."

Weiner adds that the agency also secured live lead-ins to the commercials on the *Today* and *Tonight* shows, as well as on many of the radio stations: "On *Tonight*, Johnny Carson himself talked about it. A two-minute commercial is unusual, and animated spots are unusual on adult shows. And the reason it's animated is to introduce 'Family Sam'—Sam's new cartoon logo character that we'd like to see become America's next Mickey Mouse. He's also in our introductory two-page ads in newspaper Sunday supplements across the country."

Weiner adds that "It's also unusual to have the client's ad manager in the commercial, asking his fellow employees to pitch in and give Sam's the warm, family atmosphere we want for it. I think NBC was so cooperative because, if this is successful, they can recommend a multiple-constituency approach like this to other prospective advertisers."

In radio, he continues, Geers Gross is launching the new Sam's campaign via unwired networks because of the problem of splitting copy on the wired webs, because Sam's 60-second copy "is considerably more affordable on the unwired networks," and because each station in an unwired lineup "can customize to Sam's needs. We see radio stations as good potential local bridges between their listeners and the nearest Sam's. We'd hope that their air personalities would visit Sam's, and be treated like family when they get there. Then Sam's could wind up getting a little patter from popular local radio personalities."

Satellite (from page 76)

tional, and the local station gets one minute in each hour.

The Global Satellite Network, Tazana, Calif., which produced its first satellite effort, *Rockline*, last spring, has a station lineup of 77, notes Howard Gillman, network principal. The network will change its pricing structure in January from cash to barter.

Delivered through National Public Radio's Westar transponder, it expects to launch additional formats beginning in January. The network is looking for different markets from *Rockline*'s. On the drawing boards are an all-night show live from Las Vegas and a show geared to the country music audience.

Starfleet Blair, Boston, a subsidiary of John Blair & Co., is at present involved in producing and distributing specials via Westar III, after completing a series of 12 live concerts of the Boston Pops, which cleared about 35 stations, and about an equal number of live rock concerts. However, Starfleet will shed its distribution wings at the end of the year and will concentrate only on production, according to Sam Kopper, vice president, executive producer. Three concerts are scheduled by year's end, including a Frank Zappa show at Halloween.

Tuesday Productions, San Diego, has increased its lineup on its satellite-delivered two-hour weekly call-in program, *Satellite Live*, from 30 to more than 50 stations since May, says Bo Donovan, president of Tuesday's syndication division. The feature, offered via barter, has 20 minutes of commercials time that is split between Tuesday and the subscribing stations.

At NKR Productions, Los Angeles, Ron Nickell, president, has been setting up an ad-hoc network for special music live concerts and music specials, which are pumped into both radio and television outlets simultaneously. One recent simulcast involved the rock group, The Beach Boys, which was carried by 51 radio and TV outlets combined. NKR is planning several other concerts and events including a live feed from both the Disney parks (see separate story in programming section).

The Wall Street Journal Report currently has a 67-station lineup, notes Bob Rush, director of broadcast services. The service takes six 60-second national spots per day in six of 17 newscasts. Local gets one to two 60s per newscast.

TM, which plans to go on satellite with some of its programs, is in the process of hooking up one of its programs with SMN, in a joint venture between both services says an SMN source. The deal would be similar to the one SMN has with Bonneville, but would reportedly involve a news/talk format. □

Spot television (from page 45)

working hard to try to keep up with the Sun Belt, mountain states and northeastern markets, which are all sharing in the increases."

Corper observes that, "We aren't getting much action from the big domestic car makers in Detroit yet, but outside of that the General Foods, the Procter & Gambles and most of the other big packaged goods manufacturers are with us in force.

"Looking at the same stations we sold for when we were H-R last year, they're averaging 20 to 25 per cent ahead of where they were last year toward the end of September. It looks like none of the traditional packaged goods advertisers want to be left at the post when the tax cuts take effect. They want to make sure they hang onto the market shares they've earned to date and they're maintaining their presence in both network and spot television."

Good fourth quarter

At Blair Television, Jim Kelly, senior vice president and general sales manager, observes that fourth quarter "looks good, and there seem to be fewer regional problems. We're expecting mid-to-high teen percentage gains."

Kelly also notes that "There was a good deal of up-front network buying for fourth quarter, but a lot of people who are normally the last-minute scatter buyers on the networks seem to be sitting on that scatter money and holding it to take advantage of spot's flexibility when the time is ripe."

On a comparable station basis, he adds that, "third quarter spot looks like it should wind up 14 to 16 per cent ahead of 1980's third. Independent stations appear to have made the greatest percentage gains, with CBS and ABC affiliates almost tied for a close second place, right behind the independents."

Don Robinson, president of Katz' Independent Television Sales, explains that starting from a smaller dollar base than some of the affiliates "is only part of the reason for independents' current strength. There's also new programming and news. *Mary Hartman* first showed how well independents can perform with the right shows. Today these stations are doing it with series like *M*A*S*H* and *Odd Couple*.

"Advertisers also like the way independents run movies, with fewer commercial interruptions on many stations. And not only are more independents carrying news produced by strong local news teams, but they're showing the same national and international events the affiliates do."

Agency executives agree. Cunning-

ham & Walsh's Nass says, "The independents are in fantastic shape with the cream of the syndicated off-network shows like *M*A*S*H*, *Happy Days*, *Laverne and Shirley*, *Odd Couple*; and now some stations are starting to run *Charlie's Angels*."

Daypart differences

Nass points out that "While fourth quarter network in general is much tighter this year than last, the interesting development is some of the differences by daypart.

"Daytime is tight, but what's new is that early evening news is virtually sold out for the first time.

"On the other hand," he continues, "late night is soft. And in primetime a lot of buyers have been careful to steer clear of the shows getting bad reviews from the Moral Majority people. Buyers have been steering that primetime money elsewhere—to early news, to daytime, and to the independents."

Nass also observes that though spot inventory on stations in the top 50 markets is tight, "Now that buyers have finished placing most of their buys in the top 50, they're starting to take care of their smaller markets, so pricing even below top 50 is now starting to stiffen."

Harrington, Righter & Parsons' Ryan notes that, "There are still swings by region. The Sunbelt, the Southwest, and particularly southern California markets, continue very strong. On the other hand, though there have been some signs of life in the Midwest, it still hasn't caught up to the rest of the country."

Cleveland healthy

Similarly, Blair's Kelly agrees that "Regionally during third quarter, those markets closest to the Great Lakes haven't been as healthy as almost everywhere else in the country—with the exception of Cleveland. Cleveland has had a better year than most of the other markets clustered along the Lakes, much of whose industry is heavily automotive or automotive-related."

Ryan sees the best sign for the economy being that "There continues to be a solid footing of consumer spending, even in the face of continued inflation. Advertisers are supporting that. And they seem to be anticipating a good psychological reaction by consumers to the five per cent tax cut that will be showing up in October 15 paychecks."

Back at McCaffrey & McCall, Kunen figures that, "Next year the upward pressure on rates will probably dip a little in first quarter, but I think that for 1982 we've seen the end of buying quarters as soft as they used to be." □

Inside the FCC

The following comments are from two speeches made by Corydon Dunham, executive vice president and general counsel for the National Broadcasting Co. The first speech, on cable regulation, was made to the American Enterprises Institute in Washington, D.C. The second, on direct broadcast satellite spectrum allocation issues, was made to the Federal Communications Bar Association, also in Washington.

Cable has potential to add multitude of services to home



Corydon Dunham

Cable certainly has the potential to add an array of many different services for the home. Only one part of that will be programming. When it comes to that, however, any realistic assessment suggests that cable will continue to use broadcast programming and duplicate that programming. But, whether cable ultimately reaches 40 per cent or 50 per cent of American homes, cable will simply not have the nationwide reach of the present broadcast system.

The three commercial television networks support this system with news and sports programming. They finance the development and production of entertainment programming by the creative community and the production studios.

And they provide financial compensation and commercial positions to affiliated stations which deliver the programs to homes all across the country. This support, in turn, enables those stations in both small and large markets to provide a total broadcast service from both local and national sources.

We are naturally concerned about the role of cable as a monopoly carrier—when it is also a program supplier. The cable wire is a monopoly wire. Usually over-the-air reception capability is disconnected when the cable wire goes in. The cable wire becomes the only access to cable homes for all program suppliers and stations and networks.

This makes cable much more a franchised utility like the telephone wire than just another program supplier competing for the viewers' attention. This has led to regulation, "must carry rules," to see that the cable wire does carry the broadcast programming that is readily available in the viewers' own community.

This will be increasingly important as multi-cable system owners want their channels to carry pay services or the owners' own services to the exclusion of others. The viewer must be protected from loss of locally available broadcast programs.

Against government regulation of content

Government regulation of program content, however, raises different concerns. To put it another way, regulation of program content because the program is carried by cable wire would extend government's grasp over news and entertainment programming very far indeed. Such a regulatory approach would abandon the values of our First Amendment and perhaps irreversibly so.

The First Amendment should apply to the program content of broadcasting and cable; and we should have a unified front against government restrictions like the Fairness Doctrine that dilute the First Amendment freedoms of any medium.

Another issue is not quite so clear. How can we best attract to our systems the programming we will increasingly need? This, as you've already heard, is a source of considerable friction among us. I refer, of course, to the dispute among the creative community, broadcasting and cable over the "rights" to the programming the studios have produced.

Members of the creative community receive their income from the sale of their copyrights in the programming they create. Reducing their rights and how much they are paid for each use of that programming is not just an injury to their self-interest. It is an injury to the public interest, too.

Cable's free use of programming is unfair

But since the government has decided that cable may use, without paying, the programming broadcast by the local station, the creative community loses out on that cable use.

The government has also determined that cable need pay only a small fee for its use of broadcast programming which cable brings in from distant markets. In 1979, the last year for which we have reliable information, cable had operating revenues of \$1.8 billion. It spent \$16 million for its use of broadcast

Inside the FCC

(continued)

programs. So the creative community loses out again.

And now, cable has been granted the right to take programming sold to an individual local station in a particular market, and take that into another market even if the seller has made contracts to distribute the program in a different way.

The sellers are denied the full value of those markets where their program has been taken and redistributed on cable, and cable gets valuable programming at less than market price and so has less incentive to develop its own programming or buy new programming. The creative community loses once again and the public's potential programming choices are reduced.

The effect of all this is to remove cable from the marketplace for programming. These subsidies are certainly not needed to help cable get a start—if they ever were. They are inequitable and destructive to the marketplace we all must look to for programming. They are overdue for legislative correction.

Government operates two-handed engine

The government operates as a two-handed engine: an invisible hand for the new technologies; a heavy hand for broadcasting. This double standard distorts the marketplace and prevents the stimulation of new program services.

So we must ask whether broadcast programming schedules can continue under a double standard that loads copyright liability and program restrictions on broadcasting and not on its competition.

If deliberate or de facto government policies diminish broadcast programming, if the cable subsidy continues to include even distant market programs, as the new technologies transfer some programming from free television to pay, for the general public the prospect is not for greater viewer choice.

It is time for a fresh and realistic look by the Commission and Congress at the new video marketplace.

This does not mean that commercial television is an "anything goes" medium. We govern our programming by the needs of our marketplace—the viewer's home.

That mainstream marketplace is the basis for the broadcast standards judgments we must make every day.

Need planned approach for engineering standards

But for engineering standards and spectrum management, particularly in its international context, we must have a deliberate, planned approach.

Within the framework of the existing NTSC system, industry is already looking at improvements in cameras and other equipment as well as home receivers which would improve picture quality.

The CCIR and ITU may soon set worldwide digital standards for television program interchange, and conforming equipment could enable greatly improved picture quality.

For spectrum allocation and orbital assignments for satellites, planning and coordination involving both industry and government are essential.

It is neither parochial nor obstructionist to point out that all likely potential satellite uses should be weighed before any particular combination is authorized. We do not oppose the technological advance of satellites, but false starts can be costly and wasteful.

Must assess relative utility of spectrum use

At least we must assess the relative utility of our spectrum use for fixed and direct broadcast to make the necessary allocation decisions. We must set standards to provide optimum public benefit. The near-term objectives of interim operators should not be permitted to set them de facto. We must also ask if the Commission's interim approach adequately serves the necessary goal of spectrum conservation. Indeed, history may well see us as abandoning spectrum management, at this critical point, to squatter's rights. The greater attention of both Congress and the Commission is required now.

The growth of satellite technology poses questions of great complexity. At the present rate, we can anticipate 400,000 international satellite circuits by the century's end. With domestic and regional systems, the total circuit capacity could rise to three and a half million, and this covers only the kind of voice, data, telex, television and other traffic being handled by satellites today.



It's a jungle out there...filled with all sorts of ferocious beasts. You could get lost.
For a professional guide call your **ARBITRON** Representative.

Why is General Foods putting more brands on the hot medium?

General Foods has substantially increased radio billings in the last five years.

They've discovered what many other advertisers have also found. That once you start using radio, you keep finding new ways to use it.

Radio is timely.

For Maxwell House, GF believes radio is uniquely suited to reach people at specific times of the day when they drink coffee.

Timing is also important for a seasonal product like Country Time lemonade flavored drink. And what better way to reach people in summer than radio.

Radio has multiple uses.

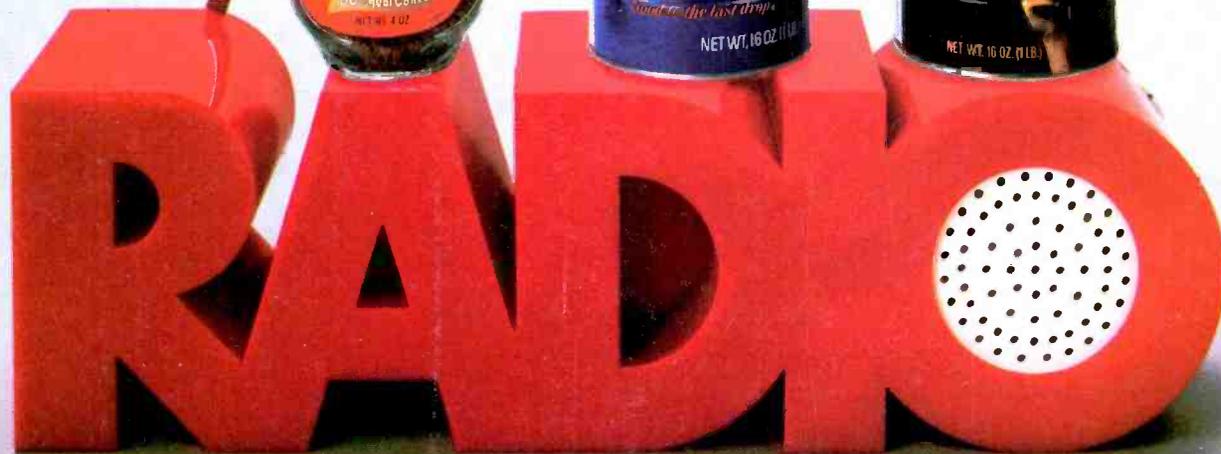
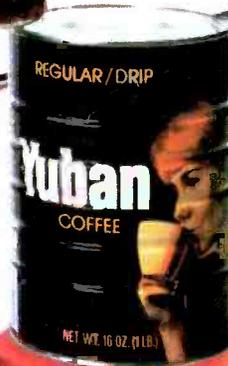
Nationally, GF has used radio to help launch new campaigns. Or to target a particular market. For example, Sanka Brand decaffeinated coffee uses radio as a cost-efficient vehicle to reach older audiences.

Locally, GF ties radio to events like holiday weekends to sell Open Pit barbecue sauce. And to regional ski reports for Maxwell House coffee.

Radio tests well.

And as they've been expanding radio, GF has been testing every step of the way. So they know radio works.

If you'd like to find out more about the red hot medium, call us at (212) 599-6666. Or write, Radio Advertising Bureau, 485 Lexington Avenue, New York, NY 10017.



Red hot because it works.