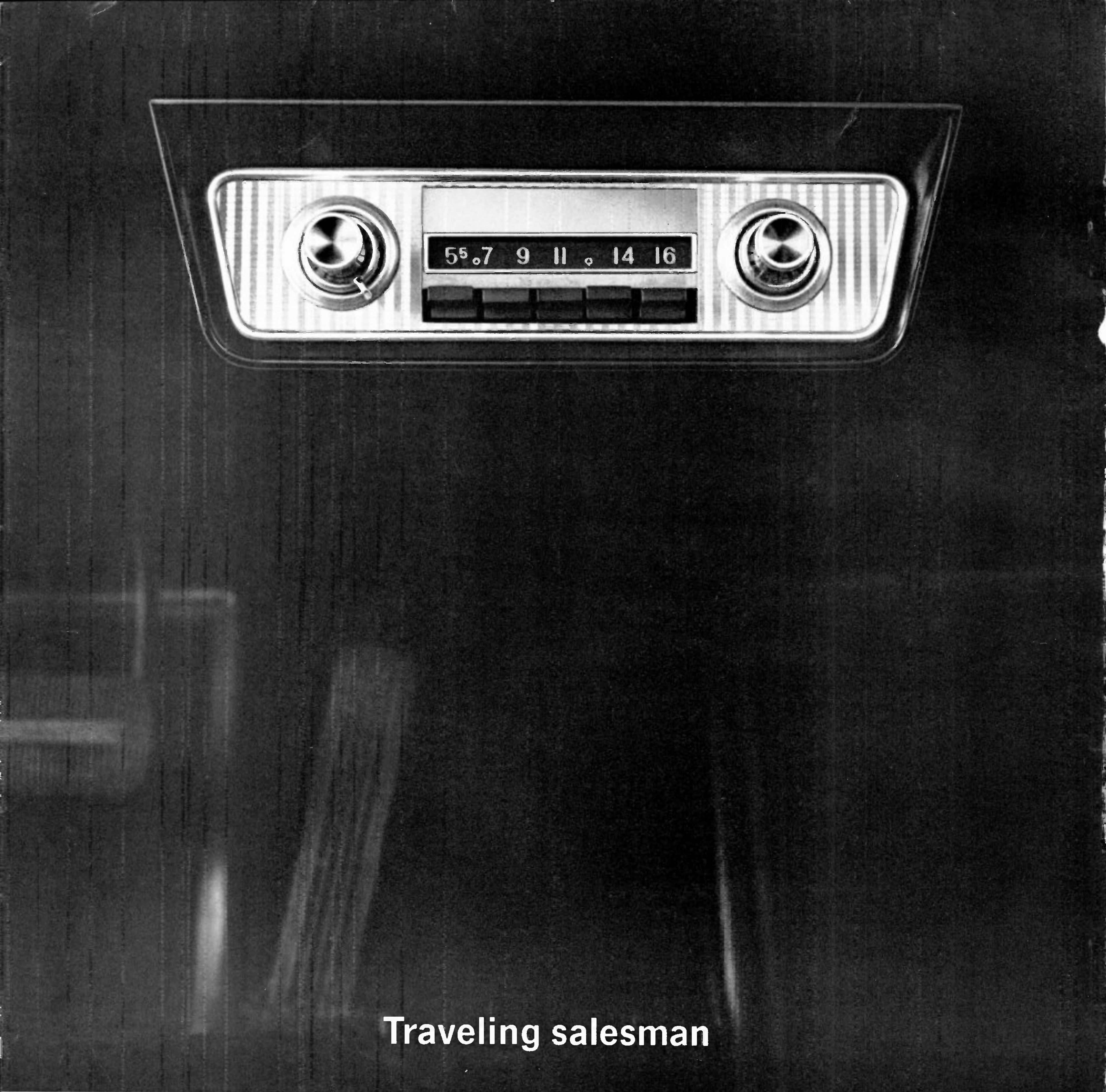
September 1962 Vol. XIX No. 9 Fifty cents

TELEVISION

Growing alliance between TV and the auto dealer; The heavy traffic in television contestants; Dick Powell of Four Star

Beginning a major series on
THE MEDIA COMPETITION
Number 1: Magazines



Compacts, standard models, sports cars, luxury automobiles roll off the assembly lines by the millions. Some 85% of them have one thing in common. A radio.

No one is more aware of this big, built-in salesman than the automobile manufacturers themselves. Which is probably why they advertise on network radio.

Chevrolet is in the *ninth* straight year of its sponsorship of 12-a-week news broadcasts on CBS Radio. Chrysler, Ford and Studebaker are frequent advertisers on several networks. American Motors, in sponsoring the two U.S. man-in-space shots on two and then three networks, achieved tremendous coverage and excellent dealer reaction. Since 1954, the Lowell Thomas Monday-Friday news broadcasts on CBS Radio have been sponsored exclusively by a division of General Motors—for the last three years, Oldsmobile.

Car radios, according to recent Nielsen figures (NRI Auto-Plus, May 1962), add a seven-day average of 31.8% to in-home, plug-in set listening in the daytime, and 46.3% in the evening. Auto listening can add as much as 84% to plug-in set listening at home.

Radio travels in other circles as well. For years advertisers were aware of the mushroom growth of portable radios, especially since the development of transistors. But only recently has this listening been measured. Latest Nielsen figures show that it adds a whopping weekly average of *36%* to the millions listening on plug-in sets.

As the size of the measured audience continues to go up, the already low cost-per-thousands continue to go down.

Radio, today, is the closest thing there is to a universal medium. Whether your customers are at home, in their cars or out-of-doors, one persuasive salesman can cover them for you....

THE CBS RADIO NETWORK

TV is the window of knowledge

KOB-TV	Albuquerque	WVUE	New Orleans
WSB-TV	Atlanta	WTAR-TV	Norfolk Newport News
KERO-TV	Bakersfield	KWTV	Oklahoma City
WBAL-TV	Baltimore	KMTV	Omaha
WGR-TV	Buffalo	KPTV	Portland, Ore.
WCKT-TV	Chicago	WJAR-TV	Providence
WFAA-TV	Dallas	WTVD	Raleigh-Durham
KDAL-TV	Duluth Superior	WROC-TV	Rochester
WNEM-TV	Flint Bay City	KCRA-TV	Sacramento
KPRC-TV	Houston	KUTV	Salt Lake City
WDAF-TV	Kansas City	WOAI-TV	San Antonio
KARK-TV	Little Rock	KFMB-TV	San Diego
KCOP	Los Angeles	WNEP-TV	Scranton-Wilkes Barre
WISN-TV	Milwaukee	KREM-TV	Spokane
KSTP-TV	Minneapolis-St. Paul	WTHI-TV	Terre Haute
WSM-TV	Nashville	KVOO-TV	Tulsa

Science, politics, humanities. Look in any classroom today and you'll find children know more about the world than we did at their age. One reason: education through TV—programs with the power to make any subject come to life. These stations are proud to be a part of Television's contribution to education.

Television Division
Edward Petry & Co., Inc.
The Original Station Representative

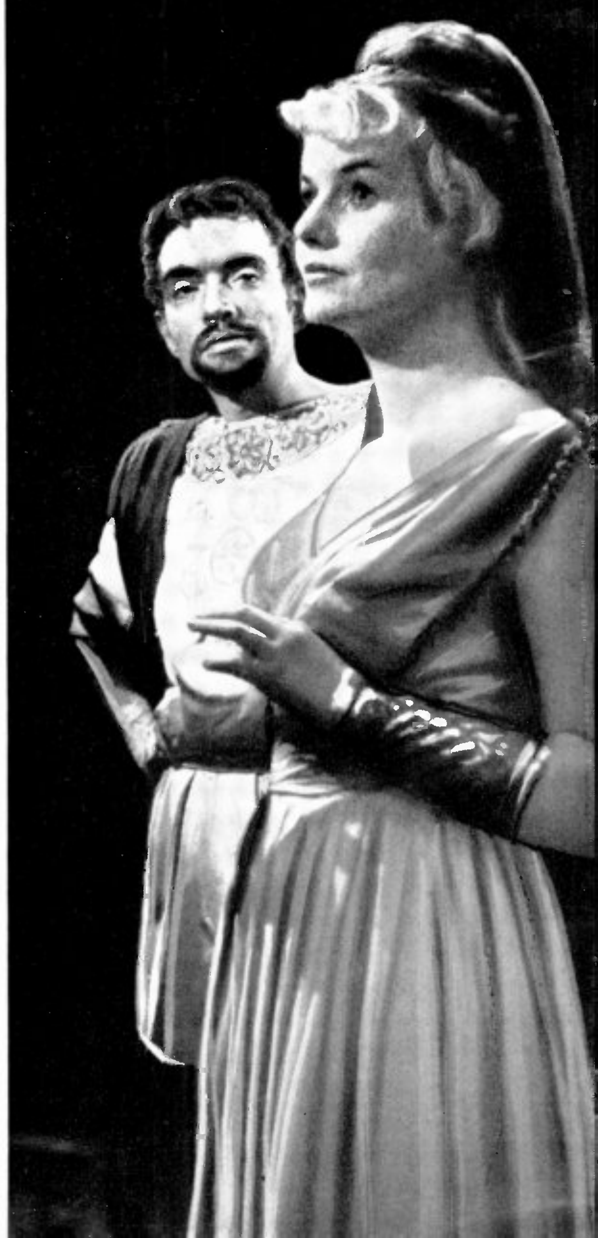
NEW YORK • CHICAGO • ATLANTA • BOSTON • DALLAS • DETROIT • LOS ANGELES • SAN FRANCISCO • ST. LOUIS

OVERTURE

The incomparable music of THE BOSTON SYMPHONY ORCHESTRA raises the curtain on an exciting new television season on WNEW-TV. This series of concerts by the internationally famous BOSTON SYMPHONY, under the inspired direction of Charles Munch, will also present world renowned soloists and guest conductors.

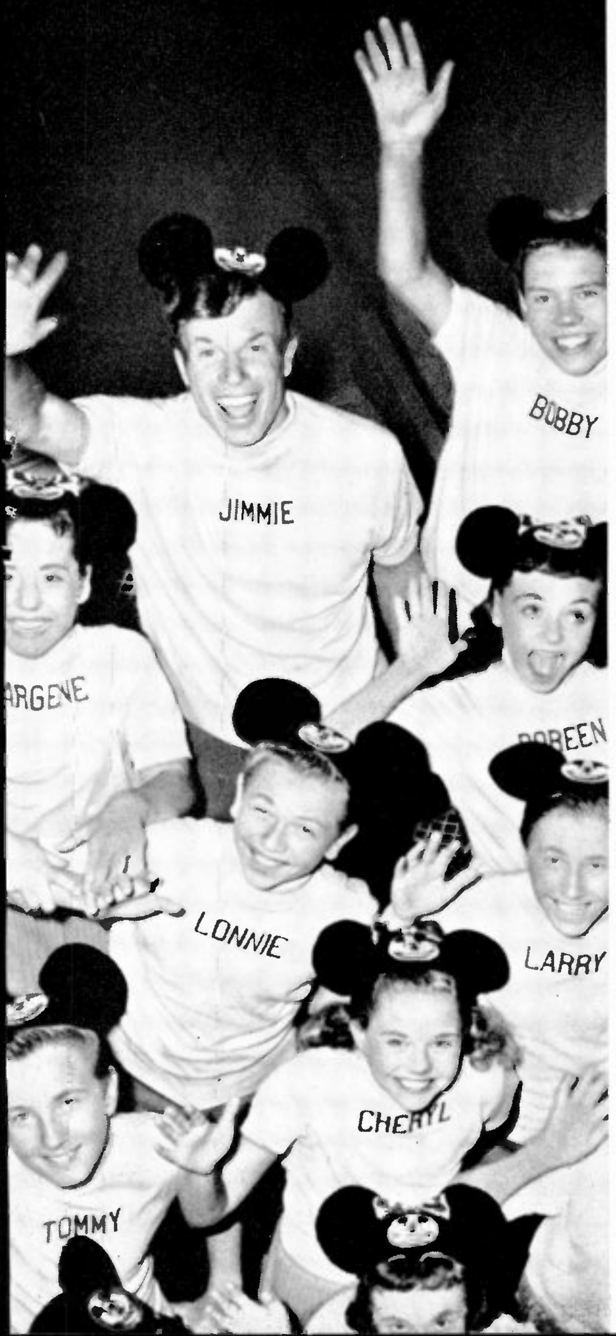
ACT I

Drama plays a major role on WNEW-TV. THE PLAY OF THE WEEK brings the finest of contemporary and classical theatre back to television. Among the works to be seen are TIGER AT THE GATES, THE ICEMAN COMETH starring Jason Robards, Jr., MEDEA with Judith Anderson and THE CHERRY ORCHARD starring Helen Hayes.



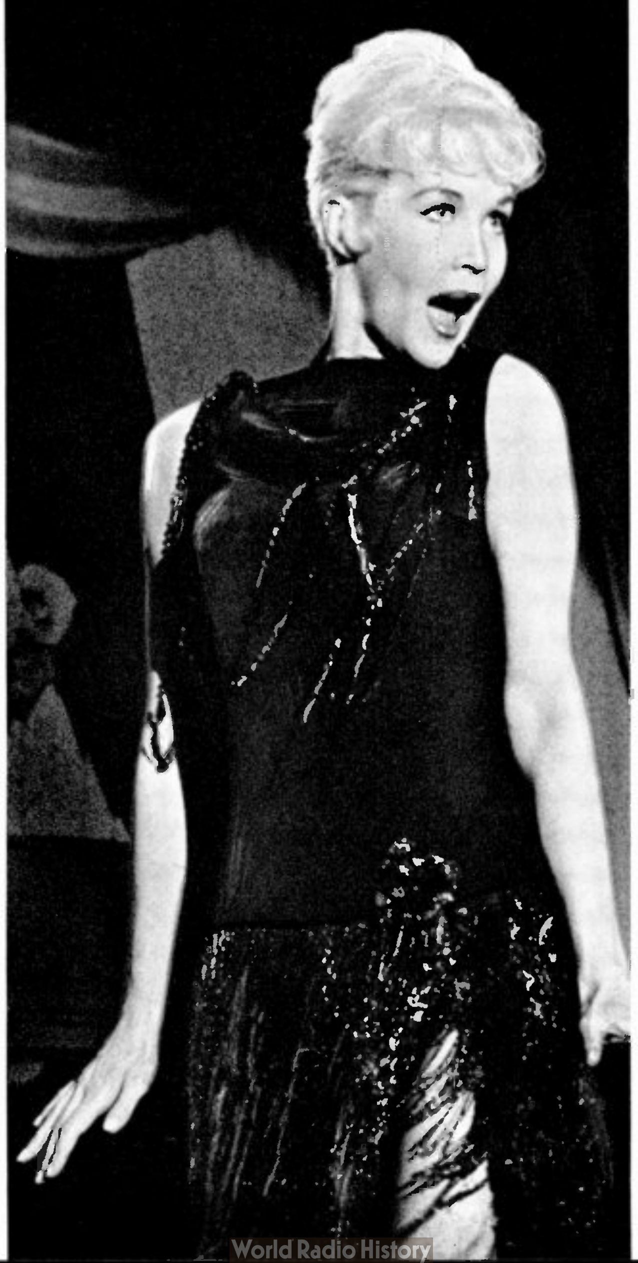
ACT II

From Walt Disney, THE MICKEY MOUSE CLUB, an entertaining daily series of programs for children and their parents. It features the best of Walt Disney's cartoons, adventure tales, circus acts, nature stories, and an array of superb talent. THE MICKEY MOUSE CLUB becomes an important addition to WNEW-TV's highly-honored programs for young people — WONDERAMA, JUST FOR FUN and the imaginative SANDY'S HOUR.



ACT III

A spectacular array of audience favorites: Dorothy Provine in THE ROARING TWENTIES; the rugged adventures of THE OUTLAWS; SUGARFOOT; THE DEPUTY starring Henry Fonda; 87th PRECINCT; CAIN'S HUNDRED; BOURBON STREET BEAT; THE D.A.'S MAN; THE ISLANDERS; CALL MR.D. and BRONCO are some of the highly popular programs that add excitement to WNEW-TV.



ACT IV

WNEW-TV's diversity of programming includes OPEN END with David Susskind, highly regarded motion pictures on MOVIE GREATS, the Emmy-honored specials produced by Metropolitan Broadcasting Television and the informative COLUMBIA LECTURES IN INTERNATIONAL STUDIES. The selective taste of WNEW-TV's programming is exemplified by the past season's Peabody Award-winning, AN AGE OF KINGS, and the acclaimed FESTIVAL OF PERFORMING ARTS.

WNEW-TV, NEW YORK
METROPOLITAN BROADCASTING TELEVISION

September 1962 • Established 1944, Volume XIX, Number 9

TELEVISION

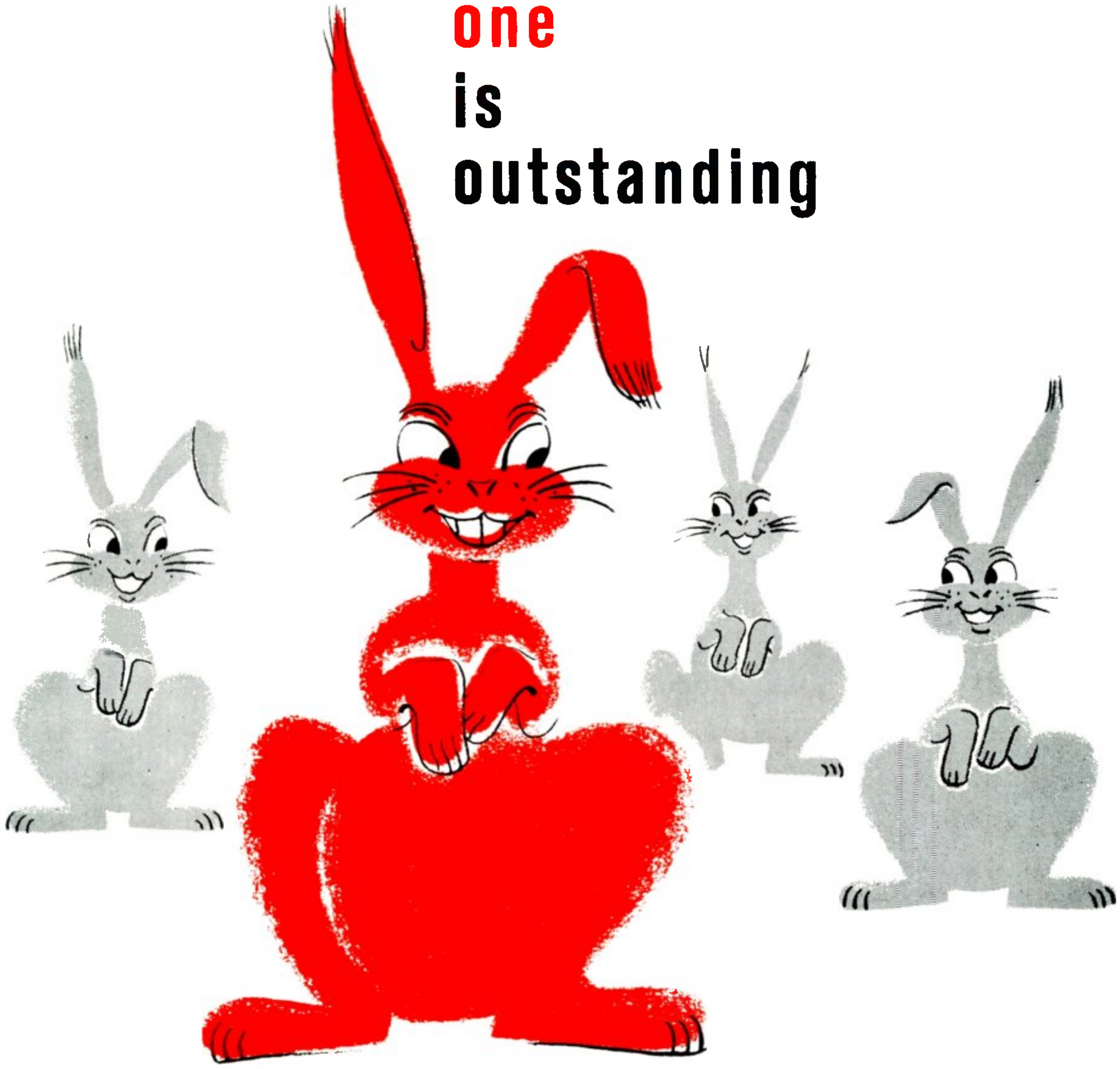
DEPARTMENTS

Cover: The American household has many media clamoring to serve its information-entertainment needs. It used to be that magazines did that job best on a national basis. But no more. Television has taken over leadership among the national media, and magazines have come upon harder times. A special report on what they're doing about it.

Credit: Cover photo by Matt Sultan.

Published monthly by the Television Magazine Corp. Executive, editorial, circulation and advertising offices: 444 Madison Ave., New York 22, N.Y. Telephone PLaza 3-9944. Single copy, 50 cents. Yearly subscriptions in the United States and its possessions, $5.00; in Canada, $5.50; elsewhere, $6.00. Printing Office: 3110 Elm Ave., Baltimore, Md. Second-class postage paid at Baltimore, Md.

one is outstanding



THERE IS ALWAYS A LEADER, and **WGAL-TV** in its coverage area is pre-eminent. This Channel 8 station reaches not one community, but hundreds—including four important metropolitan markets. Channel 8 delivers the greatest share of audience throughout its wide coverage area. For effective sales results, buy WGAL-TV—the one station that is outstanding.

WGAL-TV
Channel 8
Lancaster, Pa.

NBC and CBS
STEINMAN STATION
Clair McCollough, Pres.

Representative: The MEEKER Company, Inc. • New York • Chicago • Los Angeles • San Francisco

Late night and daytime TV are coming into their own

If you cry loud and long enough, chances are you'll be heard. And from their respective fringe time never-never lands, network television's two step-children, daytime and late night, have cried, "Hey! Look at me . . . I'm here too," for a long time. Advertisers have begun to pay attention.

According to the Television Bureau of Advertising, late night, the hours between prime evening and sign off, is television's most rapidly expanding time period. It accounts for more than 10% of all national advertising in the medium, reaches more than 36 million homes per week.

More than $150 million in national advertising gross time billings alone will go into late night during 1962, more than triple the $46 million for late night advertising just five years ago, says TvB. And while the nighttime expenditures tripled, total TV billing for national advertisers over the same period increased by only 50%. (The $150 million covers network and national spot TV. Local expenditures, of course, would greatly boost the total.)

LATE NIGHT VIEWERS

A. C. Nielsen figures show 36.6 million homes viewing late night TV between the hours of 11 p.m. and midnight, 74.7% of all U.S. TV homes. Late night viewing averages 2 hours and 49 minutes a home per week. And of all time periods, late night shows the least year-round changes between viewing highs and lows.

Of the $150 million in late night TV this year, an estimated $140 million will be spent in spot TV. (In the first quarter of 1962, spot TV gross time billings in late night were $38,091,000 or 20.9% of the total. Five years ago first quarter spot billings in late night were $10,724,000 or 9.2% of the total.)

The leading late night advertisers: Procter & Gamble, Lever Bros. and Colgate-Palmolive in spot, Sun Oil, P. Lorillard and Beech-Nut (Life Savers) in network.

At the other end of the TV day, network daytime sales, continuing a solid two-year upward trend, can be expected to at least equal last year's 16.7% increase over 1960.

All of the networks, doing early business, report their fall daytime schedules virtually sold out. The bright fall outlook, combined with the sales record for the first nine months, should make 1962 the most prosperous year for network TV daytime sales.

In the first five months of this year, according to TvB, daytime sales have averaged 15% higher than in the same months a year ago. Summer selling, not yet recorded, is said to be ahead of last year with summer discounts compensating for the smaller number of sets in use.

One daytime program salesman sees three big reasons for the daytime surge:

- The networks have learned to explain and sell daytime better—agencies and advertisers understand its values better.
- There is "improved flexibility" through changes in sales policy.
- Improved programming with the three networks strengthening through competition.

The bigger reasons behind the growth of late night and daytime TV may not be obvious. But certainly their lower cost in relation to prime time has drawn budgets not powerful enough for the hours between 7:30 p.m. and 11. With more and more advertisers entering the medium, network television has the delightful problem of not being able to accommodate them all in specific hours.

This becomes clear with the TvB finding that a record number of companies used network TV in the first five months of 1962. Altogether, 276 different companies used the medium. The previous high for the five-month period was 262 companies in January 1960. (For the full year 1960, 378 different companies used the medium, the record high.)

Of the 276 companies using network in the first five months of 1962, 139 have now used it for five or more consecutive years, 82 have used the medium for 10 years, 31 have been in continuously since 1949.

But the big point is that network TV continues to bring in a large number of new companies, many of them with small budgets. In the first five months of this year, 25 companies used the medium for the first time.

Spot television has also been bringing in new business. A total of 214 products or services were advertised on spot TV for the first time in the second quarter of 1962 alone. And of the top 100 advertisers for 1961, 22 had 26 brands appearing on the spot list for the first time.

TV advertisers, too, are increasing the television share of their budgets. TvB reports that the top 100 national advertisers increased television's share to 56.2% in 1961, compared with 53.5% for the year earlier.

Of the top 100 advertisers last year, 54 increased TV's share of their total ad budget—13 of the top 20 increased TV

YOU CAN QUOTE ME...

"WLW stations for Squibb Vigran Vitamins provide the perfect package, strong coverage and important cooperation at the local level that gives added impact before and after the selling messages are presented to consumers."

Gerald T. Arthur
Vice President & Media Director
Donahue & Coe, Inc.
New York

I'LL SAY THIS...

"In buying Broadcast today the 3 necessary ingredients are: coverage, having an important selling background in terms of the programming and extra mileage for merchandising at the point of sale. In all 3 areas WLW stations fit the bill."

Peter J. Dalton

Peter Dalton
Associate Media Director
Donahue & Coe, Inc.
New York

Call your WLW Stations' representative . . . you'll be glad you did!

WLW-I Television Indianapolis	**WLW-D** Television Dayton	**WLW-C** Television Columbus	**WLW-T** Television Cincinnati	**WLW-A** Television Atlanta	**WLW** Radio

Crosley Broadcasting Corporation

while 29 of the top 50 upped their television spending.

Total measured media billings for the top 100 in 1961 were $1,723,150,999, of which $967,972,053 was for network and spot TV. (The top 100's total ad investment last year increased $27.8 million. TV billings rose $61.5 million and general magazines $4.6 million. All other media declined.)

Of the top 100, 97 used TV: 71 considered it their basic medium, 52 spent more than 50% of their budget in TV.

For the first six months of 1962, network billings were $387,722,615, an increase of 11.6% over 1961's $347,313,741.

The January through June billings for the three networks:

ABC-TV—$100,690,335, up 6.4% from 1961's $94,636,040.

CBS-TV—$149,443,593, an increase of 16.2% over 1961's $128,636,037.

NBC-TV—$137,638,687, up 11% from $124,041,664 last year.

Broadcasting's six month profit and sales reports have a generally healthy look to them. Of the big three communication companies—American Broadcasting-Paramount Theatres, CBS and RCA—only AB-PT was off on profit for the year's first 26 weeks, nosed down by its slumping theatre division.

AB-PT's estimated net operating profit for the first six months was $5,553,000 or $1.27 a share as compared with $5,694,000 or $1.31 a share for the like period 1961. (For the first six months there was a net capital loss of $157,000 compared with a net capital gain of $6,149,000 in 1961.)

While down this year overall, AB-PT did have a successful second quarter with profit at a record high of $2,511,000 vs. $2,269,000 for the period last year. Profit for the ABC broadcasting division reached an all-time high both for the second quarter and the six months and ABC-TV sees an extra-healthy third quarter with the expected addition of new affiliated stations in Syracuse, Rochester and Raleigh.

CBS has reported net income of $14,153,308 and sales of $246,656,296 for the first six months of 1962. The CBS picture for the period last year: income of $9,409,332, sales at $240,767,745.

Current CBS earnings are equivalent to $1.59 per share compared with $1.06 per share earned in the first six months of 1961.

At RCA, the first 26 weeks' news was an all-time high in earnings, a second quarter profit up 70% sparked by color TV growth and NBC gains.

For the first six months, RCA profits after taxes rose to $24 million compared with $17.6 million for the 1961 period—an increase of 36%. This was achieved on a sales record of $854 million, up 18% over the $722 million volume for the same period a year ago.

Earnings per RCA common share totaled $1.32 for the first half vs. 97 cents last year. For the second quarter, profits hit $9.5 million compared with $5.6 million for the same period 1961.

NBC scored its highest first half sales and earning ever and RCA calls color TV its home instruments "pace-setter."

The sales and earnings among some of the other TV-allied companies:

Storer Broadcasting Co. reported its six month income at $3,618,366 vs. income of $2,032,591 for the same period last year. This was earnings per share of $1.48 compared to 82 cents per share for the period in 1961.

Storer's 1962 earnings included a capital gain of $912,863 resulting from the sale of radio station WWVA Wheeling, W.Va., last January.

Metromedia had a six-month record profit totaling $1,021,655, equal to 60 cents per share as against $446,587 or 26 cents per share for the same period 1961. (The 1962 per share net income represents a 131% increase over the 1961 figures.)

Metromedia's gross revenue for the 26-week period totaled $26,206,832 vs. $23,397,580 for the same period last year.

Transcontinent Television Corp. had all-time high six month earnings of $872,940 as compared to $646,192 for the same period in 1961, an increase of 35%.

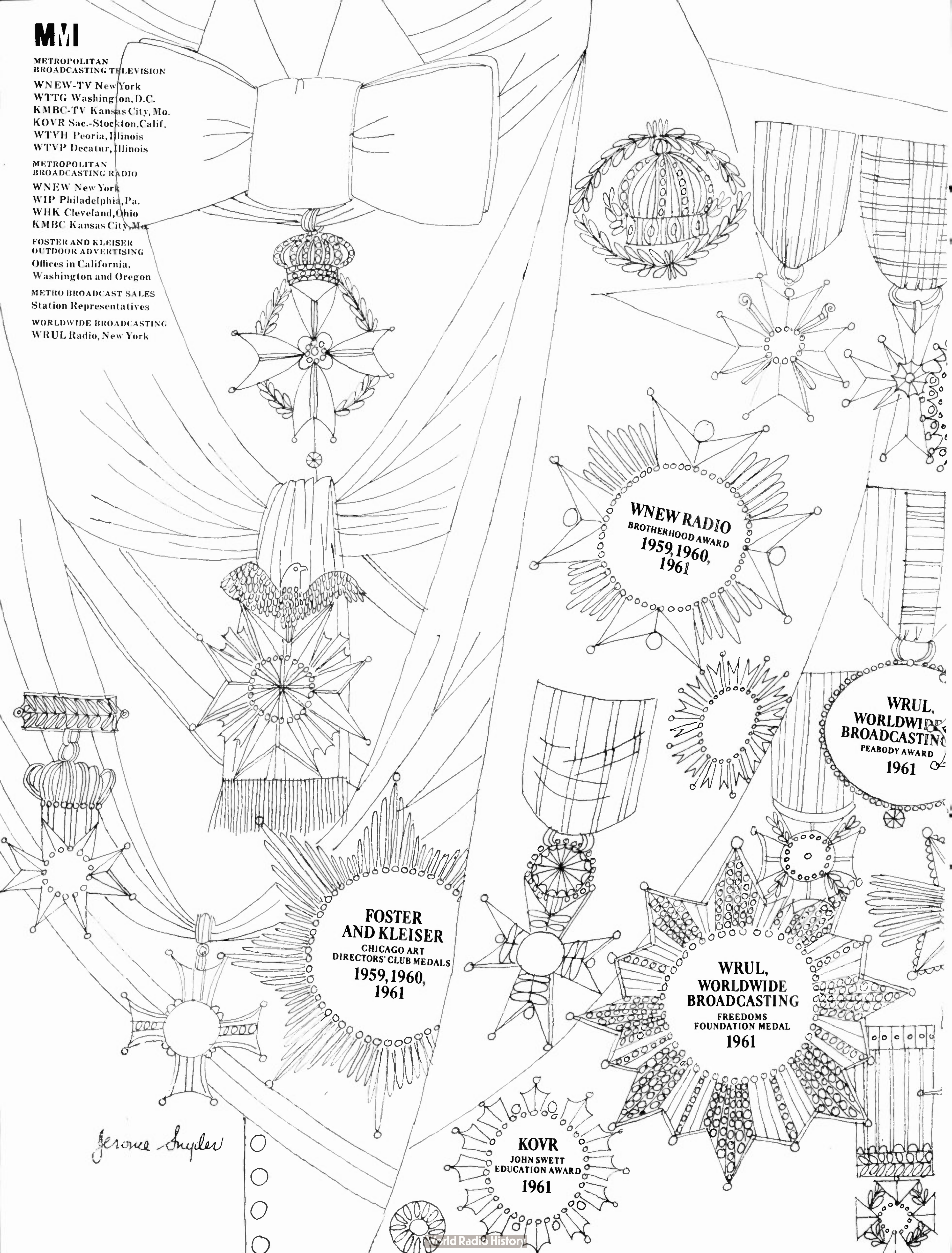
The TTC per share earnings for the first six months were 49 cents vs. 37 cents for the same period of 1961.

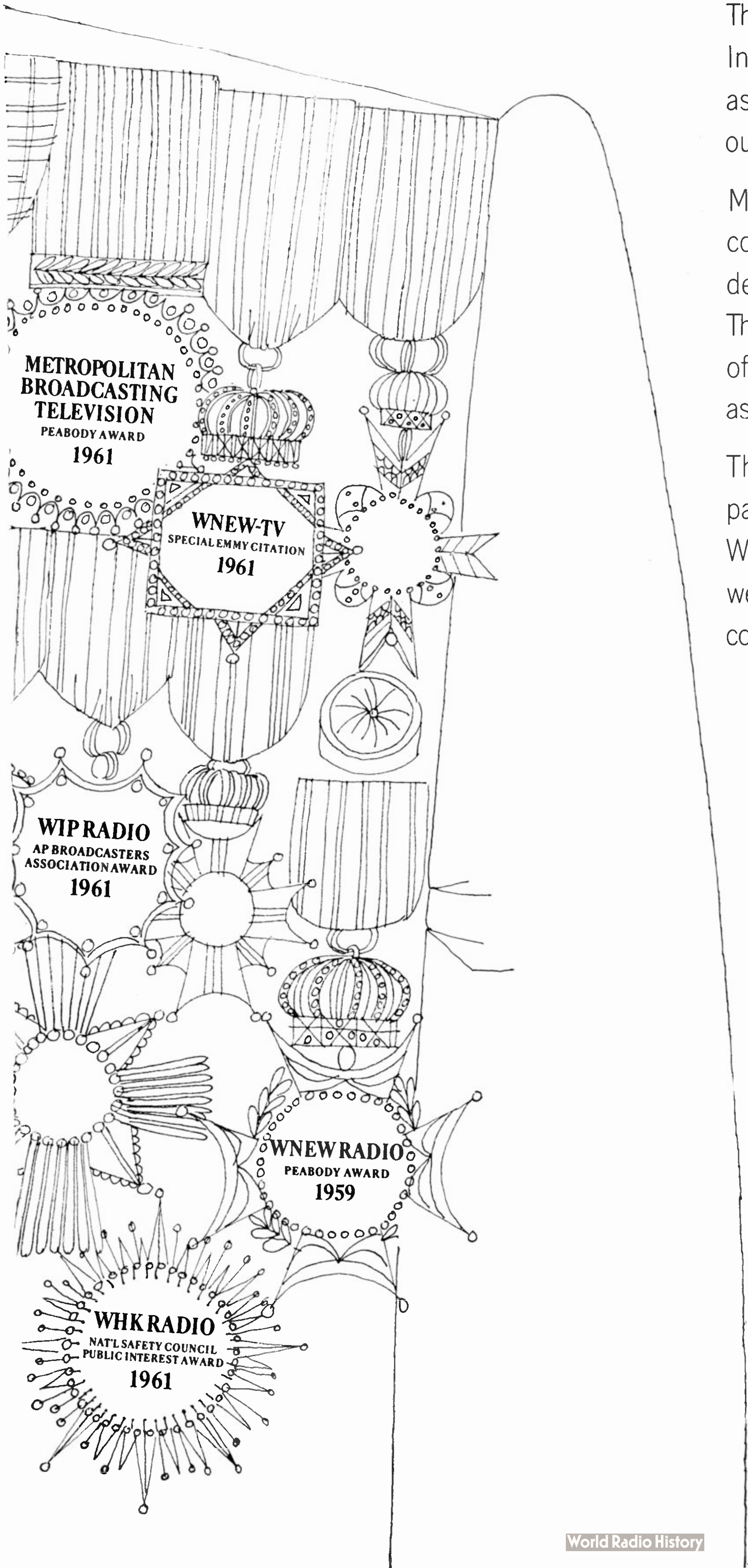
Desilu Productions, in its recent annual report (for the fiscal year ending April 28, 1962), noted an increase in net income of almost 100% over the year previous.

The production company reported net income of $611,921, equal to 53 cents per share. This compares with net profits for the preceding fiscal year of $319,146, equivalent to 28 cents per share.

Desilu president Desi Arnaz attributed the increase in net earnings to (1) net extraordinary income of $340,540 derived from the sale of Desilu's residual interest in one of its series and (2) a realignment of operations which resulted in "considerable economies."

Gross operating income for the past fiscal year was $14,223,850 as compared with $19,845,513 for the preceding year. The reduction in gross is pinned on a decrease in the production of Desilu-owned shows to one, *The Untouchables*. (Desilu, however, adds three new shows to its network stable this year—*The Lucy Show, Fair Exchange, The Kraft Mystery Theatre*—has nine outside TV series using its facilities.) END


MM
METROPOLITAN BROADCASTING TELEVISION
WNEW-TV New York
WTTG Washington, D.C.
KMBC-TV Kansas City, Mo.
KOVR Sac.-Stockton, Calif.
WTVH Peoria, Illinois
WTVP Decatur, Illinois
METROPOLITAN BROADCASTING RADIO
WNEW New York
WIP Philadelphia, Pa.
WHK Cleveland, Ohio
KMBC Kansas City, Mo.
FOSTER AND KLEISER OUTDOOR ADVERTISING
Offices in California, Washington and Oregon
METRO BROADCAST SALES
Station Representatives
WORLDWIDE BROADCASTING
WRUL Radio, New York
WNEW RADIO
BROTHERHOOD AWARD
1959, 1960, 1961
WRUL, WORLDWIDE BROADCASTING
PEABODY AWARD
1961
FOSTER AND KLEISER
CHICAGO ART DIRECTORS' CLUB MEDALS
1959, 1960, 1961
WRUL, WORLDWIDE BROADCASTING
FREEDOMS FOUNDATION MEDAL
1961
KOVR
JOHN SWETT EDUCATION AWARD
1961
Jerome Snyder



The Invitation...White Tie and Decorations. In response, we at Metromedia, Inc. have assembled the major honors received by our various divisions and stations.

Metromedia, a diversified communications company, strives to maintain a uniform degree of excellence in all of its endeavors. This means a desire to present programs of the highest order tailored to the select, as well as the mass audiences.

This also means a continuing interest and participation in community affairs. With humility and a deep sense of pride, we appear bedecked before our many colleagues and peers. **METROMEDIA**

Maryland's First TV Station Delivers More!

AUDIENCE: WMAR-TV has consistently led with: 1. Aggregate total of Quarter-Hour Homes Viewing, sign-on to midnight, (average week), Sun. thru Sat. 2. More Quarter-Hour Firsts based on both homes viewing and ratings!

PROGRAM EXCLUSIVES: Only WMAR-TV features late movies six nights a week . . . Baltimore's only daily women's service program – "Woman's Angle", with Sylvia Scott . . . "Bozo the Clown"– live children's program which has had over 16,000 studio guests . . . "Dialing for Dollars" . . . and others!

PUBLIC SERVICE: WMAR-TV did its first documentary film in 1948. Ever since, WMAR-TV has served the local interest with coverage of civic problems. The latest is an editorial study of juvenile vandalism, "For Kicks".

NEWS COVERAGE: The WMAR-TV news department, oldest TV newsreel in continuous existence, still produces daily, the local news program with the highest average of quarter-hour homes viewing weekly in the Baltimore area. (Nielsen, July, 1962)

Every day there is *more* to view on Channel 2– delivering *more* audience–and *more* opportunity to sell your product or service to *more* people in the nation's 13th largest market–Baltimore!

No Wonder — In Maryland Most People Watch

WMAR-TV

Channel 2 – Sunpapers Television – Baltimore 3, Md.

Represented Nationally by THE KATZ AGENCY, INC.

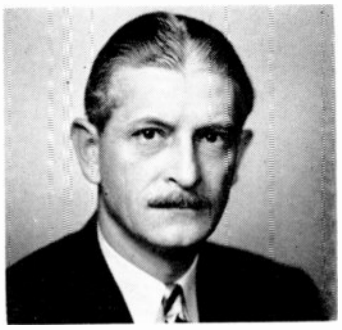
FOCUS ON PEOPLE

LEEDS

Talent Associates-Paramount Ltd. has marshalled its forces in the campaign for capture of television programming business with the addition of **Martin N. Leeds** to its staff. The newly-elected v.p. and member of the board of directors was executive v.p of Desilu Productions for seven years, during which time the company produced some top network shows. Arrangements are being made for Leeds to acquire extensive stock interest.

A quadruple promotion at Avery-Knodel Inc. in which **J. W. Knodel** was elected president, **Lewis H. Avery** was named honorary board chairman and remains as director, **Thomas J. White** became executive v.p. succeeding Knodel and **Robert J. Kizer** was named a v.p. has paved the way for Avery to devote time to station consulting services. Knodel has been with the firm as executive v.p. since 1946. White joined the Avery-Knodel sales force more than 13 years ago. Before his association with the firm, Kizer spent six years on the sales staff of the station representative, National Time Sales. Avery, who resigned as president the same day the other promotions took place, founded the representation firm in 1945. A year later he was joined by Knodel.

KNODEL



AVERY

KIZER

WHITE

Newly-elected NBC board of directors member, **Raymond W. Welpott,** will retain supervision of Philadelphia stations in his other new capacity as executive vice president, NBC owned stations and spot sales. Welpott, who has been with NBC since 1958, formerly held the position of v.p.-general manager of radio and TV stations in Philadelphia. Prior to that he was vice president of WKY Television System Inc. and manager of WKY and WKY-TV Oklahoma City. He succeeds **P. A. (Buddy) Sugg,** who retired.

WELPOTT

Two major additions to its echelons, the election of **James J. McCaffrey** as president and chief executive officer and member of the board of directors, and of **David B. McCall** as vice chairman of the board have been announced by C. J. LaRoche. Both men, who held posts as senior vice presidents and members of the board of directors of Ogilvy, Benson & Mather, will acquire substantial ownership in LaRoche. McCaffrey was a management account supervisor and McCall a copy chief at Ogilvy.

A reorganization has taken place at International Telemeter Co. (the pay TV division of Paramount Pictures), occasioned by the resignation of **Louis A. Novins** as president and as vice president of the parent company. Replacing Novins as Telemeter president is **Howard Minsky,** who has been with Paramount for 12 years and served as an executive of the Telemeter division during part of this period. Newly-elected chairman of the board of Telemeter is **James P. Murtagh.** Murtagh is a partner in the law firm of Simpson, Thacher & Bartlett, counsel to Paramount. Novin's tenure

McCALL

McCAFFREY

PEOPLE *continued*

with Paramount endured over a period of 16 years in various executive capacities, six years as president of Telemeter.

A nine-month search for an executive to replace resigning **Kevin B. Sweeney** has terminated with the election of **Edmund C. Bunker** as president of the Radio Advertising Bureau. When Bunker was with CBS (he resigned last year to become executive v.p. of Froedtert Malt Corporation) he was general manager of WXIX-TV Milwaukee, general sales manager of CBS-TV network and was most recently Washington v.p. of CBS Inc.

John M. Otter has been appointed director, national sales, NBC-TV, and has assumed the duties vacated by **Thomas B. McFadden**, who resigned to join Trans-World Airlines. With NBC since 1953, Otter joined the special program sales staff in 1959.

Elmer W. Lower has capped a 28-year news career with promotion to the post of general manager-NBC News from director of news and public affairs. Since joining NBC three years ago, Lower has played a major role in such top news projects as coverage of Khrushchev's Washington visit in 1959, President Kennedy's Inauguration and the first trans-Atlantic TV program via Telstar.

In a unanimous re-election via transcontinental telephone call, **Robert F. Lewine**, who was recently appointed CBS v.p.-programs, Hollywood, was returned to office as president of the National Academy of Television Arts & Sciences. The Emmy Award Organization also elected as executive vice president **Ted Cott**, president of Oakland Productions, as treasurer **Mort Werner**, NBC-TV v.p.-programs. It re-elected as secretary **Loren L. Ryder**, president of Ryder Sound Services. Elected as vice presidents representing their respective chapters were: **Thomas Van A. Dukehart**, Baltimore; **James W. Beach**, Chicago; **Seymour Berns**, Hollywood; **Don Tuckwood**, Phoenix; **Mark Russell**, St. Louis; **Kenneth Langley**, San Francisco; **Lee Schulman**, Seattle, and **Robert M. Adams**, Washington.

In a record expansion move, the newly-formed Televents Corp. coupled a major stock purchase with the election of **Alfred R. Stern** as chairman of the board and **Carl M. Williams** as president. Televents made the largest acquisition yet of community antenna television systems by purchasing over $10 million of all outstanding stock in companies operating 18 systems in 10 states. Stern, who has been associated with NBC as senior vice president of the Enterprises Division, is the first major executive in national network broadcasting to enter CATV systems management. He will be located at the headquarters in New York. The CATV systems operations headed by Williams, who will continue as president of Systems Management Co., will be located in Denver. In 1961 he was elected to the board of directors of the National Community Television Association.

Also on the move:

Newly-appointed CBS-TV vice president-central sales, **Roy Porteous**, has been with the company since 1957. Prior to that he was with NBC for 15 years in several sales and management positions.

Richard N. Burns has been promoted to the post of director of contracts and assistant business manager, CBS-TV Network Sales, filling the vacancy created when **Richard H. Low** resigned for an executive post with Young & Rubicam. Succeeding Burns as contract manager-network sales is **Julian J. Linde**, currently associate contract manager. Burns was a member of the New York law firm of Wood, Werner, France & Tully before coming to CBS-TV two-and-a-half years ago. Before joining CBS-TV in 1961,

Twentieth Century-Fox TV Inc.
is proud to announce that
"CENTURY I"
is now available for local sale

(Thirty major motion pictures for television from the studios of Twentieth Century-Fox Film Corp.)

"CENTURY I", is the first important group of films to be released in syndication directly by Twentieth Century-Fox. When you review the titles, casts, and credits, we think you'll agree this is indeed an auspicious first. Film for film, fact for fact, figure for figure, you'll find that "CENTURY I" sets a new standard in features for television. Our sales representatives are on their way to you now with the complete details. Or, if you want to know more immediately, Please call: Twentieth Century-Fox TV.

TWENTIETH CENTURY-FOX TELEVISION, INC.
444 West 56th Street, New York 19, New York—COlumbus 5-3320

Chicago: 1260 S. Wabash Avenue, Chicago 5, Illinois—WAbash 2-9625 / Los Angeles: Box 900, Beverly Hills, California, CRestview 6-2211 / Atlanta: 197 Walton Street, N.W., Atlanta 3, Georgia—JAckson 3-4633 | INTERNATIONAL-Cable Address, CENTFOX NEW YORK

Linde was with the law firm of Goldwater & Flynn.

ABC-TV director of research and sales promotion for spot sales, **Walter Stein,** has been promoted to the post of director of research for TV stations. Prior to joining ABC in 1961, Stein was director of research and sales development for WCBS-TV New York, and before that was assistant manager of research at CBS-TV spot sales.

The newly-created CBS Films post of assistant international sales manager has been filled by **Frederick L. Gilson** in order to handle expanding overseas film distribution. Gilson joined CBS Films in 1957, and has been manager of the St. Louis office for the past 17 months.

ABC-TV's sales department has made a triple promotion. **John McAvity** was advanced to coordinator of sales planning, being replaced as manager of nighttime sales service by **Mark Cohen,** whose post as eastern sales service manager was filled by assistant **Yale Udoff,** a former page at NBC.

Charles S. Chaplin has been named vice president and Canadian sales manager for Seven Arts Productions Ltd. Chaplin, who was president of Trans-Canada Distribution Enterprises prior to joining Seven Arts, will be in charge of Canadian television distribution of Seven Arts product including its Warner Bros. and 20th Century-Fox features.

C. George Henderson, who will succeed retiring **Larry Walker,** has been promoted to vice president in charge of television, WSOC-TV Charlotte. With the station since 1957, Henderson was formerly general sales manager. Walker, who has been executive vice president of Carolina Broadcasting Co., which operates WSOC-AM-TV, joined WSOC as vice president in 1953, when it was one of three applicants for channel 9 in Charlotte.

Jim Terrell has been appointed manager of KTVT Fort Worth-Dallas, channel 11 station which was taken over by WKY Television System Inc. Terrell was formerly assistant station manager of WKY-TV Oklahoma City. Before starting his broadcasting career in 1941, he was a correspondent of United Press International News Service.

Joseph C. Drilling has left his post as general manager of WJW-TV Cleveland to become president of Crowell-Collier Broadcasting Corp., Los Angeles. Before Drilling joined WJW-TV 15 months ago, he was executive v.p. and general manager of KJEO-TV Fresno, Calif., for eight years, and prior to that was with McClatchy Broadcasting Co.

Don Sbarra has been advanced to the post of vice president and general manager of KARD-TV Wichita and the Kansas State Network. His former position was v.p.-director of sales.

The midwest TV office of Peters, Griffin, Woodward Inc. has added **Ken Brown, James Parker, John McGowan** and **Bill J. Scharton** to its sales staff. Brown, formerly with Harrington, Righter & Parsons, will be a TV account executive. Parker was with WBBM-TV Chicago for the past four years. McGowan comes to PGW after several years with Weed Television Corp. Scharton's former position was national sales manager of WABC-TV New York.

John E. Pearson has been elected v.p. —international sales for Independent Television Corp. Pearson joined ITC in 1959 as Canadian sales manager.

Arthur Barron is newly-named director of creative programs for Metropolitan Broadcasting Television. In his previous post as editorial supervisor for creative projects, NBC News, he produced *The Nation's Future*. Before he entered broadcasting, Barron taught at the City College of New York and Queens College.

Thomas B. J. Atkins has been promoted to general sales manager of the Canadian company, CTV Television Network Ltd. Atkins joined CTV at its inception last year and was national sales manager.

The Station Representatives Association's Detroit chapter elected **William W. Bryan** president succeeding **Charles Fritz** of the John Blair Co. Bryan is v.p. in charge of the Detroit office of Peters, Griffin, Woodward. Other newly-elected officers who will serve for one year are vice president **William E. Morgan,** Adam Young Companies; secretary **Michael J. Lutomski,** The Katz Agency Inc., and treasurer **Geno Cioe,** H-R Representatives Inc.

Glenn H. Flinn, president of Television Cable Service, Texas, was re-elected to a one-year term as national chairman of the National Community Television Association. Other newly-elected officers are: **Fred G. Goddard,** president of Harbor Television Corp.; secretary **Benjamin J. Conroy Jr.,** president of Uvalde Television Cable Corp., and **M. William Adler,** president of Weston Television Cable Corp., who was reelected treasurer.

Newly appointed director of business affairs, CBS-TV Hollywood is **Daniel Sklar,** who has been director of business and legal affairs for Ziv-United Artists in Hollywood. Prior to that he was with the New York law firm of Dewey, Ballantine, Bushby, Palmer & Wood.

Aubrey W. Groskopf has been appointed to the newly-created post of director of commitments, talent and properties, business affairs department, CBS-TV. Groskopf joined the business affairs staff in 1958 and was transferred in 1960 to the Hollywood office as assistant to the v.p. of business affairs.

Kudner Agency has elected **Howard Colwell** v.p. and copy director, and **Stanley Freeman** v.p. and senior art director. Colwell joined Kudner in 1959 as copywriter. Freeman at one time was associate editor in charge of format at the *Ladies' Home Journal.*

Mary Ayres, who is management supervisor on the Noxzema Chemical Co. account, has been elected a senior v.p. of Sullivan, Stauffer, Colwell & Bayles.

William Santoni, who joined Geyer, Morey & Ballard in May, has been named media buyer. His former position was media buyer with Cunningham & Walsh.

J. Lewis Ames will join the Kudner Agency as v.p.-secretary and treasurer and member of the board of directors. He was formerly assistant director of business affairs, CBS-TV, and prior to that v.p. and secretary of Erwin Wasey, Ruthrauff & Ryan.

Robert E. Philpot has been appointed sales coordinator for CBS-TV. Philpot, who joined the network in 1951, has been director of sales service since September 1961. END

■ Central New York has long viewed the advent of a third television station with eager anticipation. As of September 9, they will be viewing WNYS-TV. They'll like what they see.

■ Central New York has never before viewed the program offerings of a full ABC-TV affiliate. They will do so eagerly.

■ Imaginative local programming plus top-rated syndicated shows will augment the ABC-TV lineup.

■ A full-saturation advertising and promotion campaign, now in effect, has generated plenty of audience excitement already and will continue to insure market dominance.

HERE'S THE NEW VIEW

WNYS-TV

COLORFUL CHANNEL 9

and here's why WNYS-TV is a better buy right now

■ For several years, Central New Yorkers have had a "pre-view" of what ABC-TV has to offer. Ratings have been high. Check last year's figures for Syracuse on these programs carried this season by WNYS-TV:

THE UNTOUCHABLES
DONNA REED
MY THREE SONS
WAGON TRAIN
THE FLINTSTONES
BEN CASEY
77 SUNSET STRIP
LAWRENCE WELK

WNYS-TV SYRACUSE TELEVISION MARKET DATA

Population	1,732,600
Total Retail Sales	$2,176,152,000
Food Sales	$529,940,000
Drug Sales	$64,963,000

(source: Sales Management "Survey of Buying Power" June, 1962)

TV Homes	461,600

(source: Television Magazine August, 1962)

WNYS-TV's total service area encompasses 21 wealthy counties. The Syracuse Metro area, at the crossroads of New York State, has long been recognized as one of the country's top test markets.

HERE'S WHAT CENTRAL NEW YORKERS WILL VIEW ON

WNYS-TV

COLORFUL CHANNEL 9

MORNING PROGRAMS

<table>
<tr><th>TIME</th><th>SUNDAY</th><th>MONDAY</th><th>TUESDAY</th><th>WEDNESDAY</th><th>THURSDAY</th><th>FRIDAY</th><th>SATURDAY</th></tr>
<tr><td>7:00</td><td></td><td colspan="5"></td><td></td></tr>
<tr><td>8:30</td><td></td><td colspan="5">ROMPER ROOM</td><td></td></tr>
<tr><td>9:00</td><td></td><td colspan="5">"JACK LA LANNE SHOW"</td><td>CARTOONS</td></tr>
<tr><td>9:30</td><td>VARIOUS PUBLIC INFO PROGRAMS</td><td colspan="5">SILVER DOLLAR JUBILEE</td><td>WNYS-TV TALENT SHOW</td></tr>
<tr><td>11:00</td><td></td><td colspan="5">"TENNESSEE ERNIE FORD SHOW"</td><td>MAKE A FACE</td></tr>
<tr><td>11:30</td><td></td><td colspan="5">YOURS FOR A SONG</td><td>TOP CAT</td></tr>
</table>

AFTERNOON PROGRAMS

<table>
<tr><th>TIME</th><th>SUNDAY</th><th>MONDAY</th><th>TUESDAY</th><th>WEDNESDAY</th><th>THURSDAY</th><th>FRIDAY</th><th>SATURDAY</th></tr>
<tr><td>12:00</td><td>VARIOUS PUBLIC INFO PROGRAMS</td><td colspan="5">JANE WYMAN PRESENTS</td><td>BUGS BUNNY</td></tr>
<tr><td>12:30</td><td></td><td colspan="5">CAMOUFLAGE</td><td>MAGIC OF ALLAKAZAM</td></tr>
<tr><td>12:55</td><td></td><td colspan="5">ABC MID DAY REPORT</td><td></td></tr>
<tr><td>1:00</td><td></td><td colspan="5">DIVORCE COURT</td><td>VARIOUS PUBLIC INFO PROGRAMS</td></tr>
<tr><td>2:00</td><td></td><td colspan="5">DAY IN COURT</td><td></td></tr>
<tr><td>2:30</td><td></td><td colspan="5">SEVEN KEYS</td><td></td></tr>
<tr><td>3:00</td><td></td><td colspan="5">QUEEN FOR A DAY</td><td>CHANNEL NINE DANCE PARTY</td></tr>
<tr><td>3:30</td><td>AMER. FOOTBALL LEAGUE</td><td colspan="5">WHO DO YOU TRUST</td><td></td></tr>
</table>

AFTERNOON PROGRAMS (Cont.)

<table>
<tr><th>TIME</th><th>SUNDAY</th><th>MONDAY</th><th>TUESDAY</th><th>WEDNESDAY</th><th>THURSDAY</th><th>FRIDAY</th><th>SATURDAY</th></tr>
<tr><td>4:00</td><td>AMERICAN FOOTBALL LEAGUE</td><td colspan="5">AMERICAN BANDSTAND</td><td>CHANNEL NINE DANCE PARTY</td></tr>
<tr><td>4:30</td><td></td><td colspan="5">DISCOVERY</td><td></td></tr>
<tr><td>4:50</td><td></td><td colspan="5">AMERICAN NEWSSTAND</td><td></td></tr>
<tr><td>5:00</td><td></td><td colspan="5">SUPERMAN</td><td>ABC'S WIDE WORLD OF SPORTS</td></tr>
<tr><td>5:30</td><td></td><td colspan="5">AMOS 'N ANDY</td><td></td></tr>
<tr><td>5:45</td><td>SCOREBOARD</td><td colspan="5"></td><td></td></tr>
</table>

EVENING PROGRAMS

<table>
<tr><th>TIME</th><th>SUNDAY</th><th>MONDAY</th><th>TUESDAY</th><th>WEDNESDAY</th><th>THURSDAY</th><th>FRIDAY</th><th>SATURDAY</th></tr>
<tr><td>6:00</td><td>TBA</td><td colspan="5">WEATHER — NEWS — SPORTS</td><td>WIDE WORLD SPORTS</td></tr>
<tr><td>6:15</td><td></td><td colspan="5">ABC EVENING REPORT</td><td></td></tr>
<tr><td>6:30</td><td>VALIANT YEARS</td><td colspan="5">ADVENTURES IN PARADISE</td><td>DIVORCE COURT</td></tr>
<tr><td>7:00</td><td>FATHER KNOWS BEST</td><td colspan="5"></td><td></td></tr>
<tr><td>7:30</td><td>JETSON'S</td><td>CHEYENNE</td><td>COMBAT</td><td>WAGON TRAIN</td><td>OZZIE & HARRIET</td><td>GALLANT MEN</td><td>ROY ROGERS & DALE EVANS</td></tr>
<tr><td>8:00</td><td>ABC'S SUNDAY NIGHT AT THE MOVIES</td><td></td><td></td><td></td><td>DONNA REED</td><td></td><td></td></tr>
<tr><td>8:30</td><td></td><td>RIFLEMAN</td><td>HAWAIIAN EYE</td><td>GOING MY WAY</td><td>LEAVE IT TO BEAVER</td><td>FLINT-STONES</td><td>MR. SMITH GOES WASH.</td></tr>
<tr><td>9:00</td><td></td><td>STONEY BURKE</td><td></td><td></td><td>MY 3 SONS</td><td>DICKENS & FENSTER</td><td>LAWRENCE WELK</td></tr>
<tr><td>9:30</td><td></td><td></td><td>UNTOUCH-ABLES</td><td>OUR MAN HIGGINS</td><td>McHALE'S NAVY</td><td>77 SUNSET STRIP</td><td></td></tr>
<tr><td>10:00</td><td>VOICE OF FIRESTONE</td><td>BEN CASEY</td><td></td><td>NAKED CITY</td><td>ALCOA PREMIERE</td><td></td><td>FIGHT OF WEEK</td></tr>
<tr><td>10:30</td><td>HOWARD K. SMITH</td><td></td><td>CLOSEUP</td><td></td><td></td><td>HENNESEY</td><td></td></tr>
<tr><td>10:45</td><td></td><td></td><td></td><td></td><td></td><td></td><td>SPORTS FINAL</td></tr>
<tr><td>11:00</td><td colspan="7">WEATHER — NEWS — SPORTS</td></tr>
<tr><td>11:15</td><td>HONG KONG</td><td colspan="5">STEVE ALLEN SHOW</td><td>HOLLYWOOD SPECIAL</td></tr>
<tr><td>12:45</td><td colspan="7">SIGN OFF</td></tr>
</table>

AND HERE'S A LOOK AT THE WNYS-TV RATE GUIDE

***CLASS "AA"**
7:31-10:59 pm Daily

	1-51 WKS	52 WKS
30 Seconds or more	$450	$360
20 Seconds	350	280
10 Seconds	150	120

***CLASS "A"**
6:31-7:30 pm Daily

	1-51 WKS	52 WKS	5 PLAN 1-51 WKS	5 PLAN 52 WKS	10 PLAN 1-51 WKS	10 PLAN 52 WKS
30 Seconds or more	$325	$260	$240	$192	$200	$160
20 Seconds	270	216	220	176	180	144
10 Seconds	120	96	100	80	80	64

***CLASS "B"**
6:00-6:30 pm Daily • 10:59-11:15 pm Daily

	1-51 WKS	52 WKS	5 PLAN 1-51 WKS	5 PLAN 52 WKS	10 PLAN 1-51 WKS	10 PLAN 52 WKS
30 Seconds or more	$275	$220	$210	$168	$170	$136
20 Seconds	220	176	170	136	140	112
10 Seconds	100	80	80	64	60	48

*6:30 pm, 11:00 pm take the lower rate and are planable.
7:30 pm takes the lower rate and 5 Plan only.

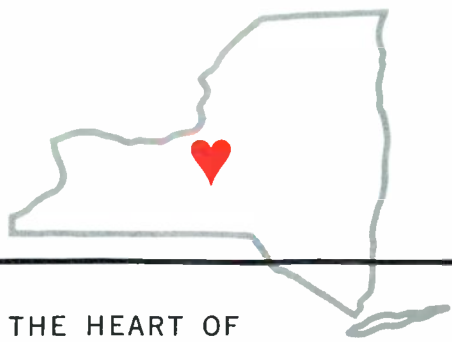
CLASS "C"
5:00-6:00 pm M-F

	1-51 WKS	52 WKS	5 PLAN 1-51 WKS	5 PLAN 52 WKS
30 Seconds or more	$220	$176	$170	$136
20 Seconds	180	144	140	112
10 Seconds	80	64	60	48

CLASS "D"
S.O.-5:00 pm M-F • S.O.-6:00 pm Sat & Sun
11:15 pm-S.O. Daily

	1-51 WKS	52 WKS	5 PLAN 1-51 WKS	5 PLAN 52 WKS	10 PLAN 1-51 WKS	10 PLAN 52 WKS
30 Seconds or more	$140	$112	$100	$ 80	$ 70	$ 56
20 Seconds	120	96	80	64	40	32
10 Seconds	50	40	30	24	20	16

WNYS-TV . . . Now selling the heart of Wonderful New York State



THERE'S A NEW VIEW
IN SYRACUSE

THE HEART OF
WONDERFUL NEW YORK STATE

PUT YOURSELF IN THE COLORFUL PROFIT PICTURE

PRESENTED BY THE NEW VIEW IN THE HEART OF WONDERFUL NEW YORK STATE

WNYS-TV

REPRESENTED BY

PETERS, GRIFFIN, WOODWARD, INC.

CALL YOUR CLOSEST COLONEL NOW!

NEW YORK, 250 Park Avenue	YUKon 6-7900
CHICAGO, Prudential Plaza	FRanklin 2-6373
DETROIT, Penobscot Bldg.	WOodward 1-4255
PHILADELPHIA, 12 South 12th Street	WAlnut 3-0455
BOSTON, Statler Office Building	HUbbard 2-6884
ATLANTA, 1372 Peachtree St., N.E.	TRinity 5-7763
MINNEAPOLIS, First National Bank Building	333-2425
ST. LOUIS, Paul Brown Building	CHestnut 1-3171
DALLAS-FT. WORTH, Fidelity Union Life Building	RIverside 7-9921
LOS ANGELES, 5455 Wilshire Blvd.	WEbster 8-3585
SAN FRANCISCO, Russ Building	YUkon 2-9188

OR

CHECK DIRECT WITH WNYS-TV
SHOPPINGTOWN, DEWITT
TELEPHONE: 446-4780

PERSONNEL

President & General Manager	William H. Grumbles
Sales Manager	Robert Baird
Program Director	Jeff Davidson
Chief Engineer	John Carroll

MAILING INSTRUCTIONS

Address all business correspondence to:
WNYS-TV, Shoppingtown, Dewitt, N. Y.

AGENCY COMMISSION

15% to recognized agencies on net billing for telecast time. No cash discount

GENERAL ADVERTISING

Affiliated with ABC Television Network

SPECIAL FEATURES

COLOR-Originates and transmits. Local film color rates on request

LIVE TALENT & PRODUCTION

Rates on request

SERVICE FACILITIES

Address all film, slides, copy instructions and props to operations desk.

POLITICAL

All regular rates apply.

FOCUS ON NEWS

First half of '62 looks good for TV; Profits declined in '61; NBC cuts compensation

Almost any way one cares to consider it television has looked increasingly good through the first half of 1962. As summer slipped by the statistics piled up to indicate that advertisers are going for television—daytime and night, entertainment and public affairs, cold weather and hot—like trout after May flies.

In terms of mere money, the parent companies of the three television networks report their best half-years in history.

AB-PT says its ABC Broadcasting Division had its most profitable half-year ever.

CBS Inc. reported all-time records in both net income and sales for the six months.

RCA said both its own and NBC's profits and sales reached new highs for the first half.

CBS Inc. board chairman William S. Paley and president Frank Stanton told that company's stockholders that revenues for all of broadcasting ran an estimated 13% higher in the first quarter than in the previous year.

(For more details, see "Focus on Business," page 7.)

The news was welcome. It came at a time when the official FCC revenue figures for 1961 reported the industry had suffered an overall decline in profits —$7.1 million—from the 1960 figures. This despite a $49.7 million increase in revenues. The culprits were an increase of $56.8 million in expenses and a decline of $8.9 million in network operation profits (not counting owned and operated stations and before taxes). The situation was somewhat remedied when returns came in from network o&o stations and 525 other television stations, whose profits were $1.8 million ahead of 1960.

Television set production was up for the six months, too, according to Electronics Industries Association, which gave the January-June 1962 figure as 3,295,501, compared to 2,801,136 for the same period in 1961.

One television entity, the Canadian Broadcasting Corp., didn't look so good. CBC reported that as of March 31, the end of its fiscal year, its advertising revenue was down $4.69 million from the $37.6 million reported the previous fiscal year and blamed the losses on competition from the new privately-owned Canadian Television Network; CBC said that revenues were $10 to $12 million less than that which could have been expected without CTV's competition.

CTV, meanwhile, is preparing a live television network this fall. That network plans to start its second year in September.

NBC-TV becomes the second TV network to act to right the "economic imbalance" in revenues from networking: that network announced a 5% reduction in compensation to affiliates effective next Jan. 1. CBS-TV already had announced a similar cut in affiliate compensation, also effective Jan. 1, after noting that the increasing costs of programming have reduced the network's share in the affiliate-network financial relationship.

The NBC-TV rate reduction was achieved through a reduction in daytime advertising rates to about 35% of nighttime and discontinuance of certain discounts to the advertiser to offset the reduction. The network, as a concession to affiliates, agreed to double the number of daytime station breaks and to increase other local availabilities.

NBC-TV explained that the pay cut is essential to protect the "vitality" of programming and that it has no plans for further reductions, although "no company can commit its course of action over a long-range period."

ABC-TV is said to be just as concerned about the so-called economic imbalance but has announced no plan to overcome it; that network did announce new daytime rates, including an increase of about 10% in time charges to advertisers, and ABC-TV put daytime sales on a flat commercial-minute basis covering both time and talent.

With that lid nailed down for a while by two networks, all three turned to another proposal they feel would upset the network-affiliate relationship: the FCC's proposal to require that affiliation contracts be made of public record.

Although none will talk for attribution, all three TV networks plan to oppose it on grounds such a contract is nobody's business but that of the two parties involved.

Not many broadcasters have been able to laugh at the grim humor in a proposal by FCC Chairman Newton N. Minow during an interview on *Meet the Press* (NBC-TV, July 22). Mr. Minow suggested that if broadcasters cannot enforce the NAB code, then the FCC might adopt the code as the agency's rules. The proposal was even less funny when Commissioner Robert E. Lee made it again Aug. 11 in a speech.

Most of the biggest TV set manufacturers have agreed that July 1964 is a reasonable deadline for a changeover to full production of all-channel TV sets. Electronics Industries Association has reported to the FCC, at that agency's request. The set-makers also have agreed on minimum tuning standards for UHF

NEWS *continued*

and that information has been forwarded to the FCC, the association reports, again at the FCC's request.

The American Bar Association voted at its San Francisco convention to delay consideration of a special committee's 100-page report on Canon 35—which prohibits camera and microphone coverage of courtroom proceedings—until next February.

A federal judge (U. S. District Judge William T. Sweigert of the Southern District of Idaho) has ordered a Twin Falls community antenna system, Cable Vision Inc., not to carry programs which simultaneously duplicate those on a local station, KLIX-TV Twin Falls, which, he said, holds first run rights.

The House has approved a fiscal 1963 budget of $14.4 million for the FCC, $262,000 less than requested by the Budget Bureau, but $1,830,000 more than the fiscal 1962 appropriation. Most of the increase is for installation of a computer system for expected operating efficiencies, for administration of the agency's new space communications program and for new monitoring equipment. The bill went to the Senate for consideration.

The United Kingdom's House of Lords unanimously approved the government's White Paper issued after the Pilkington Report on the future of broadcasting. But in the House of Commons, where power is greater than in the upper house, Postmaster General Reginald Bevins differed with the Pilkington Report's criticism of commercial TV. He said the report is lacking in "balance." The government's White Paper approves most of the Pilkington Report's recommendations for extending British Broadcasting Corp. activity in radio and TV, but postpones any decision on the future of commercial TV, which its critics feel is, among other things, making too much money.

A band of liberals in the Senate fought every step of the way against the House-passed bill for a private corporation, to be owned 50-50 by communications common carriers and private investors, for operating a satellite communications system for global television. In their efforts in favor of a government-owned authority, they delayed the bill in the Senate by filibuster and hearings in the Senate Foreign Relations Committee until the Senate invoked its rarely used (not since 1927) cloture procedure to bring the bill to a vote. The final outcome: 66-11 in favor.

The FCC made final its shift of ch. 2 from Springfield, Ill., to St. Louis, effective Aug. 27, gave KTVI (TV) a four-month license for ch. 2, and ordered the station to file a renewal application by Sept. 27. The FCC also set a hearing on the complex transaction involving the exchange of NBC's WRCV-AM-TV Philadelphia and RKO's WNAC-AM-TV and WRKO (FM) Boston.

The Committee for Competitive Television, an organization of UHF stations, has been reactivated.

The Justice Dept. has hinted to movie producers that they'd better not withhold programs from RKO General's test of Phonovision pay TV on WHCT (TV) Hartford, Conn.

Mach-Tronics, defendant in a suit by Ampex Corp. on charges the new company used confidential information furnished by former Ampex employes to develop its portable TV tape recorder, has counter-sued Ampex, charging that company conspired with RCA to destroy Mach-Tronics and thus smother competition.

MCA has dissolved its talent agency business in an agreement with the Justice Dept. by which the company continues in television program production. The agreement precludes representation of any of MCA's former talent roster of 1,400 people by MCA employes establishing new agencies.

Although the Federal Trade Commission's investigation of the TV rating services continues, nobody will talk about it, neither the FTC nor the ratings services and others being investigated. The FTC inquiry was started at the request of Chairman Warren G. Magnuson (D-Wash.) of the Senate Commerce Committee.

The biggest community antenna transaction yet is the purchase of 18 systems scattered in nine states for $10 million from C. A. Sammons, Dallas, by Televents Corp.

Canada's Board of Broadcast Governors has proposed a change in its rules to require all licensed TV stations to carry certain national events such as the Grey Cup football game; they would share in the ad revenue. The board also has announced in its annual report that the Canadian TV system is not far enough along for inauguration of color TV.

If television has had radio's back to the wall, Television Bureau of Advertising isn't one of those who would show mercy. TvB points out to its member stations the advantages to them of a device that can be installed in automobiles to pick up the audio portion of television programs, and thus, as a TvB spokesman said, "penetrate an area now left to radio."

Look, ma! No picture! END

SELL

BIG

in 6 of America's Top 10 Markets

Sell big on the chain that's big in six of America's top ten markets, plus one of the South's richest areas. How big? RKO General sells your product in areas populated by over 70 million consumers. And RKO General delivers the cream . . . puts you in tight touch with people who are interested in your message and have the buying power to act. That's because RKO General captures their interest and wins their respect with mature programming that sets your message in a framework of imagination and excitement. Discover the big new dimensions in sales on America's biggest, most powerful independent radio and TV chain. Call your nearest RKO General Station or your RKO General National Sales Division man.

RKO GENERAL ™

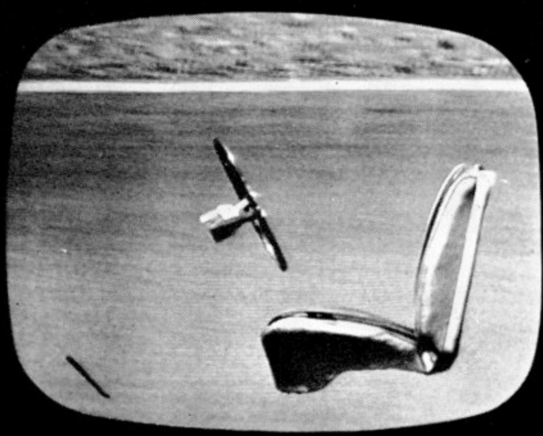
A GENERAL TIRE ENTERPRISE

NATIONAL SALES DIVISION OFFICES

New York: Time & Life Building, LOngacre 4-8000
Chicago: The Tribune Tower, 644-2470
Hollywood: 5515 Melrose, HOllywood 2-2133
San Francisco: 415 Bush St., YUkon 2-9200
Detroit: Guardian Bldg., WOodward 1-7200
Atlanta: 1182 W. Peachtree N.W., TR 5-9539
Dallas: 2533 McKinney Street, RIverside 2-5148
Denver: 1150 Delaware Street, TAbor 5-7585

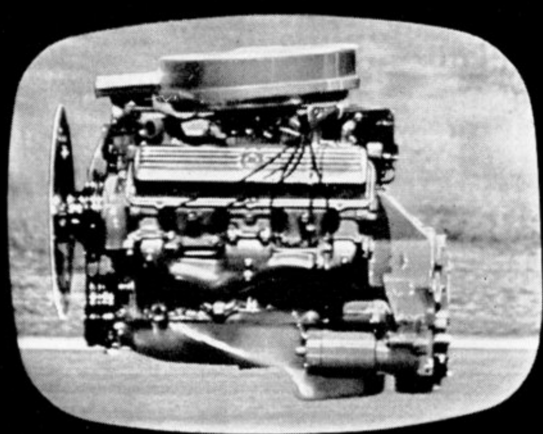
NEW YORK WOR-AM/FM/TV **LOS ANGELES** KHJ-AM/FM/TV
DETROIT CKLW-AM/FM/TV **BOSTON** WNAC-AM/FM/TV THE YANKEE NETWORK **MEMPHIS** WHBQ-AM/TV
SAN FRANCISCO KFRC-AM/FM **WASHINGTON, D.C.** WGMS-AM/FM

SPECIAL EFFECTS—NO LAB DETOUR!



2. Seat, steering wheel, gas pedal were added at the studio, using VideoScene, a high-quality electronic matting process.

3. Presto! The driver's in the picture, too. VideoScene process masked out supporting platform, steering column, other unwanted elements.



5. A close-up of the engine, shot in the studio and matted against highway background, was no problem with VideoScene.

6. A superimposed slide completes the teaser commercial, which shows the ride, but keeps new-car styling a well-guarded secret.

Magnetic Products Division 3M COMPANY

PLAYBACK

PLAYBACK

A monthly measure of comment and criticism about TV

Brigadier General David Sarnoff, board chairman, RCA, addressing the Law and Layman Conference of the American Bar Association in San Francisco on "Communications and the Law":

Our communications policies, as they now stand, offer striking examples of the difficulties in designing the future based on blueprints of the past.

These random policies governing today's operations have evolved principally from the separate historic development of the land-line telegraph, ocean cables, wireless telegraphy, the radio telephone and national and international broadcasting. Some of these policies began in the middle of the last century. All of them are regulated by laws based more on tradition than on the needs of an expanding society in a changing world of science and technology.

Thus monopoly was made lawful in some areas of communications and unlawful in others. International communications were held distinct from domestic. In the international field, monopoly and competition were created side-by-side. Meanwhile, the march of science has erased the line that separated telephony from telegraphy, has created new forms of record communications, such as teletypewriter and facsimile—and also has made world-wide communications possible from inland and seaboard cities.

The recently proposed communications satellite corporation establishes a form of legal monopoly, but the communications companies authorized to participate in its ownership—most of them at least—will still be in competition with each other, and perhaps in competition as well with the satellite corporation of which they are part.

The public telephone service within the United States is a monopoly sanctioned by law. So is the public telegraph service. When telephony extends overseas, it is also a monopoly: but not so with international telegraphy. Here, 10 American companies, operating in the international telegraph field, must compete for traffic which at the foreign end is usually handled through government monopoly. Rates and services are subject, in each case, to mutual agreements which must be negotiated by American private competitors with the foreign government monopolies. These organizations can—and some on occasion do—play one company against the other with resultant disadvantage to American companies and the American public.

The proposed new communications satellite corporation presumably will be able to grant authorized communications companies the right to transmit both voice and record messages through the satellite. But the satellite is only one link in a communications chain between the sender and the receiver. If an American carrier of international traffic has the right to send both voice and record over the satellite but is not allowed to interconnect freely with the corresponding domestic services, its effective use of the satellite is denied. And, even if it can interconnect with domestic facilities via the satellite, but is forbidden to do so over its standard cable or radio services which will continue to be used, it will still suffer an unwarranted handicap.

These are not details of parochial concern to one industry. Communication is the main artery of modern civilization, linking every function of the nation and the community of nations.

The substance of the matter is this: Will the application of the present laws, as they relate to communications, assure for this country the full benefits of science and technology, or will progress delayed result in progress denied?

Clearing away the obstacles and inconsistencies I have described is only one of the challenges posed by the onrush of communications progress. Very shortly, we must come to grips with a number of conditions, many without precedent, arising from the fact that a satellite communications system, by its very nature, will place new tests and burdens upon international working relationships.

We will take a meaningful step forward through the establishment of a communications satellite corporation—and the Kennedy Administration deserves commendation for its foresight and initiative in advancing this project. The White House also recently revealed plans to undertake a study of international television requirements in the satellite era. In addition, this country has developed proposals on frequency allocations for space radio communications to be considered at an international telecommunications conference which may be held next year.

My observations today, of course, are not intended, in any way, to suggest that we halt or delay our plans for establishing a satellite communications service at the earliest possible date. Our national interests and prestige call for our country to capitalize on its present leadership and to become the first to establish an operational system of satellite communications.

Nevertheless, it seems to me this is the time to set about establishing a basic national policy which will bring coherence and viability to our entire communications service. We should, before we are swept into the turbulence of coming events, make a concerted effort

ΠΟΤΈ ΣΤΗΝ́ ΚΥΡΙΑΚΗΝ́

"NEVER ON SUNDAY"

The Greeks had a word for it . . . several words, in fact. Yes, self-discipline is the core of a civilized society. Stated simply, it means doing what you should do, not just what you want to do.

Like people, organizations need self-discipline. Individual standards differ. Cooperatively-set standards are "convenient and necessary" to insure acceptable performance and to preserve the integrity of the whole. In broadcasting this is achieved by The Radio and Television Codes.

Finding fault with the Codes is a popular pastime. Like cooperative or democratic government, cooperative self-regulation is sometimes halting, circuitous and leveling. But this is the price of living together in a complex interrelated industry. "Life in society," observed Will Durant, "requires the concession of some part of the individual's sovereignty to the common order."

Yes, the Greeks had a word for it: "ΠΟΤΈ ΣΤΗΝ́ ΚΥΡΙΑΚΗΝ́." Freely translated it means "Never on Sunday," which after all is one kind of self-regulation. Corinthian goes further. It observes The Radio and Television Codes on Sundays, Mondays and all ways.

Responsibility in Broadcasting

THE CORINTHIAN

to determine our interest and needs, and adjust our national posture accordingly.

I would consider the following questions as among those urgently in need of study and resolution if we are to secure all the public benefits modern science and technology promise us:

1. Will our nation's interests in the space age be served well and adequately by preserving the present pattern among communications services, with all the illogical limitations and unnecessary handicaps under which American companies now must operate? Or, should we create by law a new pattern cut to the public interest and the capabilities of modern science?
2. What measures should be taken to assure the most efficient and economical use of frequencies and facilities employed in domestic and international communications—whether by satellites or other means?
3. What principles of international agreement should govern participation by foreign nations in the ownership and use of an American global satellite communications system? Conversely, on what reciprocal basis would we be permitted to participate in such satellite systems as may be established by foreign countries?
4. What authorities should be established for adjudicating possible differences and conflicts among international participants and users of the new space communications system?
5. What agreements should be sought to guarantee freedom of the content of satellite radio and television broadcast transmissions, particularly in view of the differing cultures, ideologies and conflicting philosophies of operation now prevalent?
6. What means should be used for assisting less developed countries to establish ground facilities linking them with communications satellites, particularly where extension of the service will not be economical from a commercial standpoint?

Of these six questions requiring resolution, I place the highest priority on the first. I do so because I believe our nation will not realize a full return on its formidable contributions to communication technology as long as we maintain the present illogical structure in the international communications field.

From time to time, several different proposals have been advanced for solving this complex problem. Based on long experience in this field, my own belief is that the most practical solution would prove to be the creation of a single, privately-owned American company, uniting the facilities and operations of the present competing U. S. carriers, in the international communications field. This company should be completely independent in its policies and operations, subject only to appropriate Government regulations.

Such a unified company would be able to render a complete service to the public with all the advantages made possible by modern science and technology. And surely there is every logical reason for such a company to give further cohesion to our entire communications structure by interconnecting the flow of its international traffic with established domestic facilities.

Through these steps, our international communications services would become more flexible, more convenient and more economical to the public—at home and abroad. And our unified American company would be able, for the first time, to deal on equal terms with foreign government monopolies.

Above all, this plan for unity would eliminate the present weaknesses in our communications structure and secure for America a position of strength commensurate with our nation's contributions to world-wide communications.

Norman Cousins, editor of the "Saturday Review," delivering a commencement talk at the University of Texas, Austin:

The idea that a glass box can light up from the inside and make it possible for the individual to witness events far away is surely one of the most magnificent ideas to come out of the inventive intelligence. Television still has this potential and some day, Mr. Minow willing, it may achieve it. At present, and for the most part, however, it has depressed individuality rather than expanded it. I make note of all the good things it has done, but its total effect has been to cheapen respect for life. The insistence of television on making people clobber one another constantly with fists or clubs, on making them fire bullets at each other—all this is having a debilitating effect on the preciousness and fragility of life, without which there can be no true respect for human individuality.

A casual attitude toward human hurt and pain is the beginning of the end of a free society. Long before a child learns how to read he learns how to turn on a television set. He is quickly introduced to a world of howling drunks, pampered idiots, wild-swinging and trigger-happy bullies, and gyp artists. He learns that sex is just another toy, and that there are always flashier ones for the taking. He learns that the way to express your disagreement with a man or your distaste for him is to clout him in the kisser or pour hot lead into his belly.

Education is not just what takes place in a building marked "school." Education is the sum total of all the experiences and impressions to which a young and plastic mind is exposed. The parent who insists on sending his child to the finest schools, but who sees no problem in allowing that child to spend at least an equal amount of time looking at TV gangster serials or Mickey Spillane, should not be surprised if the mind of his offspring gives back the meanness and the sordidness put into it.

A free society—at least, this free society—has certain propositions that have gone into its making. These propositions aren't all political. One of the main propositions that had a certain vitality at the time this particular society was founded was that the individual man has a natural goodness inside him, that he is capable of responding to truth, that he is endowed with the capacity to recognize beauty and be enlarged by it.

These propositions, I submit, are now under attack—and not just by television. Whether with respect to motion pictures, or writing, or art today, I think we can find disturbing evidence that man is being cheapened—and cut down to a size much smaller than by natural rights he ought to be. The epic theme seems to be in retreat on a wide front. There seems to be a fascination with aberrations, a preoccupation with neuroticism, an obsession with aimlessness. The trend is to the harsh, the brassy, the abrasive. Nobility, sacrifice, idealism, beauty—these are too often dismissed as tall corn.

Not long ago, a friend suggested that I see the film "La Dolce Vita." It was, he said, quite remarkable and beautiful. I saw it. It was remarkable, all right; but I didn't see any beauty in it. The photography was striking, and I am even willing that the word beauty be used to describe some of the camera work. But I saw nothing beautiful about the people, or the lives they led, or their emotions, or their values, or what they did. The film was lacking in both sequence and consequence. The only point it had to make was that life was pointless. But what troubled me most of all was not the film itself but that our critical standards have themselves become so desensitized that the film could be called beautiful.

To offset this, fortunately, the other day I saw the Japanese film "The Island." It had no frenzy. It had no bashings or thrashings or wailings. It didn't make heroes of degenerates. It was not afraid of honest emotion. All it did was to show real people trying to cope with real problems. It was concerned with fundamentals of human relationships and response. It dealt with the fact of human devotion, even sacrifice. And because of all this there was an essential beauty in it. According to some definitions, perhaps, the film will be regarded as corny or sentimental. If it is corn, then it is high time we relished the kernel. END

CHEVROLET

WXYZ-TV/ABC

FORD THUNDERBIRD

STUDEBAKER HAWK

RAMBLER

CHRYSLER VALIANT

HOW MANY OF THESE FAMOUS AUTOMOTIVE EMBLEMS CAN YOU IDENTIFY?

What's a TV station's logo doing in there among all those automotive emblems? Well, it's not as strange as it seems at first blush. WXYZ-TV has been inseparably associated with the auto industry from the first day its signal went out over the Detroit area.

Like most Detroiters we live and breathe automobiles. When we built our huge, new Broadcast House in suburban Southfield, for example, we provided drive-in studios so automobiles can be moved from road to camera with a minimum of difficulty for the filming and video taping of commercials.

Yes, WXYZ-TV is car-oriented. We have the research, facilities and personnel to back automotive advertising with the know-how it needs and deserves. No wonder nearly every automotive advertising campaign in Detroit includes WXYZ-TV on its schedule. So, while you won't find the big A on the new model cars, you will find the new model cars on the big A . . . and that's WXYZ-TV, ABC IN DETROIT!

WXYZ-TV CHANNEL 7 ABC IN DETROIT

OWNED AND OPERATED BY AMERICAN BROADCASTING-PARAMOUNT THEATRES   REPRESENTED NATIONALLY BY ABC SPOT SALES

LETTERS

KUDOS FOR AUGUST

Having been the beneficiary of the interest of a number of our Florida television stations in presenting to the people of our state programs about their government, I was aware to some extent of the activities of broadcasters in this field, but to come through the pages of TELEVISION MAGAZINE is a revelation.

I think that in this presentation [the August report on "The Many Worlds of Local TV"] you have done a service to the television industry by indicating clearly the steps that local stations are taking to increase the stature and standing of the industry across the nation. GOV. FARRIS BRYANT *Tallahassee, Fla.*

The article dealing with locally produced and locally oriented programs is of great interest, and reflects very high skill in reporting and publishing. This is an area in which I share fully your great interest.... I think the individual broadcaster will be called upon to be more and more resourceful in his response to local programming needs, and the stimulation that TELEVISION MAGAZINE is giving along this line should prove very meaningful. LEROY COLLINS *President, National Association of Broadcasters, Washington, D. C.*

The feature on local programming is excellently done. I have always felt that this important phase of the business does not get the attention it deserves. Your fine article should give it a real boost. ROBERT D. SWEZEY *Director, The Code Authority, National Association of Broadcasters, Washington, D. C.*

Your editors have done a superb job in surveying the range of programming available on our stations throughout the United States. REP. M. BLAINE PETERSON *(D-Utah) Washington, D. C.*

You are to be complimented for the excellent manner in which you have presented a report on the various locally produced and oriented programs presently being broadcast by individual stations. This information is interesting and of benefit to me. REP. ODIN LANGEN *(R-Minn.) Washington, D. C.*

...extremely interesting. REP. HAROLD T. (BIZZ) JOHNSON *(D-Calif.) Washington, D. C.*

...most interesting. SEN. HENRY M. JACKSON *(D-Wash.) Washington, D. C.*

I will find this information very helpful in future legislative proposals. REP. JOE D. WAGGONNER JR. *(D-La.) Washington, D. C.*

There were certainly some very informative articles in this issue regarding local television, which I enjoyed reading very much. GOV. WESLEY POWELL *Concord, N. H.*

...most informative and useful. REP. ROBERT W. KASTENMEIER *(D-Wis.) Washington, D. C.*

...a most interesting publication and I realize the responsibility your industry feels as a major influence on our American culture. REP. OLIN E. TEAGUE *(D-Tex.) Washington, D. C.*

This issue contains a great deal of information that is of interest and will be of value to me when anything in connection with television is under consideration. SEN. OREN E. LONG *(D-Hawaii) Washington, D. C.*

. . .very interesting. REP. JOHN A. BLATNIK *(D-Minn.) Washington, D. C.*

...wealth of information of programming throughout the country. I will keep this magazine in my files for future reference. REP. JOHN J. FLYNT JR. *(D-Ga.) Washington, D. C.*

It is indeed a pleasure to read about the good entertainment and educational opportunities local television presents to its viewers. REP. J. FLOYD BREEDING *(D-Kan.) Washington, D. C.*

Compliments are in order for the fine work which you are doing on this magazine. SEN. VANCE HARTKE *(R-Ind.) Washington, D. C.*

I was pleased to note the variety of locally produced programs. Often times we do not have the chance to reflect on the benefits that each local community has. I believe this is an important service. GOV. MICHAEL V. DISALLE *Columbus, Ohio.*

Last night I took the August issue home and read until my eyes blurred. This weekend I'll finish the job. This is one hell of a good issue, and I wanted to tell you so. [It] cannot help but perform a badly-needed service. THOMAS MEANS *Director, Advertising and Sales Promotion, CBS Television Stations, New York City.*

Congratulations on the special local issue. Now if only TV critics would read it! JOSEPH L. BRECHNER *President,* WLOF-TV *Orlando, Fla.*

READERS' SERVICE

Your cogent study of "Television's Neglected Persuader" [March 1962] is self-suggestive as the basis of broker contact calls. Please send me 25 reprints. RICHARD C. KENT *Sales Service Director,* WTVN-TV *Columbus, Ohio.*

We will appreciate your forwarding five copies of "Television's Neglected Persuader." ALLEN B. WRISLEY *Food Merchandisers Inc., Atlanta, Ga.*

Please send us 200 reprints of your article on "Community Antenna Television: Friend or Foe?" from the June issue. CANADIAN ASSOCIATION OF BROADCASTERS *Ottawa.*

...25 reprints. DAN BELLUS *Transcontinent Television Corporation, New York City.*

...20 reprints. JAMES E. GREELEY *Spear, Hill & Greeley, Washington, D. C.*

I would very much appreciate receiving six reprints of the special TELECAST showing the fall program lineups of the three networks which appeared in your June 1962 issue. WALLACE DUNLAP *Assistant Sales Manager,* KDKA-TV *Pittsburgh.*

...15 reprints of TELECAST. ABBEY LESTER *Broadcast Buyer, McCann-Erickson, New York City.*

...100 reprints of TELECAST. GENE GODT *Manager, Advertising-Sales Promotion,* KYW-TV *Cleveland.*

Just a brief note to tell you that we thought the write-up and excerpts from our "Businessmen re Advertising" article in your July issue were very well done ....Also, your five-year analysis of top advertiser spending is an excellent service feature. STEPHEN A. GREYSER *Assistant Editor, Harvard Business Review, Boston, Mass.*

...30 reprints of the "Top 50 National Advertisers." MICHAEL GRADLE KRCA-TV *Los Angeles.*

[Editor's Note: Complete list of available reprints, with prices, appears on page 90.]

what's the sense in a city fence?

*the Charlotte TV MARKET is First in the Southeast with 595,600 Homes**

Building a fence around a city makes as much sense as using the Standard Metropolitan Statistical Area concept of market evaluation.

Proving the point: Atlanta and Miami have SMSA populations of 1,017,188 and 935,047. The Charlotte SMSA population is 272,111 by comparison . . . **BUT the total Charlotte TV Market is first in the Southeast with 595,600 TV Homes.***

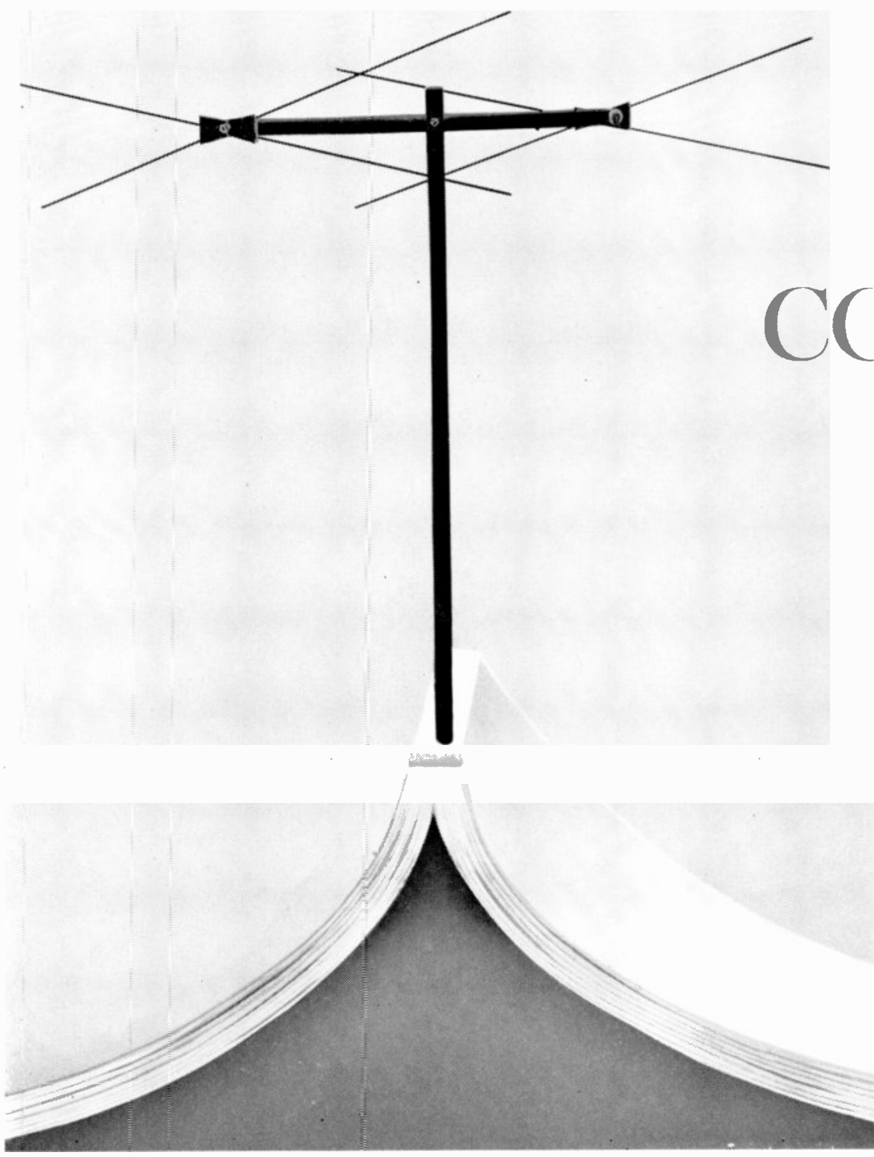
Nailing it down: WBTV delivers 55.3% more TV Homes than Charlotte Station "B."**

COMPARE THESE S.E. MARKETS	
CHARLOTTE	595,600
MIAMI	556.600
ATLANTA	570,600
LOUISVILLE	409.900
NEW ORLEANS	418,200
NORFOLK-PORTSMOUTH	309.000

* Television Magazine—1962
** ARB 1960 Coverage Study—Average Daily Total Homes Delivered

September 1962 Vol. XIX No. 9

TELEVISION



THE MEDIA COMPETITION

The American householder has proved an elusive target for the national advertising media. Since World War II, and especially since the advent of television, they've had to rewrite the rules. Beginning a major series examining the way things stand.

MAGAZINES *A somber choice faces the ex-champs of national ad media: adapt or die*

By Morris J. Gelman

Mass circulation magazines are riding the whirling winds of change. They have no choice; it's change or be counted out. They are trapped in a financial and organizational squeeze. They are struggling with spiraling operational costs and with a bitter and expensive big-fish-eat-smaller-fish competition. They are caught up in a mad and basically destructive race for higher circulation numbers. Finally, they have been forced into reshaping their identities to conform more closely with the scientific, serious and sociologically-minded 1960s.

The competition from television is most often blamed for mass magazines' current plague of troubles. It may be a bum rap. There is no conclusive evidence to show that television has played a substantial part in siphoning away a great many readers or advertisers and their revenues from large circulation magazines.

"Television's relationship to other mass advertising media, especially magazines, can be compared to the jet aircraft's relationship to foreign travel," an advertising agency media executive commented the other week. "Four people travel by plane to foreign destinations for each traveler by ship, but that doesn't mean that the ship lines are going out of business. They're still doing fine. It only means that the introduction of jets has stimulated more overseas travel."

But that analogy tells only half the story. If ship lines are, indeed, "doing fine," it means that they have had to move smartly and aggressively with the times. It means that they have had to recognize the strength and technological advantage of their new competition. It also means they have had to adjust accordingly by making the most of what they can do best. Mostly it means that they have had to accept the fact that they are no longer number 1 in their field. Until the last two years or so these were the bitter truths most mass circulation people refused to swallow. Some believed their troubles were illusionary and would fade away with each succeeding sunrise.

Yet on the surface the magazine business appears remarkably robust. Last year, for example, it's been reported that the 8,600 publications that can be called magazines had a combined circulation of 192 million among readers over 15 years of age, entered 44 million homes and were purchased by readers for some $600 million. The top 100 leading general and farm magazines of the Audit Bureau of Circulations had a combined total circulation of 170,464,699 (an all-time peak), up 10% over 1950's top 100's circulation figures, the year television first made its presence significantly felt. Also, advertisers bought 70,498 advertising pages from the top general and farm magazines and poured some $836,983,480 into their coffers. This was $378,532,152 more than the same groups of magazines collected from advertisers in 1950, although on the basis of 3,051 fewer pages.

But these seemingly impressive statistics are no longer lulling publishers to sweet, untroubled sleep. For they know that, by industry estimates, more than 130 magazines have either folded or been merged out of existence since 1950 (60 during 1959, 1960 and 1961). They know, too, that ad revenues have gone up mainly because rates have been increased, that two out of every five consumer magazines are running at a loss and that profits for the others have taken a nosedive during the last decade. From 1950 through 1960, according to industry accountant James Kobak of J. K. Lasser & Co., 35 of the largest publishers saw their average profits slip 2.6%, from a high of 4.3% to 1.7%. In all, magazines earned 2.8% last year before taxes.

Actually 1961 was a sockingly bad year for the magazine industry. Ad revenues, despite higher rates, dropped some $16 million from the 1960 high of $853,165,143 and ad pages fell off by more than 17,000 pages from the 1956 high of 87,814 and by about 7,000 pages from the 1960 second-high of 77,506 pages.

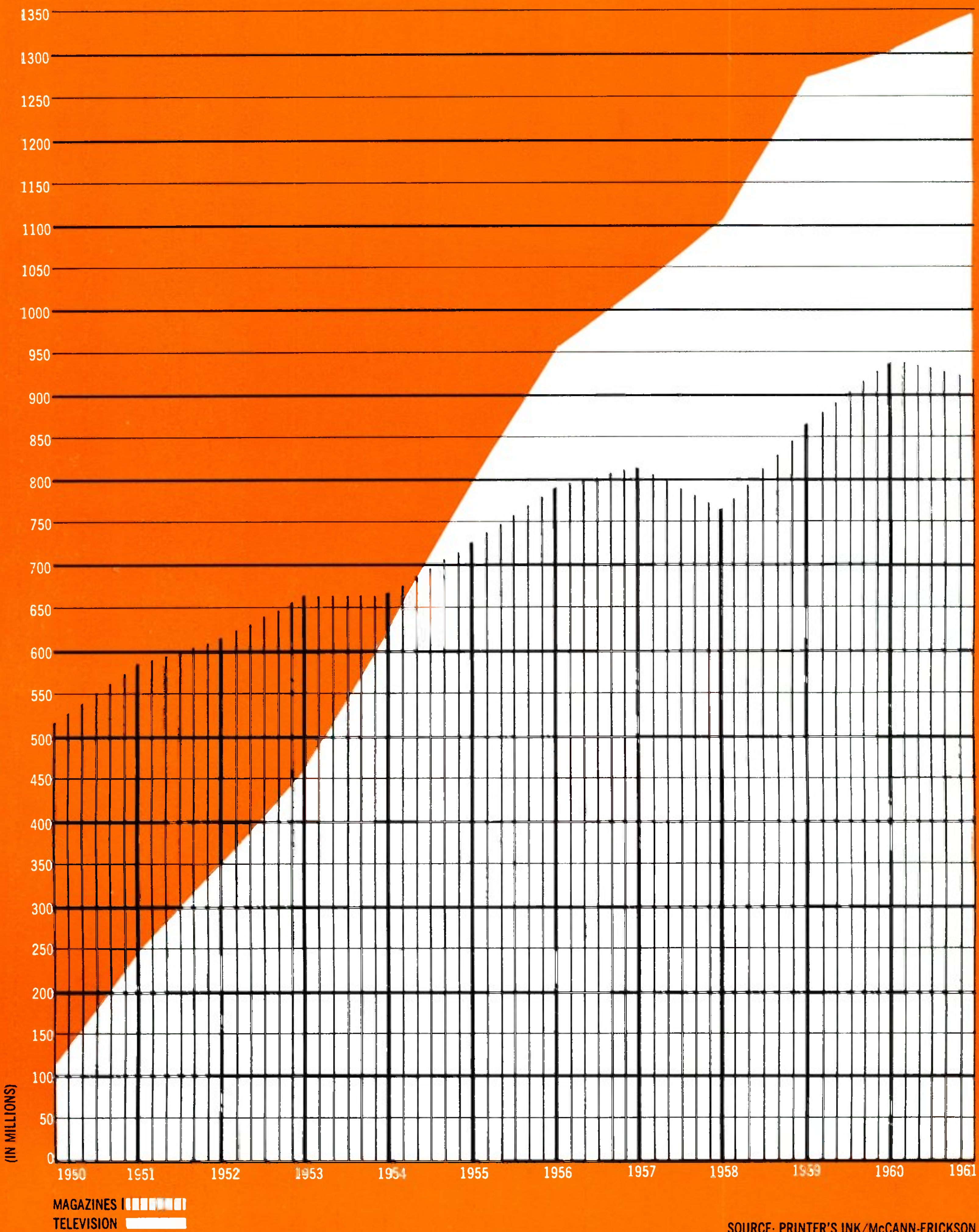
The magazines' tumble from eminence is understandably a difficult fact of life for many of them to accept. Ever since the 1890s, when muckraking publications like *McClure's, Munsey's, Everybody's, Colliers* and *Arena* exposed corruption in politics and business, magazines have held a special place in the American home. They were welcomed as friends who could entertain, educate and excite.

They grew with the country. With the turn of the century, when railroads were first cutting across state lines

MAGAZINES AND TELEVISION:

Two Ways Uphill

Television, the new champion among national advertising media, came from behind to take the title away from magazines (in 1955). This chart shows how national advertising revenues went variously to those two media from 1950 through 1961.



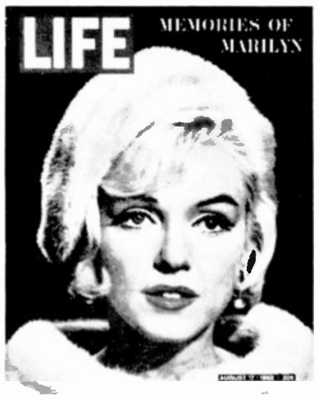
SOURCE: PRINTER'S INK/McCANN-ERICKSON

How things have changed since 1950 for the 19 magazines which billed over $10 million in 1961

*1950 data not applicable

1. LIFE

Ad Revenue	+72%
1961	$138,089,532
1950	80,365,507
Ad Pages	—17%
1961	3,158
1950	3,816
Circulation	+29%
1961	6,845,047
1950	5,316,073

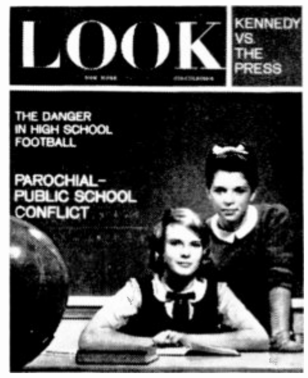


2. SATURDAY EVENING POST

Ad Revenue	+37%
1961	$86,539,596
1950	63,180,611
Ad Pages	—53%
1961	2,071
1950	4,425
Circulation	+66%
1961	6,624,866
1950	4,001,292

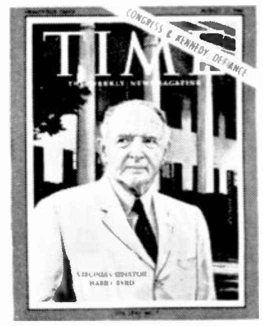
3. LOOK

Ad Revenue	+260%
1961	$63,881,288
1950	17,765,110
Ad Pages	+2%
1961	1,595
1950	1,565
Circulation	+119%
1961	6,854,007
1950	3,134,643



4. TIME

Ad Revenue	+98%
1961	$47,088,774
1950	23,793,870
Ad Pages	—25%
1961	2,505
1950	3,333
Circulation	+63%
1961	2,618,955
1950	1,599,896



MAGAZINES *continued*

and building the country into one great platform, magazines took stage center.

High-speed rotary presses, capable of turning out millions of copies of a magazine in a few days, enough to supply the whole country, were developed. The newly-finished railroads delivered them. The halftone photo-engraving process was also developed, allowing magazines to use pictures cheaply and in profusion instead of expensive woodcuts. For the first time sight and print communication were tied together in one glossy and relatively inexpensive package.

For advertisers the build-up of magazines into a national force was even a more significant event than to the nation's readers. A country was building, industry was burgeoning and products were begging to be sold. Magazines offered advertisers a widespread national circulation. They had a tremendous advantage over newspapers, whose circulations, while more concentrated, were restricted to specific areas. They also offered advertisers with nationwide distribution the enormous opportunity of buying coverage in all possible markets.

For some 25 years the magazine industry ruled the mass advertising roost. Along with the growing motion picture industry, it was the glamour business of the country. In the early 1920s three new magazines, each a unique publishing concept, made their initial appearances. In 1922 it was the *Reader's Digest*, an adless, pocket-size magazine started by DeWitt Wallace. Inexpensively produced, containing condensations of articles, most of which appeared in other publications, the *Reader's Digest* obviously filled a need of the hectic, hurrying times. It was destined to acquire the largest circulation of any single serial publication.

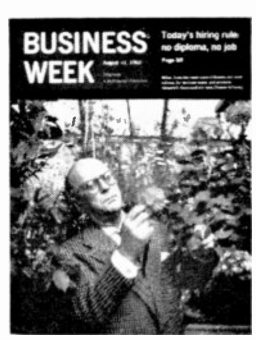
Time, the first weekly news magazine, started in 1923 by Briton Hadden and Henry R. Luce, also answered the mood of an age just over a great war and just getting used to the one-big-world concept. Concise, bright, smartly edited, *Time* set a standard that was to be often copied in the years to come.

Raoul Fleischmann and Harold Ross published *The New Yorker* for the first time in 1925. It brought immediate class and creativity to the magazine field. Selective, sophisticated, sharp, *The New Yorker* was too good to be successfully emulated. It soon became a rare commodity, the only one of its kind, and blue-chip advertisers fought to show their wares in its showcase.

These were the glory days for magazines. They grew fat and content. But by the late 20s an unruly but dangerous newcomer called radio came calling. Undoubtedly, radio

10. GOOD HOUSEKEEPING

Ad Revenue	+38%
1961	$21,141,187
1950	15,373,242
Ad Pages	—45%
1961	981
1950	1,775
Circulation	+66%
1961	5,129,738
1950	3,081,565



11. BUSINESS WEEK

Ad Revenue	+178%
1961	$20,751,453
1950	7,453,266
Ad Pages	+11%
1961	4,207
1950	3,789
Circulation	+91%
1961	389,241
1950	204,030

12. NEW YORKER

Ad Revenue	+189%
1961	$20,012,216
1950	6,919,672
Ad Pages	+46%
1961	5,133
1950	3,522
Circulation	+32%
1961	437,443
1950	331,574

13. U. S. NEWS & WORLD REPORT

Ad Revenue	+535%
1961	$19,600,577
1950	3,086,915
Ad Pages	+117%
1961	2,427
1950	1,116
Circulation	+212%
1961	1,249,471
1950	400,828

14. TV GUIDE*

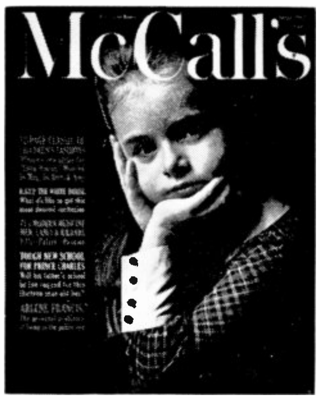
Ad Revenue	+748%
1961	$17,177,701
1955	2,026,098
Ad Pages	+219%
1961	958
1955	300
Circulation	+133%
1961	7,460,067
1955	3,200,004

5. READER'S DIGEST

Ad Revenue	+408%
1961	$40,556,248
1955	7,985,700
Ad Pages	+265%
1961	989
1955	271
Circulation	+27%
1961	13,205,448
1955	10,361,531

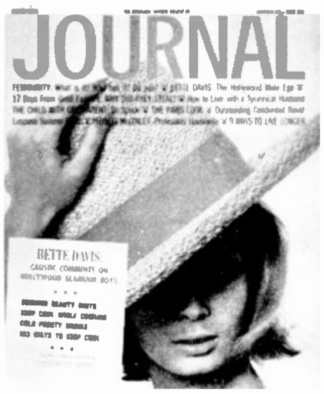
6. McCALL'S

Ad Revenue	+279%
1961	$37,658,101
1950	9,940,858
Ad Pages	+25%
1961	1,030
1950	825
Circulation	+92%
1961	7,414,028
1950	3,865,558



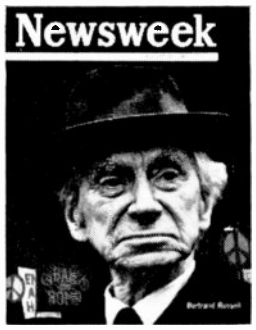
7. LADIES' HOME JOURNAL

Ad Revenue	+21%
1961	$27,136,697
1950	22,485,163
Ad Pages	−49%
1961	745
1950	1,460
Circulation	+55%
1961	7,060,772
1950	4,544,412



8. NEWSWEEK

Ad Revenue	+151%
1961	$25,539,676
1950	10,184,717
Ad Pages	−3%
1961	2,465
1950	2,539
Circulation	+74%
1961	1,454,189
1950	837,390



9. BETTER HOMES & GARDENS

Ad Revenue	+14%
1961	$22,468,855
1950	19,631,228
Ad Pages	−57%
1961	746
1950	1,726
Circulation	+54%
1961	5,493,236
1950	3,559,242

made serious inroads into the magazine business. But they were inroads, not invasions. People listened but they still read. And while most advertisers were enchanted by radio's ability to reach millions of people at the same moment, they still placed a high premium on the visual capabilities that magazines could but radio could not provide.

Certainly magazine publishing profits suffered somewhat during radio's hey-day, and some magazines even folded, but this was part of the constant survival-of-the-fittest struggle that goes on in all business at all times. If a magazine was giving its readers what they wanted and if its financial structure was on a firm footing, it survived the threat of radio.

It was still the era of the great editors (like the *Post's* George Horace Lorimer and *Cosmopolitan's* Ray Long) when good magazines were produced by the talent and tastes of one temperament. The advancement of every medium seemed to be stimulating the growth of every other medium. Where there were 3,000 periodicals in 1890, there were at least 5,000 by the 30s. In 1936, Henry Luce, capitalizing on what magazines could do better than their competitors, bought a satirical weekly called *Life*, and almost overnight produced a successful formula called picture journalism. But then it was a different world having different conditions than will ever be known again, and overnight successes were possible and even commonplace.

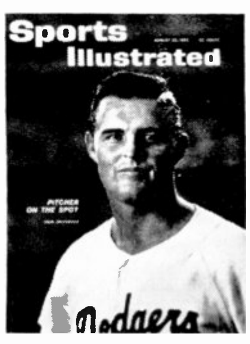
World War II, rather than television, may be most to blame for the magazine industry's current woes. The war changed the world and it demanded that people and business change with it. During the war, magazine profits boomed. Gas rationing restricted travel, creating more reading time and encouraging use of public conveyances. People passed more newsstands, bought and read more magazines. Newsstand sales soared. Paper shortages kept circulation increases down to a sensible level.

In a 1961 letter to stockholders, Robert E. MacNeal, then president of The Curtis Publishing Co., reported:

"At the end of the war. . .," he wrote, "the move to the suburbs began. More people drove to work . . . shopping patterns changed . . . even city dwellers began to shop at supermarkets with large parking lots, and smaller stores were visited less often. Shopping trips became less frequent, bundles heavier, and impulse purchases of magazines declined. Shoppers were exposed to fewer and fewer magazine stands and even those were seen less often.

"At the same time," Mr. MacNeal added, "publishers' manufacturing and delivery costs were rising, so retail prices of many magazines were raised."

The Curtis executive went on to explain that while single copy sales are hurt only slightly by a nickel or dime



15. SPORTS ILLUSTRATED

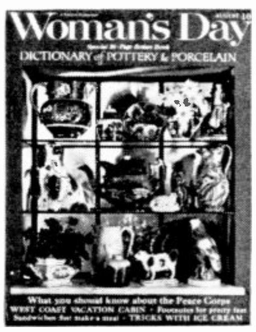
Ad Revenue	+1190%
1961	$15,115,426
1954	1,172,123
Ad Pages	+474%
1961	1,832
1954	319
Circulation	+87%
1961	978,500
1954	523,129

16. FAMILY CIRCLE

Ad Revenue	+212%
1961	$13,907,943
1950	4,462,875
Ad Pages	−8%
1961	563
1950	610
Circulation	+166%
1961	6,558,252
1950	2,466,801

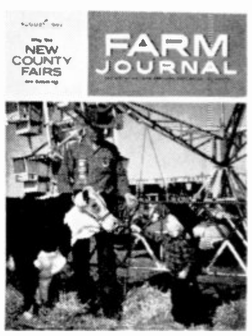
17. FORTUNE

Ad Revenue	+179%
1961	$11,416,736
1950	4,089,830
Ad Pages	+59%
1961	1,867
1950	1,175
Circulation	+47%
1961	358,776
1950	243,954



18. WOMAN'S DAY

Ad Revenue	+45%
1961	$10,346,658
1950	7,138,302
Ad Pages	−33%
1961	459
1950	684
Circulation	+46%
1961	5,460,588
1950	3,743,833



19. FARM JOURNAL

Ad Revenue	+35%
1961	$11,267,269
1950	8,353,988
Ad Pages	−31%
1961	808
1950	1,164
Circulation	+7%
1961	3,052,092
1950	2,849,848

The magazine race for circulation numbers became a runaway that couldn't be stopped

price rise, subscriptions are severely punished because the increase can add up to as much as five dollars over the course of a year. Consequently, he pointed out, "subscription prices are almost never raised as much as single copy prices," thus creating an ever widening breech between the two "which tends to siphon off profitable newsstand sales."

This business of subscription versus newsstand circulation cannot be over-emphasized. It goes to the very roots of the magazine industry's present-day financial squeeze. Its history goes back a long time before the birth of television.

A SHIFT IN EMPHASIS

From the beginning, magazines promoted their editorial image above all else. But from the time national advertisers clasped magazines to their bosoms as a favored medium, that image has taken a steady beating. Publishers, delighted with the profitable turn of events, gradually began to shift the emphasis from circulation revenue to advertising revenue. The medium of letters had become the great market place and publishers soon learned the more people coming to their market place, the higher the rates they could charge the merchants who showed their wares there. Then the cost of producing a magazine began to climb and it was no longer so much a question of eating high on the hog, it became a question of just plain eating. Inevitably, cut-rate subscriptions became the easiest angle in which to turn the profit corner. To some it was tantamount to selling your soul to the devil.

As far back as 1937, *Fortune* magazine, in discussing the Crowell publishing empire, cautioned: ". . .as long as advertisers continue to reward top circulation volumes as they have in the past, it is inevitable that magazine publishers should get careless of circulation selling expenses."

And by post-World War II, careless was a mild word not nearly accurate enough to describe the mushrooming "numbers game."

Robert MacNeal described this debilitating development to stockholders this way:

"Rising costs. . .made it imperative to increase advertising revenue and it was usually considered expedient to soften the impact of higher advertising prices by including a higher circulation rate base. . . More subscriptions in a hurry seemed to be the almost universal solution. . ."

Once the move was made, there seemed no turning back. Publishers abandoned newsstand sales as the key to their business and went pell-mell after subscription circulation.

It became a reader's market as publishers bombarded him with direct mail solicitations. The mailings were expensive, and added heavily to the cost burden of the industry. Readers turned cagey, waited for the lowest cut-rate offer, and then bought because of bargain rather than product.

When television came into its own in 1950, the scare was on for real. There had been nothing remotely like it before. Up until then there were only two basic forms of mass advertising—printed advertising, as represented by magazines, newspapers, direct mail and outdoor media, and spoken advertising as represented by radio. There had always been some question as to whether people were more strongly influenced by messages that came to them visually or orally. Advertisers with hefty-enough budgets took no chances—they bought both. But television left nothing to chance. It offered advertisers a potent combination of sight, sound, motion and immediacy. It offered them, too, the remarkable possibility of demonstrating their products in actual use.

What's more, television's influence quickly spread across the entire population, reaching into almost every household, not just the middle-income homes where mass circulation magazines had always been strongest. Its growth was rapid, and as it grew, as television set ownership increased, the value of the medium to the advertiser likewise increased. As an example of this phenomenal growth it has been estimated that in January 1946 there were only about 10,000 TV set owners in the country. Some eight years later, more than 25 million people owned their own TV sets, or roughly four times as many people as read the most popular magazine of the time.

Magazine publishers chose to fight viewer numbers with more reader numbers. The numbers game intensified until it defied all logic. By 1961, 99% of the new subscriptions and renewals for *Reader's Digest*, 75% for *Life* and 59% for *McCall's* were bought at bargain rates.

Meanwhile the costs of attracting and holding these new readers and the costs of producing and delivering magazines to them had snowballed out of all proportion. Statistics tell some of the story. For instance, between 1950 and 1961:

- Paper costs increased by 31%.
- Production costs rose nearly 30%.
- Salaries increased by 41%.
- Second-class postage rates jumped 88%.

By this time publishers were paying out as much as 15 to 40 cents more than they took in every time they sold a copy of their publications. It increasingly became a question of how much circulation a magazine could afford at its current rate structure.

Advertising agencies began to grumble. The word went out to the big magazines that numbers alone didn't count—it was the kind of numbers that mattered. Some agencies derided the numbers altogether, claiming them ludicrous since television was an unbeatable audience procurer. Most of all, advertisers complained about having to bear a disproportionate share of the high cost of cut-rate circulation.

THEY ASKED FOR IT

Magazine advertising people cried "double-cross." They said and still say that ad agencies drove them headlong into the numbers game by rewarding circulation leaders with heavier advertising appropriations.

"They say numbers don't count, but just stop giving them numbers and you're dead," said the circulation director of one of the 10 biggest magazines in the country last month. "Now some of them say the big numbers have changed the personality of our book and the texture of our readership," he continued along the same bitter lines. "They want us to identify our audience. What kind of identity does television give them?"

The question is indicative of the way many magazines went out to meet the challenge of television. It seemed to follow the lines of the traditional small boy clarion call to battle: "Oh yeah! I can do anything you can do—better."

There seemed little acknowledgment that magazines could indeed do some things better, but that television, too, had some untopped attributes. The challenge of television was in most cases met by a toe-to-toe defiance, an admirable but not altogether wise tendency among slipping champions. Apparently few magazines believed that retrenchment is sometimes the better part of valor.

Curtis Publications, never an advocate of cut-rate subscriptions, is one old champion which at first expended more of its energies fighting it out on the inter-media line than in tending to its own somewhat disarrayed household.

In his 1961 letter to stockholders Robert MacNeal said: "Quality as a sales factor has suffered greatly from neglect, partly because those who buy 'numbers' put so much money in television without a full awareness of what those same dollars could accomplish in magazines."

The facts seemed to be screaming that space buyers shouldn't be indicted for buying quantity over quality, but rather that magazines should be charged with an ineffective selling performance.

BUILD A BETTER MOUSETRAP

Faced with a competitor seemingly more interested in throwing sticks and stones than in building a better mousetrap, television began cutting deeply into the heart of the magazine economic stronghold.

A 1958 study made by the now defunct *Tide* magazine of the media expenditures of 379 corporations and associations which spent $1 million or more in any one year between 1950 and 1957 in five measured media, pinpointed television's growing domination. The 379 corporations together spent about $773 million in the five media in 1950, the magazine reported. Some seven years later, *Tide* found total expenditures had gone up to $1.4 billion with network TV grabbing about two-thirds of that new investment.

The survey further revealed that while network television ranked last among the five studied media in 1950 with an only 5% or $36.9 million share of billings from million-dollar advertisers, seven years later it had moved to the head of the pack with a 35% or whopping $468 million share of total billings.

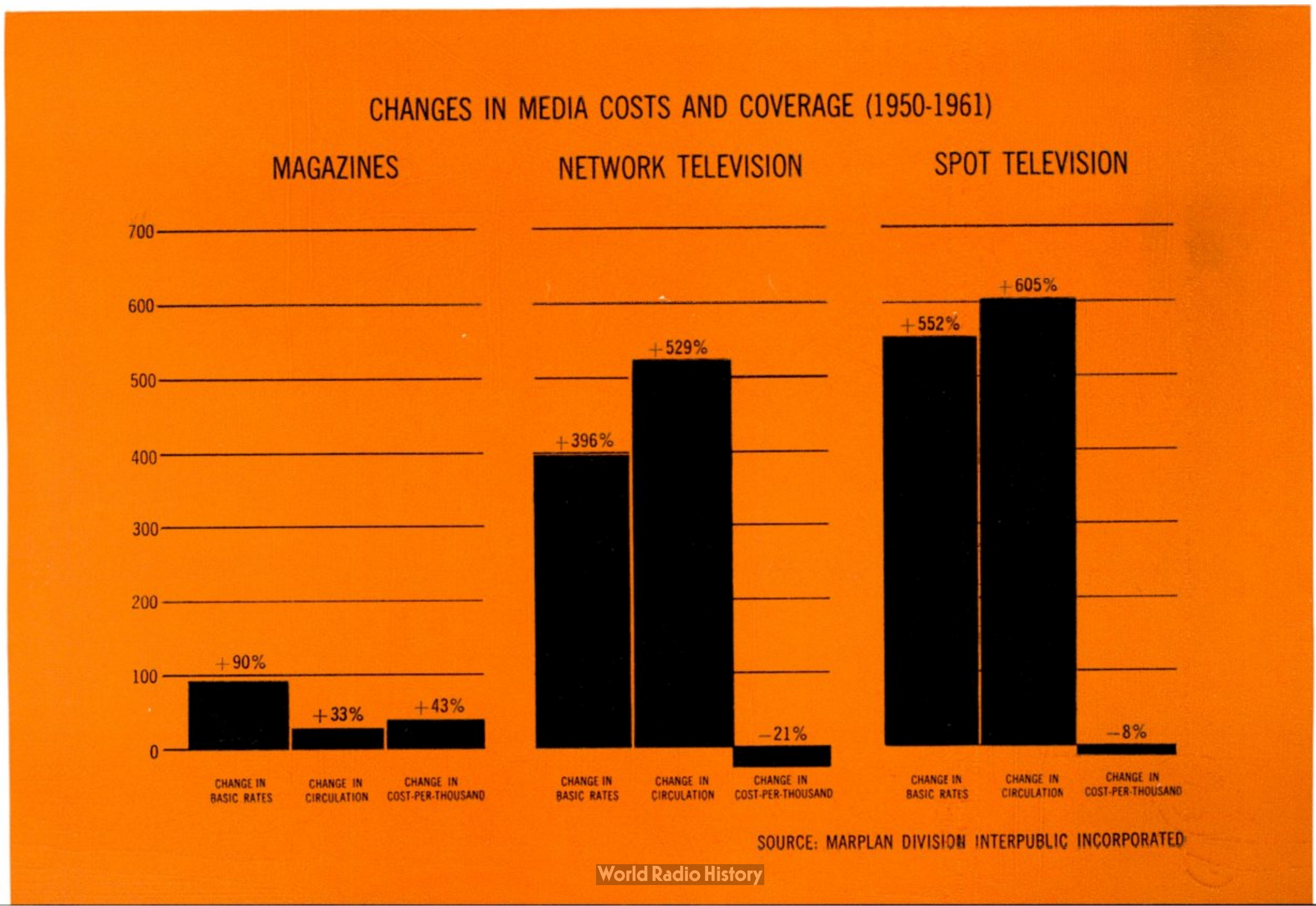
The significant factor was not so much that television had become the favorite medium of the million-dollar advertiser. From the start, by its very nature, by what it had to offer, it was a foregone conclusion that television would eventually became a dominant selling medium. Of much more significance, however, was television's overwhelming hold on the some $650 million worth of new advertising business that had been poured into the five surveyed media between 1950 and 1957. A considerable amount of it had to be solely television inspired, money which—if there was no television—would be locked in some advertiser's pocketbook.

Theodore Peterson, dean of the University of Illinois College of Journalism & Communications, writing in the March 1962 issue of *Challenge: The Magazine of Economic Affairs*, said he does not find "any really convincing proof that television has deprived magazines of advertising revenues." His research shows that "advertising income of magazines seems to have grown at about the same rate since the advent of television as in the past." Detailing his findings, Dean Peterson reported that with only several exceptions during nationwide recessions magazine ad revenues have grown steadily since the 30s, closely paralleling consumer expenditures on products, and "that ratio has not fallen in the age of television—if anything, it has slightly increased."

It is the rare person in the magazine industry who will still say that television *per se* has killed off any magazine. Edward Weeks, editor of *The Atlantic*, dealt with this once commonly-held notion in a speech made before a Magazine Publishers Association conference held in Washington, D. C., last May. Said Mr. Weeks:

"When you hear that a famous magazine has died, remove your hat for a moment of silence—and then look about

To page 66



THE AUTOMOBILE DEALER

The local car salesman stands astride a giant portion of the automotive industry's advertising fortunes. Increasingly, the progressive dealer is banking those fortunes on television.

By Albert R. Kroeger

The 1963 auto year is upon us. For the next two months, from magazines, newspapers, billboards, radio and television, will come the announcements of autoland's genius personified by lacquered steel, sweeping lines, automatic this, push-button that.

The 1962 model year was a good one for Detroit: an estimated 6.7 million new cars were produced and sold. This stacks up second only to the 7.1 million cars sold in 1955.

Going into 1963 Detroit has momentum. A supposedly "soft" economy and a 1962 stock market downslide seemingly had no effect on that part of disposable income rushing into auto purchases. On top of its second-best year, the auto industry hopes to keep sales rolling fast.

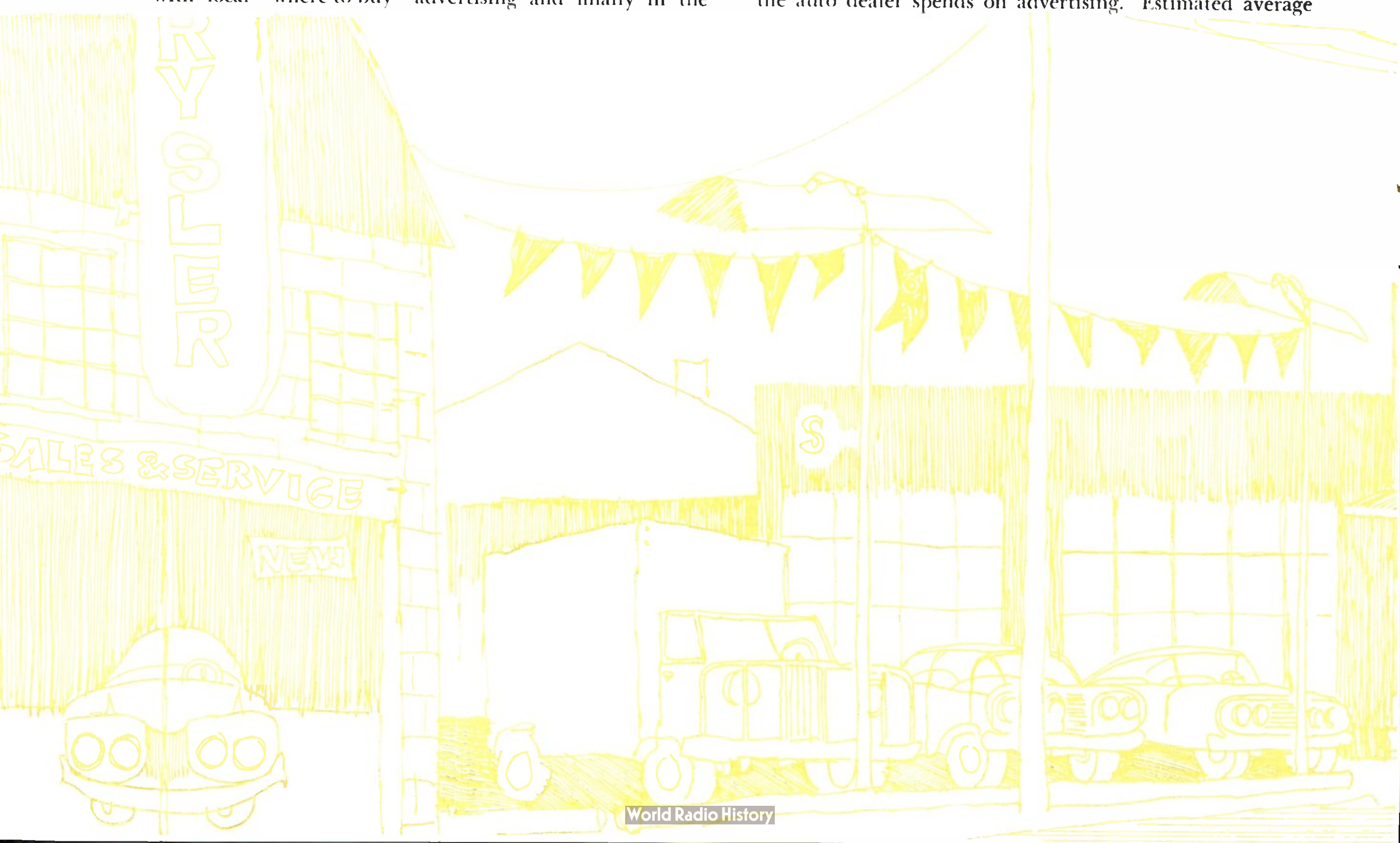
The job rests first with national advertising—getting the looks and sales points of the 14 basic U.S. auto makes in the eye and mind of the American public. The pay-off comes with local "where-to-buy" advertising and finally in the showrooms of the nation's 33,550 new car and truck dealers, a band of businessmen making total annual sales of about $30 billion.

This dealer force is no small cog in Detroit's national machinery. Its statistics are impressive:

- The estimated total net worth of all dealers is $4 billion. The average net worth per dealer is $118,000.
- The average dealer employs 19 people, 636,000 employes overall taking home a combined annual salary of about $3 billion, a payroll average of $90,000 per dealer.

The typical auto dealer, smart, aggressive, well established in his community (the average has been there better than 20 years) and a joiner of every club and civic activity open to him, has been called a cross between Liberace and Bishop Sheen. He's a salesman. And last year, if he was average, he sold 174 new cars, 278 used. His estimated total annual sales amounted to $884,000.

Perhaps the most interesting statistic for ad media is what the auto dealer spends on advertising. Estimated average



annual local ad expenditure per dealer last year was $6,700. The combined expenditure, according to the National Automobile Dealers Association: $228 million for all dealers, more than the approximately $210 million spent by the five major auto companies themselves on advertising.

The biggest dealers in the major markets sell from 2,000 to 10,000 new and used cars a year, run up ad spending beyond $100,000 a year. Some dealers are in the quarter- and half-million dollar ad range. Jim Moran, owner of Chicago's Courtesy Motors, a Ford dealership, sells more autos than any other dealer in the nation, 21,000 last year. His ad budget: $1 million.

There is no way to determine the exact proportionment of dealer ad dollars to the various local media available to them. Studies several years ago showed newspapers being used by 93% of the dealers surveyed, billboards by 56%, radio by 45% and television by 11.5%. TV usage has certainly increased since then, as it has with the national auto advertisers, but newspapers remain the primary medium with the majority of dealers. "Habit" advertising, TV station men like to refer to it—staying with print simply because so many dealers depended on it before there was TV.

But if television does not rank big with the majority of dealers, it does score with most of the larger ones, many of whom plow most of their ad budgets into it. Chicago's Jim Moran puts at least three-quarters of his $1 million into TV. Los Angeles' Brand Motors is spending $50,000 a month on local TV stations. And, to a man, dealers who have used television vouch for its effectiveness.

The snag, of course, is money. The average dealer, spending $6,700 or so a year on advertising, simply does not have the dollars—or feels he doesn't—to be strong in television. Most say they would like to be in TV but can't afford it. One reaction on this comes from George Byers, board chairman of George Byers Sons, a major Chrysler-Plymouth-Valiant dealer in Columbus, Ohio.

Byers has been sponsoring Columbus TV for 11 years, has an annual ad budget of $300,000 with better than 30% of it going into television. He says, "I cannot afford television—but I cannot afford not to use it."

To Byers' way of thinking he needs consistent television exposure, and gets it with an 11 p.m. news strip on WBNS-TV, a show non-TV reps have told Byers he cannot afford. To this Byers answers that he has to "overspend," he has to be in TV, "the only medium in which a dealer can create a quality image" for himself.

Image, not the specific fact of sales, is given by many dealers for their TV presence. They are, after all, local businessmen concerned with community identity. While not ungrateful for factory advertising, they feel they really stand or fall on what they themselves do.

How effective is local TV for the auto dealers? Most dealers on TV cannot trace sales directly back to the medium, although they generally notice, if they are in-and-out advertisers, that results come after big TV campaigns. Big, consistent TV-using dealers, a number of whom have made TV their primary medium since starting in business, flatly credit TV for most of their volume.

Jack Alexander, advertising manager of Nalley Chevrolet in Atlanta, Ga., says that when new management took over the dealership in February 1961 it put Nalley back into television, on WAGA-TV, after a two-year hiatus. The initial reaction: 40% of the budget producing 70% of sales.

Nalley at first was prone to discount this fact, feeling that its salesmen were so happy to have the dealership back on TV that they gave the medium the benefit of the doubt. But it decided to do some additional research.

"We hired two girls," says Alexander, "to make follow-up phone calls to get customer reaction to the product, the dealership, the deal, the salesmen, etc., and one of the questions asked was, 'What motivated you into Nalley to buy your car at the time?' The breakdown: television—1,129 units sold, newspapers—160 units.

"During the period the TV budget was only one-and-a-

half times the newspaper allocation and yet it produced more than seven times as many direct sales."

Last March Nalley, following the logic of the facts, increased its WAGA-TV budget an additional $2,000 monthly to about $7,500, leaving about $5,000 for newspapers, $4,000 for other advertising.

J. M. Cole, general manager of Seattle's Westside Ford, feels that he gets a "$7 to $8 sales return for every $1 spent in television."

The Television Bureau of Advertising, for over four years actively courting both Detroit and auto dealers for television, traces the auto game this way, mindful of the ultimate power of the dealer.

- Detroit turns out cars by the millions.
- They move to showrooms.
- Big introductory campaigns promote them through all major media.
- How many cars you sell depends on the economy, the advantages of one car over another and salesmanship locally.
- There are strong vs. weak markets for every model. But locally you can increase your share if you are the most alert, most modern, most aggressive retailer.

The implication, of course, is that modern, aggressive retailers use TV. And many dealers, TvB notes, have used it so well the auto companies themselves have seized on local dealer gambits for their own use.

Lawrence Welk, before he went network for Dodge (an ABC-TV show Dodge sponsored for six years, dropped in 1961), was sponsored on the West Coast by Dodge dealers.

American Motors' use of spot TV (American swung heavily to spot before the other auto makers moved into it) was signaled by a group of Los Angeles Rambler dealers who bought local spot on Friday night, asked viewers to go to their Rambler showrooms and "Get the Saturday Deal," the same timebuying and copy approach later used by American in various markets nationally.

Renault, a French car making U.S. inroads, has been an in-and-out TV advertiser since its New England-New York dealers banded together several years ago to sponsor a portion of the Winter Olympics on CBS-TV.

REVERSING THE PROCEDURE

Studebaker's 187-market half-sponsorship of *Mr. Ed* on CBS-TV (going to 197 markets this fall) is as much a dealer venture as it is factory. In January 1961 Studebaker and D'Arcy Advertising came up with a plan for a unique TV-auto idea. They took the pilot film of *Mr. Ed* around to Studebaker dealer committees in the company's 15 sales zones. Favorable dealer response made possible "cooperative sponsorship" of the program. The show was put on locally in 109 markets with dealers sharing 50-50 with the factory in the program's $3 million cost. A hit locally, CBS-TV last year began carrying the program, will continue it next season with the same dealer-factory financing.

In numerous media preference studies taken among auto dealers, television is most often cited as the ad medium thought to do the best selling job. But dealers, except for perhaps one or two exceptions per large market, invest heaviest in newspapers.

According to one TV automotive man, the dealers need TV education, constant sales efforts on the part of local stations. On 36th Street in Miami, Fla., "used car row," a band of newspaper space salesmen from the special auto departments of the two Miami papers walk up one side of the street and down the other gathering classified listing business. They've been at it for years, know the dealers personally.

Dealers like to see their names in print. Their link to local newspapers existed long before TV. And the classified listing is still cheaper than TV spots. Radio, too, can furnish low-priced spots. And, if you're a small budget dealer buying limited TV, it may be hard to see results. All you know is that your name vanishes from the screen mighty fast while you can gaze on your newspaper ad all day long.

For dealers who are using television, the success stories are plentiful. And they often help sway competing dealers into the medium just on the basis of meeting the challenge.

There's another question, too: "Is dealer television good for Detroit?"

If a dealer makes TV the backbone of his selling, it may be costly but it is generally successful. He draws business from a wide area—sells a 50- to 100-mile radius. As his volume of business increases, he may be able to offer better price deals than his competitors, urge prospects to drive 25 miles to his location to "save" $50.

THE 'ALL-AMERICAN' DEALER

Other dealers call the TV-heavy salesman "The All-American Dealer"—he wants to sell the whole region. He may not but he does the biggest business in town—and perhaps knocks down the share of sales for other dealers selling the same car. Individual TV, in other words, may not increase a company's area sales. It may just direct them to one man.

To keep their dealers happy as a whole, and in sales balance, Detroit seems to favor dealer group advertising, a technique coming increasingly into play.

In group advertising, a company's dealers in a market or region promote jointly, go into newspapers, radio or TV with a spot campaign, news and weather, syndicated programs, regional baseball or football.

The auto companies no longer provide dealers with cooperative advertising funds (dealer monies matched by equal or "arranged" factory outlays, a system long open for "retail" abuse). In group campaigns the dealers are assessed so much per auto shipped to them, today about $15 "built into" the price of each car, and the collected money is used for regional dealer advertising. This now makes up a good part of the yearly local TV billing total.

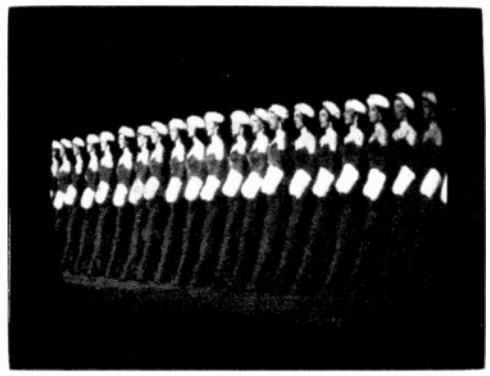
The dealer associations are set up by regional, market and economic boundaries. Ford, through its Ford Dealer Advertising Fund, is the association leader. It is active in 35 U.S. areas, is handled out of the branch offices of J. Walter Thompson, agency for the parent company. Ford's Lincoln-Mercury division has association activity in nine areas through Kenyon & Eckhardt. Chrysler Corp.'s Plymouth division is grouped in 18 areas, handled by N. W. Ayer & Son. Rambler association activity is out of Geyer, Morey & Ballard, Dodge out of BBDO and Chrysler out of Young & Rubicam. The General Motors divisions are not extensive in group advertising.

Each dealer association has a degree of local autonomy. They are democratically regulated. On the various advertising committees boards of directors are voted in by the dealer membership. The chairman, usually a top area dealer, is generally respected, trusted. The board and the chairman must pull their group's advertising thinking into line.

Association advertising varies in approach around the

Buddy Hill, Tampa

Municipal Auto Sales, Miami



Brewbaker Buick, Montgomery

British Motor, San Francisco

Brand Motor, Los Angeles

PUTTING THE IMAGE ACROSS • Auto dealer TV commercials range from very bad to very good. With agency and station help they are growing better overall. And while cost per commercial can run up to $1,000, video tape is helping many dealers produce minute commercials for as little as $100. Tape-equipped stations even go out to dealer showrooms and lots for remote work.

Most dealers indicate they are on TV for image, not direct sales. Increasingly they are making longer commercials utilizing a station announcer or the dealer himself in an unadorned, earnest, "I'd like to talk to you folks" approach. But there is still plenty of hard, hammering sell with the accent on price and special deals, especially from TV in-and-outers who want to make their points fast.

On WFLA-TV Tampa recently, used car dealer Buddy Hill, tying in his TV advertising with the Florida Gulf Coast Ford Dealers, used a tape remote showing an older model Ford driving down a street, turning into the Buddy Hill location, the driver soon after wheeling out of the lot in a later model Ford. The commercial used no words, had only a music background. The only sell was the prominent Buddy Hill sign.

In contrast with the ultra soft sell of the Tampa dealer, Miami's Municipal Auto Sales, on WTVJ, uses one of its used car salesmen to give a straight description and price pitch on a number of cars, driven up to him as he talks, as long as the length of the commercials will allow. The salesman slaps fenders, talks fast.

On WSFA-TV Montgomery, Ala., Brewbaker Buick has cleverly worded, often humorous copy to match flash-on still photographs. One commercial opens with Broadway music and a picture of a leggy chorus line. The announcer asks "which do you prefer" and equates the picture with the variety of Brewbaker Buicks. A shot of a gilded coach is matched with the "royal coach status" that comes with owning a Buick.

Shepard Richardson Rambler in Oklahoma City, with spots on WKY-TV, has a tape commercial on an in-the-home conversation between man and wife discussing Rambler's merits and the price deal.

On KGO-TV San Francisco the British Motor Corp. has been advertising its high-priced Jaguar. In one tape commercial it effectively uses an attractive woman sitting in an easy chair talking up the car's quality image from the woman's angle. The car itself, spotlit, is constantly in view over her shoulder.

In Omaha, South Rambler has run spots on WOW-TV to promote a "Hail Sale," cars on its lot marked down because of storm damage. The technique used is simple flash cards and narration. Another Omaha dealer uses the flash card technique in 20-second spots, picks up his art work from print ads and factory promotion material. All his visual work probably costs under $10.

More elaborate are the Brand Motor commercials over KABC-TV Los Angeles. Brand saves up its commercial time in the movies it sponsors to run long commercials, some up to four minutes in length. Brand spokesman Chick Lambert, often backed up by elaborate studio scenery, delivers the pitches, runs every sales gambit, hard, soft, humor, price, above all the image of Brand as a fair, volume-dealing nice guy.

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country. Media feelings are not universal. Each association goes for the kind of advertising that satisfies the needs (or whims) of its members and the particular market. But with a pool of money available, association advertising is recognized as a way into television.

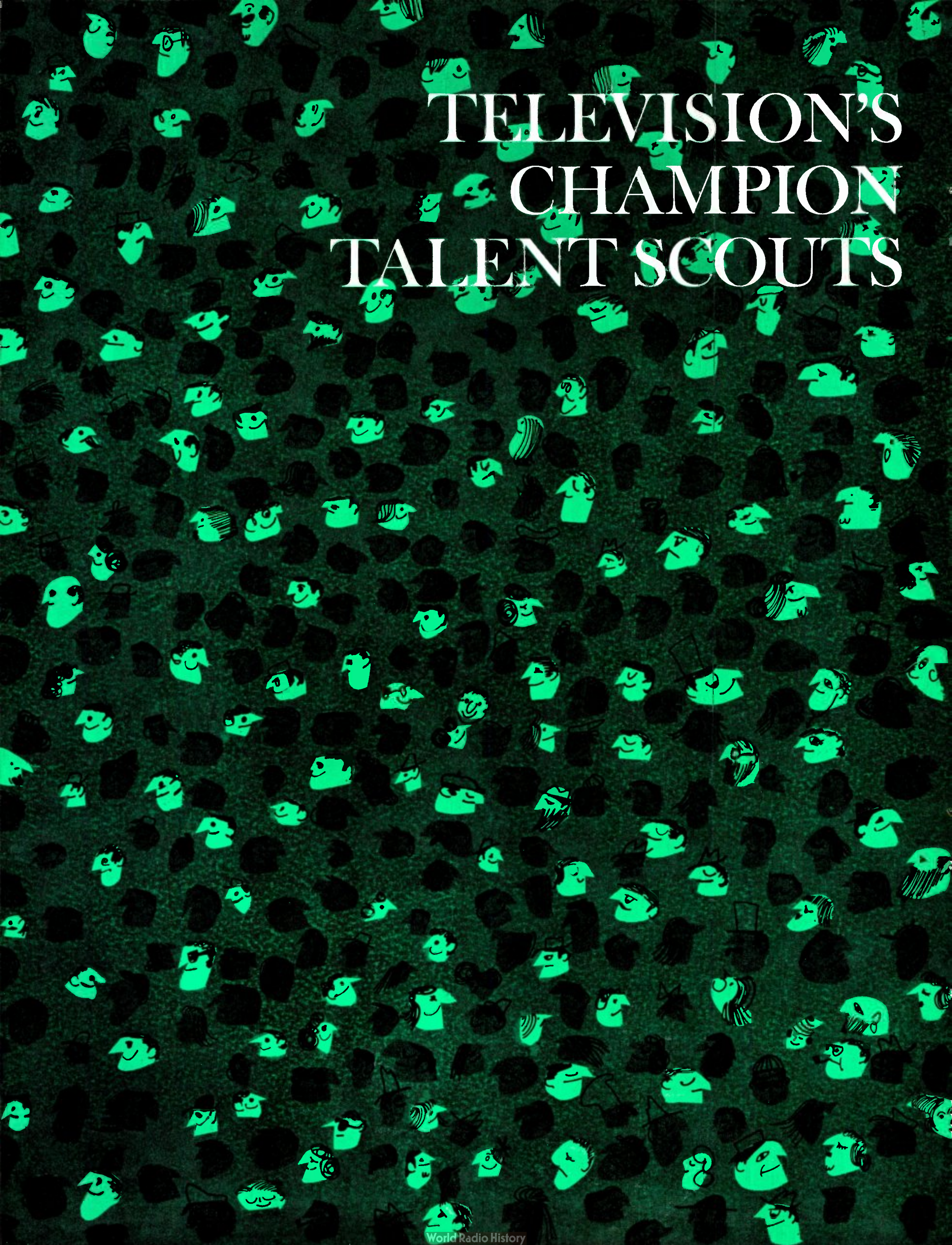
For the small dealer on a low ad budget, the group effort, with everyone sharing costs, is often the only crack at TV he is able to get. He does not get the benefit of individual identification, but at least the car or deal he is selling gets TV exposure, and presumably he "shares" in the sales.

Many dealers are flatly against group advertising for what they think is sound reason: the small dealer becomes "equal" with the big.

Dealerships are tough, competitive businesses with joint aims but little love lost between them. Dealer failures are up 43% over the rate of 1950. There were 47,000 new car dealers in 1951 vs. the 33,550 presently. And the dealers themselves think there are too many other dealers around. They expect that there will be fewer dealers and more big "supermarket" dealers carrying the full range of cars for the manufacturer. In such a market there will be plenty of business and profit around for those who survive.

To this end, thinking of himself, a big Brooklyn dealer belonging to a metropolitan New York dealer association, and putting up more fund money than a small White Plains dealer, hates to see benefits spread around to others. The

To page 74


TELEVISION'S
CHAMPION
TALENT SCOUTS

It takes fleet feet and strong backs to find the hundreds of guest contestants for Goodson-Todman's game show stable.

BY DEBORAH HABER

ROGER PETERSON dialed long distance. "Operator," he said, "I want to call Philadelphia, person-to-person to Mr. Hubert Wolfeschlegelsteinhausenbergerdorff. . .no, operator, I'm not kidding. That's W-O-L-F-E-S-C. . . . . . ."

For the operator the call was a bewilderment. For Peterson it was all in a day's work. Mr. Wolfeschlegelsteinhausenbergerdorff's is the world's longest name—or lays claim to that title, at least—and he therefore was a prime prospect to appear on a television game show. To Peterson, associate producer of Goodson-Todman's *I've Got a Secret*, fell the lot of inducing him to go on that program.

Simultaneously, in other offices and studios around New York, still more G-T producers and their aides were on the trail of television contestants. Their work was cut out for them—they had 165 vacancies, the same number required to be filled every week for the seven Goodson-Todman properties.

Not all would be as exotic as Mr. Wolfesc—, of course. In fact, the ideal TV contestant, as Mark Goodson describes her, would be a "pretty, pregnant Southern girl whose husband is working his way through medical school."

Southerners, he goes on, "almost invariably make the best contestants. They're natural performers—relaxed, outgoing, uninhibited and charming. A pretty girl is irresistible, of course, no matter where she comes from. But if she also happens to be Southern, your rating automatically rises. Give this girl," he says, "a young husband, struggling to become a doctor—the noblest profession next to the ministry—and you've got an unbeatable combination."

Goodson insists that while G-T is "partial to Southern girls in delicate conditions," the organization doesn't play favorites in picking contestants. Rather, they're chosen selectively to fit the various needs of these different properties, and in these abundances: 18 for *Play Your Hunch*, 24 for *The Price Is Right* and 15 for *Say When*, all on NBC, and 47 for *To Tell the Truth*, 21 for *Password*, 6 for *What's My Line?* and 4 for *I've Got a Secret*, all on CBS.

The prospect is no less staggering for the fact that Goodson-Todman has had considerable practice at it. Since 1950 and until August 24 they had screened 405,502 applications, produced 19,317 contestants for their current seven shows.

For *What's My Line?* and *I've Got a Secret* personal appearance and personality play an insignificant role in contestant selections, these qualities being supplied the show by its regular panel of professionals. Mr. Wolfeschlegelsteinhausenbergerdorff did indeed appear on *Secret*, a show which seeks out the unique guest. Roger Peterson explains that "the producer (Chester Feldman), three writers, the production assistant and I read everything— newspapers, magazines, scientific newsletters—combing them all for odd people and new products." The program pays contestants' transportation and expenses to New York, but they get no pay other than the money they can win on the show, a top of $80.

What's My Line? gets most of its contestants from people who write in suggesting themselves as guests. While their personalities are not important to selection, the Goodson-Todman staff exercises great care in checking out the authenticity of the candidate's employment. "We can't be too careful in checking on people in advance," says Goodson, who hasn't forgotten the time "we brought on a supposed lady wrestler, only to discover that she had never in her

These contestants, with M.C. Bud Collyer on To Tell the Truth, *are three of the 165 whom Goodson-Todman rounds up each week.*

The very rich and the very poor make equally bad contestants–viewers can't identify with them

life wrestled with anything stronger than temptation—which she obviously hadn't overcome."

The Price Is Right, Play Your Hunch, Say When and *Password* all select contestants from studio audiences.

Don Scott, associate producer for *Price Is Right*, says the surest way *not* to appear on that show is to have met him, ever, even casually. "If anyone is even vaguely related to friends of mine they're out as far as appearing on this show is concerned." Scott also vetoes anybody related to show business personalities. "Keeping them out," he says, "keeps the show centered on everyday people bidding for prizes. I'd much rather have a warm human being as a contestant than Errol Flynn's grandmother."

Once interviewed, each prospective contestant must fill out a card describing his education, employment, marital status, special interests, etc. These are checked against description cards of other applicants to avoid duplication of contestant types. No contestant can appear on more than one G-T show and guest lists are circulated among shows to prevent doubling up. Previous appearances on any quiz show automatically disqualify candidates, and applicants must sign a legal document swearing to their amateur status.

Price, like almost all the Goodson-Todman game shows, excludes the wealthy as guest possibilities. "The worst possible contestant," says Bill Todman, "would be the elegantly-dressed wife of the board chairman of a big corporation, who lives on Sutton Place, speaks with a broad "a" and has no children. Viewers automatically resent people of wealth as contestants. They can't relate to them, and they know they don't need the prizes they win."

THE POOR ARE NO BARGAIN

On the other hand, *Price* also tries to eliminate the opposite end of the economic ladder. Scott says that "we try to avoid the desperate contestant—the kind of person who feels that 'If I don't get this car I'll die.' The destitute don't make good contestants. They make winning a matter of life and death and then the show ceases to be a game."

Another type spurned on *Price* is the loudmouth who tries to be the life of the party back home. "We've found," says Scott, "that once this fellow is taken out of his natural environment—the neighborhood bar—and confronted with a television camera, he freezes. He's great at a party with a lampshade on his head but nothing as far as a contestant is concerned."

To make sure that contestants on *Say When* have the ability to play the game—guessing, but not overguessing, the value of merchandise displayed on the show—prospects are tested in practice sessions. One group of contestants overlooked by this show are children. "They're tremendously appealing," says producer Bob Rowe, "but they have no conception of what things cost. Ask a child what he thinks the value of a refrigerator is and he'll give an estimate of about $7. To his mind that's a heck of a lot of money."

Play Your Hunch producer Ira Skutch tries to get geographical balance among his contestants—a qualification echoed on other G-T shows. He and his staff comb studio audiences looking for "the alert, the uninhibited and the outspoken." These fill the "guesser" spots—to guess the situations played out in "demonstration" spots. The latter are filled by the show's casting people, working two weeks in advance to fill stunt roles created by *Hunch's* writers.

To Tell the Truth presents its regular panel with three groups of contestants, three people in each. Two of each trio are imposters, the third is the "real" person—the "central character." That person must tell the truth to all questions while the imposters lie.

Each of *Truth's* four casting directors and producer Willy Stein suggest possibilities they've gleaned from newspaper clippings, press agent pitches and write-ins. They try to balance the program with one "prestige" character (like the director of the Telstar project) and two "fun" characters (a fish counter or champion chicken plucker). Central characters have transportation and expenses paid to New York. The show has no problem finding its im-

Joyce Weiss, casting director for To Tell the Truth, *briefs contestants who she hopes will be able to confuse the show's panel. She finds women the best liars.*

Leni Epstein (right), a scout for Play Your Hunch, *approaches a "typical housewife type" for a spot on that program.*

posters right in Manhattan—a call for a tanned girl in January sends them to the airlines, for a Southerner, to one of the city's Southern clubs. Joyce Weiss, casting director, says the job is made easier because "almost everyone thinks he's a terrific liar."

A recent survey by producer Stein found that while everyone may think so, the women really are. In the show's 6-year history 60% of the women have fooled the panel, while men have compiled a record of only 40%. Miss Weiss explains the findings this way: "Women," she says, "are natural-born liars. They're used to lying about their age, about their weight, their dress size. And," she goes on, "they love to act. When you tell them they're going to be on the show they immediately ask 'What should I wear?' or 'Should I be glamorous or dowdy?' "

HAZARDOUS DUTY

In searching for contestants for *Truth* Miss Weiss has had some unusual experiences of her own. On one occasion she approached two sailors in Grant Central Station. As she pulled her card from her purse, after tapping one of the sailors on the shoulder, she felt a restraining hand on her arm. "It was a policeman," she says, "who suspected I was approaching the sailors for motives far less innocent than wanting them to appear on a television show." So dedicated is she to her job that she offered the cop a spot on the show, too.

The baby of the Goodson-Todman game family is *Password*. While the game itself is new, the principles used in its contestant selection are much the same as for its older colleagues. An average of 100 volunteers come from the studio audience, to be screened by executive producer Bob Stewart and producer Frank Wayne. The final contestants are coupled with celebrities into two teams to play the game. On the nighttime *Password* contestants can win as much as $1,500, on the daytime show about $700. Yet here, as in the other G-T shows, the producers feel that the main impetus for guests is not money. "Celebrities," explains Stewart, "enjoy the kind of exposure this type of show gives them. They're anxious to expose a personal side of themselves to the public. The other guests come on because they like showing off for fun in public."

Goodson-Todman staffers say that the desire of people to appear on their game shows hasn't been affected in any way by the unpleasantness surrounding the late quiz scandals. But one producer does admit to the scandals' having affected his personal life. "Now, whenever I go to a cocktail party, there's always some joker who sidles up to me and whispers confidentially, 'Listen, buddy, is the show really fixed?' " END

CLOSEUP

RICHARD EWING POWELL

THE BOSS IS HIS BRIGHTEST STAR

By Edwin H. James

Hollywood picture making has always been subject to unpredictable extremes of fortune. Pictures turn out to be hits or flops for reasons that are never fully understood; the mysterious forces that create a star or czar can as easily, and as inexplainably, extinguish or depose one. Television has accentuated the process of trial and error, incandescence and obscurity. Aside from the incalculable changes it has forced upon the theatrical motion picture industry, television has created risks of its own. Nobody knows how many enterprises have been formed to produce television films only to perish without trace. It would probably be difficult to find enough raw film in Hollywood to shoot a credit crawl listing all the failures.

The lot of the independents—the producers engaged exclusively in the making of television films—has been especially precarious. The independents have lacked the resources of the television production arms of the major movie studios or of Revue Productions, which grew to dominance by drawing on the formidable negotiating power of its parent, MCA, and on the vast talent pool that MCA controlled until a few weeks ago.

The majors and Revue have been supported through lean seasons by the strength of their associated businesses. A decline in commitments for new television product could be offset by sales of new movies to theatres or sales to television of movies retired from theatre runs, by studio rentals, talent placements, phonograph record sales or residual returns from syndicated television shows. Sustained by diversified sources of revenue and confidence, the majors and Revue have had as near a guarantee of stability as Hollywood affords.

For the independents, survival has required the possession of resourcefulness as a substitute for resources. Most of the independents that have lasted through the past few years started with one asset, a star or a television series that turned into a hit. The trick has been to create still other assets from the first one before its value declined. Judged by performances of recent seasons, no other independent has been as handy at that trick as Four Star Television, and none has possessed a more durable asset than Four Star's president and principal attraction, Richard Ewing Powell.

Four Star is now producing six series that have been sold for network broadcast in the 1962-63 season that begins this month. No other independent is producing more than three. In all of Hollywood Four Star is being outproduced only by Revue and by Screen Gems, which was organized in 1948 as a subsidiary of Columbia Pictures, the first major movie studio to move boldly into television. (For the record of all current Hollywood production see page 63.)

Four Star is also hell bent on diversification. If its announced plans materialize, it will add television syndication and feature movie production to the television filming business it has conducted for the past 10 years. Its TV syndication operations have already begun. Some Four Star films have been in foreign distribution for a couple of years. Last July Four Star started to build its own subsidiary to syndicate its product in the U.S. The new subsidiary can draw on the largest film library of its kind, 1,038 half-hours and 165 hours that until now have been withheld from domestic syndication.

Most of Four Star's 10-year history has been a Dick Powell production. Although he has had partners and his company has had talented executives, Powell has been the principal architect of policy as well as the most valuable performer and production executive. Four Star's fortunes have fluctuated in direct proportion to the time Powell has devoted to the company. When Powell was concentrating on feature movie production to the exclusion of television, Four Star faded—at times almost below the point of visibility to the naked eye. For the past five years Powell has paid less and

The talented trio at the top is among Four Star's more conspicuous corporate assets

less attention to movies and more and more to Four Star. It was in that period that Four Star brightened to the first magnitude among the independents.

Not the least important of Powell's contributions to Four Star was his inducement of Thomas J. McDermott to leave one of the best television jobs in New York advertising three years ago and join the film production firm as executive vice president. McDermott was senior vice president in charge of television and radio at Benton & Bowles, an advertising agency whose clients include such television heavyweights as Procter & Gamble and General Foods. He took to Four Star an expert knowledge of the complexities of network-sponsor-agency relations as well as an extensive body of experience in programming and production. McDermott also delivered to Four Star, as the third member of its present management team, George A. Elber, an attorney and recognized expert in contract law and its applications in the entertainment field. Elber left a lucrative New York law practice to join Four Star as first vice president and business manager.

To the degree that the gamble in film production can be reduced by experience and business savvy, Four Star Television, under the guidance of Powell, McDermott and Elber, may be said to be operating with minimum risk. In Powell alone there resides 37 years of professional experience in just about every theatrical skill short of sword swallowing. At various times he has been a banjo player, a choir singer, a master of ceremonies, a vaudeville producer, a director in the legitimate theatre, an actor, a movie director, a band leader, a movie producer and a crooner. The range of Powell's abilities stretches to include a current relaxation, blowing strident marches on a flüegelhorn, "but only if I have a couple of drinks on Saturday night."

If a thread of continuity runs through the disparate specialties in which Powell has engaged, it is that he has approached them all without illusions. Powell became an entertainer in the first place only because the job offered higher pay than others he had tried. He has endured enough crises in his career to become an expert on the uncertainties of the theatrical world, and has emerged from all of them with a flourish that has earned him the reputation of having one of the shrewdest heads that ever wore makeup. Powell has been a realist all his life. When he thinks of show business, the emphasis is on the second word.

Powell was born in Mountain View, Ark., Nov. 15, 1904, and grew up in Little Rock. He was one of three boys in a family of modest means. "I always had to work," he has recalled. "When I was 16, I ran a cash-and-carry grocery, a Piggly Wiggly."

In such time as he could spare from the Piggly Wiggly and from classes at Little Rock High School he was perfecting several musical skills. He learned to play the trumpet, saxophone, clarinet and banjo and took voice lessons. "I came from a musical family," he explains. His mother played the piano, and all three boys were taught to play instruments. In his youth Powell looked on music only as an avocation. "I always thought my older brother, Howard, had the talent. He played piano and sang. He had a beautiful natural tenor." Howard never put his tenor to professional use. He is now a vice president of the Illinois Central Railroad. Powell's younger brother, Luther, has for years been a representative of International Harvester in South America. Business ability was one of the strong elements in the character of all three Powell boys.

Dick began to think that music amounted to something when, in his senior year at high school, he organized an orchestra called the Peter Pan Five and began earning money from dance dates. He and Howard also began singing in church choirs and before long were in demand as soloists.

"Boy, those were the days," Powell said recently. "Between Howard and me we had the choir business locked up. On Friday night the synagogue, on Wednesday night Scottish Rite, on Sunday morning Episcopal, and the Presbyterian one night a week: I forget which night. The synagogue paid $50 a month and the Episcopal paid $60. I don't remember what we got from the others, but it added up to good money at the time."

The proceeds from the Peter Pan Five and the Powell monopoly in the local choir lofts failed to satisfy Dick's acquisitive urges. After spending a year in Little Rock College, he went to work for the Southwestern Bell Telephone Co. The turning point in his life came one night at a dance sponsored by a Little Rock High School fraternity of which Powell was an active alumnus. An orchestra named the Kentucky Cardinals had been imported from Louisville. Powell sang several numbers with it and was offered a job at $75 a week.

HOW AT&T LOST A LIVE ONE

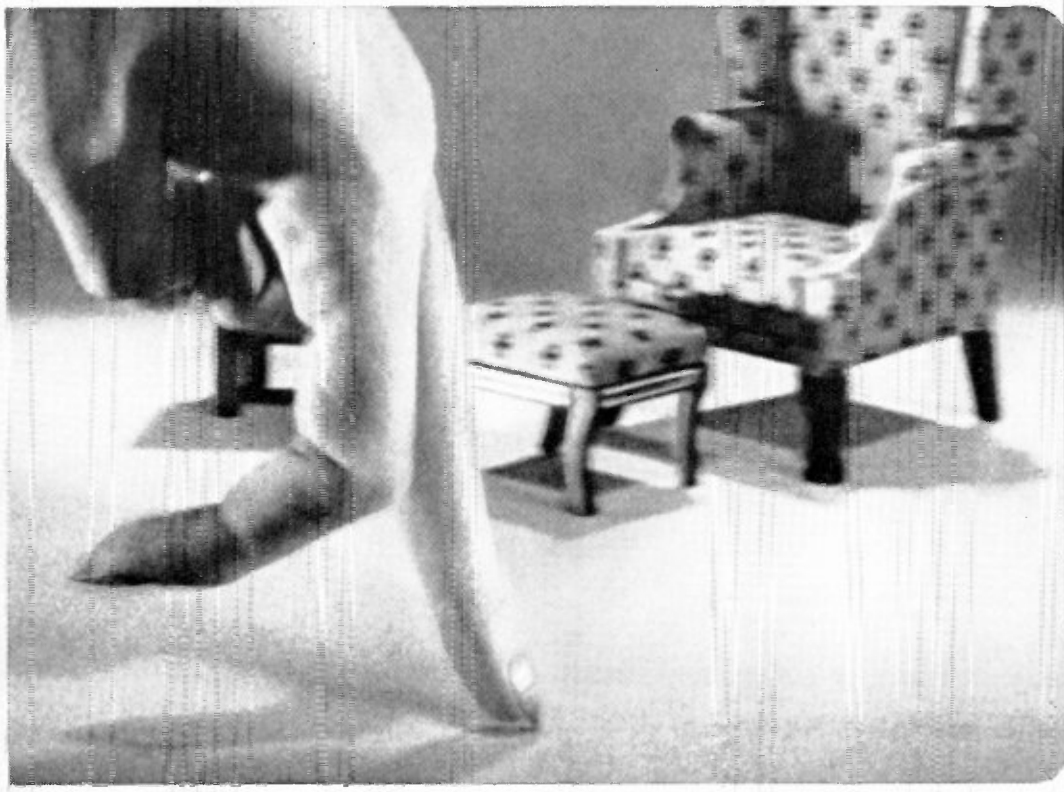
The next morning, sensing he was on the verge of a major decision, he sought an audience with the manager of the Little Rock office of Southwestern Bell. He explained he had an offer to sing with a band at $75 a week and asked: "What future can I expect with the Bell company?"

"Son," said the manager, "I've been with the company 25 years and I'm making $225 a month." Powell rapidly calculated the manager's pay to be approximately $100 a month less than the orchestra had offered. He left town with the Kentucky Cardinals. He was 20 years old.

Powell no sooner arrived in Louisville than he began preparing for bigger things in bigger towns. He sought out the best vocal teacher and began to work on his voice. Nights he would sing light stuff with the Kentucky Cardinals. Days he would vocalize in the hope of a serious music career.

Thirty-seven years later, during a rare interval of repose between an acting appearance in a promotion film spot and a script conference with McDermott, Powell sat in his Four Star president's office and reflected on the period in which he perched with the Kentucky Cardinals in Louisville. Wiping makeup from his face with a Kleenex, he said: "For a while I had ambitions to sing opera, but I came to realize I didn't have the instrument for it, so I settled for less."

Once he had reached the decision that opera was beyond his probabilities, Powell switched to popular songs. He continued, however, to train as hard for that discipline as he had for opera. His work paid off when Charlie Davis, the leader of an Indianapolis orchestra and a master of cere-



Powell's reputation as a song-and-dance man disguised a shrewd head for business

monies in an Indianapolis theatre, played a date in Louisville and heard Powell sing. Davis hired him as a vocalist and banjo player.

In those days many theatres featured stage shows as well as movies. It was the concluding period of vaudeville. Individual acts came and went, but the masters of ceremonies were permanent. At big theatres the M.C.s developed into local celebrities. The longer Powell sat with his banjo on the Indianapolis stage and watched Charlie Davis preside as M.C., the more he thought he was capable of acquiring similar glory and income. He worked up material, some of which was original, and got a job as M.C. at another Indianapolis theatre. This launched the next 6-year phase of his career.

Powell outgrew Indianapolis and signed a contract to be M.C. for the Stanley Theatre of Pittsburgh. He sang, danced a little, told jokes, played the banjo, introduced the acts and soon became a theatrical fixture with a devoted following of fans.

"Funny thing about those audiences," Powell says. "They got so they'd react like the teen-agers do to Fabian. You could turn them on and off."

Any M.C. that can turn an audience on and off commands obsequious obedience from all performers who share a stage with him. Powell soon was producing the Stanley's shows as well as participating in them as master of ceremonies.

Although he took satisfaction in the role of a Pittsburgh luminary, Powell was never blinded to its limitations. Frequently, on days off, he would scurry to New York in search of wider opportunities. He had long since abandoned hope of an operatic career, but he still thought he might become a singer of light opera. "I was very big on 'Kashmiri Love Song,' " he has later recalled. In New York he kept seeking auditions for Broadway roles and finally succeeded in arranging a try-out for "The Student Prince." It turned out to be a traumatic experience. As Powell now describes it: "I took one look at all those fags in the chorus and ran for my life." He decided the movies might offer a safer career—possibly because he had never been to Hollywood.

In 1932, after Powell had laid intermittent siege to the New York offices of the motion picture companies, he was signed to a Warner Bros. contract. He made his Hollywood debut in a picture prophetically named "Blessed Event." In it he played a master of ceremonies, "the same thing I had been doing in Pittsburgh." The role called for him to sing and lead a band and imposed little strain on his still undeveloped acting talents. "I had one word of dialogue," Powell remembers. "I said 'Hello' to Lee Tracy, the star." The picture turned out to be a hit, and it started Powell on a career in the endless procession of musicals that became a Warner Bros. specialty.

For nearly 10 years Powell starred in such films as "Forty-Second Street," "Gold Diggers of 1933," "Footlight Parade," "Flirtation Walk," "Hollywood Hotel," "Gold Diggers of 1937" and some 25 others of the same weightlessness until he became firmly typed as an empty-headed singer with wavy hair and a cute nose that wrinkled when he flashed his winning smile.

The image underrated him. Few people in Hollywood knew that as soon as Powell began drawing a young star's pay he had enrolled in night school at Hollywood High to take courses in business and accounting. He knew he was going to make money, and he wanted to learn money management.

Midway in his servitude at Warner Bros. Powell began to seek release from the confinement of musical pictures, but Jack Warner, then as now head of the studio, was not about to tamper with a winning formula. A Powell appearance in a musical was a virtual guarantee of box office success. Warner, who is reputed to think of actors' contracts as chattel deeds, wasted little time listening to Powell's entreaties. "Every time I asked Jack for a straight role," Powell says, "he threw me out of his office."

Powell had gone to Warner Bros. on a seven-year contract, but by the manipulation of options the studio managed to extend it to nearly 10 years. It was not until 1941 that Powell escaped. "I swore I'd never do another musical."

Life outside the Warner Bros. lot proved to have its hardships. Powell kept beseeching studios to give him a dramatic assignment and was continually rebuffed. He was confronted by the twin horrors of being typed in a role he had grown to hate and facing the advance of age which would soon render him unsuitable for it even if economic necessity forced him to suppress his dislike.

WEEKENDS CAN BE PROFITABLE

For a year he was out of pictures, but never idle. He began to speculate in real estate. He would buy up dilapidated properties, improve them and resell. Real estate is still a profitable sideline for Powell. He has an interest in a land development company and owns commercial property at Newport Beach, Calif. The latter was acquired in recent years after Powell took to yachting out of Newport. He, his wife, June Allyson, their adopted daughter, Pamela, 14, and their son, Ricky, 11, spend frequent weekends on their 63-foot cruiser, *Sapphire Sea*. (Powell used to own sailboats, but he gave them up. "Sailing takes too damn much time," he says.) To spend entire weekends in utter indolence aboard the *Sapphire Sea* gave Powell disturbances of guilt. He would sit on the salon deck and covetously eye real estate along the shore. The cruiser is among his most cherished possessions, and he delights in showing drawings of its plans, but it was only after he bought a store-and-office building in Newport that he began declining dates that would conflict with weekends there.

In 1942 Powell was persuaded to sign a contract with Paramount on the promise of assignment in a dramatic role. The promise kept being postponed. He appeared, reluctantly, in a few inconsequential pictures until a showdown came when Powell demanded to be cast in the lead of "Double Indemnity" and was refused. He negotiated a release from his contract, and once again was at liberty and looking. "I asked everybody for a dramatic job," he says.

Finally, in 1945, Charles Koerner, executive producer at RKO, cast Powell as a tough private eye in Raymond Chandler's "Murder, My Sweet." The role was 180 degrees different from the one in which he had been stuck so many years. "That," says Powell, "was the one that got me started in straight pictures."

Other "straight" roles followed in movies such as "Johnny

O'Clock," "Mrs. Mike," "The Reformer and the Redhead" and "Cry Danger" and in radio serials *Richard Rogue* and *Richard Diamond, Private Detective*, until Powell once again felt he was in a rut. He developed an itch to direct, but again found Hollywood resistant to a Powell transformation. This time he resorted to a number of ruses, including a conspiracy with William Holden, who was then a top Paramount star. Powell found a story he thought would be ideal for Holden, and Holden persuaded Paramount to buy it on the condition that Powell would direct it. Again Powell learned the frustrations of studio stalling. It finally became evident that Paramount had bought the story only to please Holden. The picture was never made.

Howard Hughes, who then owned control of RKO, gave Powell his first directing assignment, on "Split Second," a suspense story starring Robert Mitchum and Jane Russell, and almost immediately Powell ran into a new problem in Hollywood. The producer assigned to the picture kept countermanding Powell's orders to the writer who was preparing the script. The situation called for resourceful action. Powell continued to report to work, but he quit picking up his checks. For 17 weeks he let his pay accumulate until one night he got a telephone call from Hughes. Powell imitates Hughes' high-pitched Texas drawl: "Now, Dick," Hughes said, "why aren't you picking up those little old checks?" Powell explained he was determined to let them pile up until the producer quit monkeying with the script. The next day the writer was turned over to Powell. "Split Second" was a hit.

Four Star Television had its origin in 1952, the year in which "Split Second" was produced. The name was a slight exaggeration. Three stars founded Four Star: Powell, David Niven and Charles Boyer. A fourth, Ida Lupino, appeared in the company's first venture, a half-hour anthology series, *Four Star Playhouse*, but she never owned any stock. Powell, Niven, Boyer and Miss Lupino rotated in featured roles in the show. *Four Star Playhouse* went on CBS on alternate Thursdays at 8:30-9 p.m. under the sponsorship of Singer Sewing Machine Co.

In early 1953, when Powell was devoting most of his time to his new television venture, Howard Hughes asked him to become a producer as well as director for RKO. Powell was reluctant to take on duties that would distract him from Four Star, and he told Hughes he would have to think it over.

The night after Hughes called, Powell was stricken with severe abdominal pains, and his doctor was unsure of a diagnosis. Hearing of Powell's predicament, Hughes sent his own doctor to see Powell. "That man saved my life," Powell says. "I was sitting there in agony with my belly out to here, and he told my doctor to operate right then. They found my appendix had burst and peritonitis had set in. If Howard's doctor hadn't made them act fast, I'd have been a gone goose."

Powell says of Hughes: "You hear a lot of stories about him, but I know him to be a very thoughtful guy. I remember once he read about a girl somewhere in New York who had been badly hurt in some kind of accident, and he sent a check to buy the best medical help she could get. Now he didn't know that girl from a bunch of beets, but he wanted to help her. He does things like that."

When Powell was convalescing from his appendectomy, Hughes called him and said: "Dick, why don't you come on over and be a producer. Producers don't do anything but sit. While you're getting well, you can be making money." It was the kind of argument Powell can't resist. His first movie as producer-director was "The Conqueror," a story of Genghis Khan starring John Wayne.

"That was some picture," Powell says. "The script called for Wayne to talk in a sort of Biblical English. Can you imagine that cowboy saying: 'Whither goest thou acrost mah land?' But the picture grossed 18 million dollars."

In the next several years Powell became a conspicuously successful producer-director at RKO, Columbia Pictures and Twentieth Century-Fox, and he also starred in one RKO comedy, "Susan Slept Here." As a change of pace he took a leave from films to direct the original stage company of the theatrical hit, "The Caine Mutiny Court Martial." Meanwhile his television ventures were progressing, but sometimes just barely.

Four Star Playhouse ran four seasons under Singer sponsorship. With some of the profits, Four Star bought television rights to two literary properties, the short stories of Somerset Maugham and the works of Zane Grey, the all-time champion of western story writers. The Maugham stories were adapted in an anthology series, *The Star and the Story*, with Henry Fonda as host. The Zane Grey purchase led to one of Four Star's most profitable ventures and, of at least equal importance, to the association of Tom McDermott with the company.

In casting about for program ideas for the 1956-57 season, McDermott, as television chief for Benton & Bowles, correctly forecast that westerns were to become hot television attractions. He sketched an idea for a western series that he thought would be good for General Foods and flew to

BUSINESS LUNCH • *The three men who handle the creative and business fortunes of Four Star often lunch together in this conference room, located between the offices of Tom McDermott (left), executive vice president, and Powell, president. The office of George Elber (right), first vice president and business manager, is across the hall. Four Star's headquarters are located in leased space on the Republic Pictures lot in North Hollywood. The quarters are comfortable but not elaborate. This conference room, offering the largest supply of square footage in the office area, gets a lot of use. On one wall are projection screens—sized the same dimensions as TV sets—on which rushes of the previous day's shooting are shown to producers, directors and other interested parties at around 2 each afternoon during production periods. Four Star's permanent staff on the lot is about 90, but the payroll swells to over 500 during the peak shooting season.*

Hollywood to find a production company. His first stop was MCA and its president, Lew Wasserman.

McDermott outlined his idea, and Wasserman assured him that MCA and its Revue Productions could come up with a property. After overnight figuring, Wasserman presented a proposal that would have deprived McDermott of creative control and General Foods of its shirt. McDermott went looking for another producer.

At the William Morris talent agency, which is and has been the sales representative for Four Star, McDermott learned that Powell's company owned the television rights to the Zane Grey stories. A deal was made, and *Dick Powell's Zane Grey Theatre* went on CBS-TV's 1956-57 schedule Fridays, 8:30-9 p.m. It lasted through five seasons.

Powell and McDermott developed a close association during the preparation and production of the Zane Grey series, and the association grew closer after McDermott bought another Four Star product, *The Rifleman,* for another Benton & Bowles client, Procter & Gamble, and put it on ABC-TV. Powell began to urge McDermott to leave the agency business and throw in his lot with Four Star. McDermott declined until events over which he had no control virtually forced him to make the change.

In a period of roughly three years, beginning around 1956, the whole pattern of television network programming and advertising underwent convulsive alterations. An explosive increase in the number of television stations made it possible for three networks to find outlets in many major population centers where only one or two of them had been able to expose their programs before. Until the mid-fifties CBS-TV and NBC-TV had hogged the audiences and advertising revenue. Then ABC-TV made its bid to compete.

Under the guidance and with the backing of the huge Paramount Theatre chain with which it had been merged, ABC went to Hollywood to find programming that would swiftly capture audiences from the New York-oriented shows of CBS and NBC. It found it in mass-produced, action-adventure films. ABC's share of the television audience began to grow and the others' shares to diminish, and CBS and NBC shifted their focus from New York to Hollywood. No posse can assemble, let alone gallop, in any New York studio. Nowhere in Manhattan is there an Eagle Pass.

Once the networks had deflected their attentions to Hollywood, they began to learn that in the production of westerns or almost any other kind of show there were certain advantages in film. One was the technical efficiency of Hollywood production crews who could turn out half-hour action films faster than the networks could schedule them. Another was the physical permanence of film. Unlike a live show (which in those days—before the perfection of video tape—could be recorded only by the technically inferior kinescope device) a film show could be run on a network and then reproduced inexpensively in quantity for syndication to individual stations after its network run. The more times a series was broadcast, the more money it brought in. Networks began making joint venture deals with film producers in which both shared in the ownership and profits of films, including profits from syndication.

As the networks acquired more and more program ownership participations, sponsor ownerships had to decline. Aside from the profit potentials in program ownership, the networks had other reasons to squeeze the sponsor out. A network that controlled its own shows could move them to take advantage of a weak spot in competing schedules or drop them in favor of more promising shows—all without wasting much time on explanations to advertisers. In the

The principals' original antes appreciated handsomely after Four Star went public

fierce competition for audience that was developing, mere survival required the networks to be flexible in scheduling.

The detachment of the sponsor from program ownership was hastened by still another trend. The costs of television time and programs rose above the capacities of all but the biggest advertisers to buy full sponsorships of shows. Networks were obliged to put their own shows on the air and sell participations. In the past television season only 14 of the 99 program series in network prime time were under advertiser control.

By 1959 the bulk of network programming had passed from the hands of advertisers and their advertising agencies to the control of the networks, and the job of production had indisputably passed from the agencies to the Hollywood film studios. At Benton & Bowles, whose clients were spread all over the networks, three daytime serials were the only television programs still under the agency's control. In June 1959, McDermott moved to Hollywood.

McDermott was only 39 when he became executive vice president of Four Star, but he already had amassed 20 years of practical experience in radio and television production. A native of New York, born May 27, 1920, he began writing scripts for two radio soap operas, *When a Girl Marries* and *Pepper Young's Family*, while an undergraduate at Manhattan College. After taking a B.A. at Manhattan, an M.A. in philosophy at Fordham and an M.A. in English at Columbia University, McDermott went to work in the radio department of Benton & Bowles.

A YOUNG PIONEER IN LIVE TV

He progressed from writer to director to producer and in 1949 was made head of the radio department, in charge of such shows as *Burns and Allen*, *Father Knows Best*, *Red Skelton*, *Life of Riley* and *The Railroad Hour*. Television came along, and McDermott embraced it. A mark he will bear to his grave is that of creating in 1950 the first television daytime serial, *The First 100 Years*, on CBS-TV for Procter & Gamble. Among other television shows he started for clients of Benton & Bowles were the *Red Buttons Show*, the *Loretta Young Show*, the *Ann Sothern Show*, the *Danny Thomas Show* and, of course, *Zane Grey Theatre* and *Rifleman*. He became vice president in charge of television and radio programming in 1953, a member of the Benton & Bowles board in 1958 and senior vice president four months before he quit to join Four Star.

Among the inducements that led McDermott to move to Four Star was a stock participation plan that turned out to be one of a number of intricate fiscal developments in the recent history of the company. It has not been for summer reading in a hammock that Powell has for years subscribed to the *Wall Street Journal*, *Business Week* and the *Executives Tax Report*, nor was it by social accident that his circle of intimate friends included tax lawyers and financial experts.

Four Star, originally a partnership of Powell, Niven and Boyer, had become a corporation, Four Star Films Inc., in 1955. At that time William Cruikshank, a Hollywood attorney, was brought in as president and minority stockholder. In October 1957 Cruikshank was bought out, Powell became president, and the company's 84 shares of outstanding stock (par value $10 per share) were divided among Powell (50%) and Niven and Boyer (25% each).

In June 1959 McDermott was fitted into ownership when a wholly new corporation, Four Star Television, was formed. Its 100 shares of capital stock were bought, at $100 per share, by Powell (37½ shares), McDermott (25 shares) and Niven and Boyer (18¾ shares each). Powell became president of the new company, McDermott executive vice president and Niven and Boyer vice presidents. In the next year the new company began to boom. Six series were sold for network exposure in the 1960-61 season. Revenues were climbing. The time was right for a corporate reorganization and for a public stock issue that would bring in working capital.

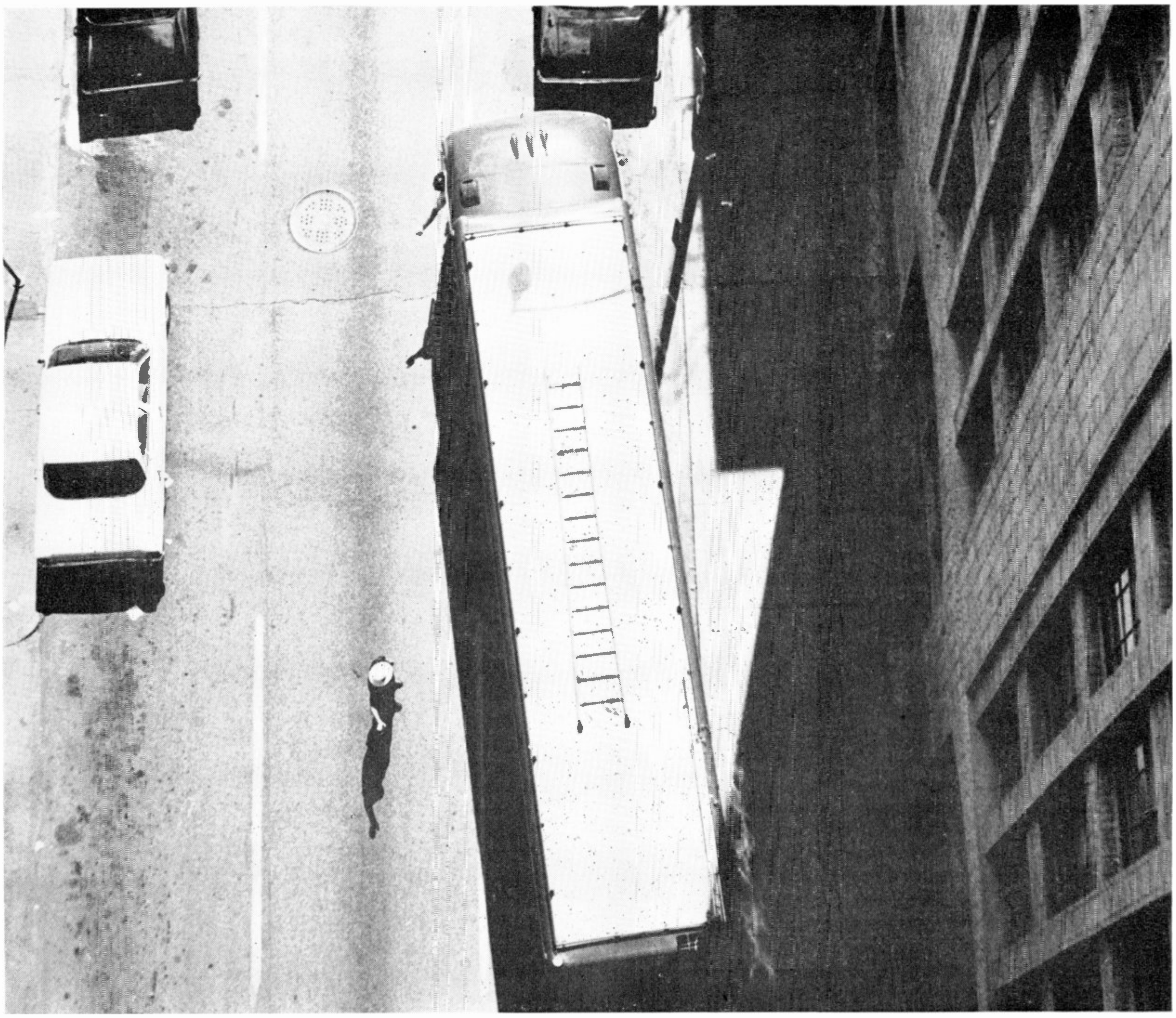
In September 1960, Four Star Films, the company that had been organized in 1955, was merged into Four Star Television. The 100 outstanding shares of Four Star Television stock were reconstituted into 288,000 shares divided among the shareholders in the same proportions, 37.5% for Powell, 25% for McDermott, and 18.75% each for Niven and Boyer. The 84 outstanding shares of Four Star Films became 192,000 shares of Four Star Television, divided 50% for Powell and 25% each for Niven and Boyer. After all these exchanges had taken place, Four Star Television was one company with a total of 1,200,000 shares of capital stock authorized and 480,000 shares issued—204,000 owned by Powell (42.5%), 72,000 owned by McDermott (15%) and 102,000 owned, respectively, by Niven and Boyer (21.25% each).

As soon as the merger was done, a public stock issue of 120,000 shares was offered. The offering was made at $15 a share on September 28, 1960, and was fully subscribed the first day. As a not inconsequential by-product of the public sale the principals' holdings had acquired new price tags. Measured by the prices in the public market, Powell's stock, for which he had paid less than $5,000, was worth some $3 million; Niven's and Boyer's original investments of slightly more than $2,000 were worth $1.5 million each; McDermott's investment of $2,500 had grown to a value of more than $1 million in less than a year and a half. As an additional benefit of the stock issue the Four Star treasury collected a net of $1,569,418 cash, after payment of distribution commissions and expenses.

With 120,000 shares in the public's hands, Four Star stock prices moved up and down in over-the-counter trading in the next year and a half. During 1961 the bid price ranged from a low of $13.75 to a high of $25. The prices rose after Four Star issued its earnings report for its fiscal year ending June 24, 1961.

Four Star's gross revenues in fiscal 1961 were $24 million, a healthy increase over the $15 million revenues of fiscal 1960. Its 1961 profits after federal income tax were $647,422 —more than double the $317,506 profits after tax of the year before. (For complete earnings record see box, page 62). In fiscal 1961 earnings per share were $1.06, compared to 66 cents the year before. The increase in earnings per share was the more impressive for having been achieved despite the addition of outstanding shares in the public issue that went on the market after the close of fiscal 1960.

Early in 1962 Four Star's officials thought it was time to take another step in the expansion of the company. On



Hard to park

Parking is the only thing our quarter of a million dollar cruiser cannot do — with ease. Here are some of the things it *can* do.

Remotes: well enough for one rival network to use it for the "Today" show on location at Six Flags Over Texas, an amusement park between Dallas and Fort Worth.

Taping: well enough for the other network to send us from Dallas to Central City, Colorado . . . on to Aspen, Reno, Lake Tahoe, and San Francisco . . . 10,000 miles for a series of summer vacation specials.

This is the unit that won a Best of Category award at the '62 TV Film Festival for an Allstate Insurance commercial. Created, produced, and edited on the spot during Hurricane Carla.

Other facts? Our cruiser is completely self-sufficient; can power its own air conditioning as well as six Marconi cameras and two Ampex VTR units. It is exactly 40 feet long and strongly recommended for people who think BIG.

WFAA-TV

Channel 8, abc, WFAA-AM-FM-TV, Communications Center, Broadcast services of The Dallas Morning News, Represented by Edward Petry & Co., Inc.

Two old, four new Four Star series have places in TV network schedules this fall

March 16, 1962, Four Star filed with the Securities & Exchange Commission a proposal for a secondary offering of 211,250 shares. The purpose was to enlarge the public distribution of stock, with the hope of improving its market. Almost all of the 211,250 shares that Four Star proposed to offer were held by Powell, McDermott, Niven and Boyer, and proceeds from the sale would accrue to them.

By that time part of Powell's holdings had been transferred to June Allyson, his wife, as a consequence of a divorce settlement, a type of complication that often affects Hollywood business deals.

During 1960 Powell had become so engrossed in building Four Star that he rarely saw his wife when she was awake. When he did come home at conventional hours, he more often than not brought strangers who talked business which did not interest her. In early 1961 she obtained a divorce. As part of a property settlement Powell's 204,000 shares of Four Star stock were divided between him and Miss Allyson and put in a voting trust.

Under California law a divorce does not become final until a year after it is granted. Before the Powells' year had elapsed, they were reconciled. The Four Star stock was removed from the voting trust, but Powell left 60,000 of his original shares in his wife's name.

In the secondary issue of stock that was planned, Powell proposed to sell 42,500 shares, McDermott 30,000, Niven and Boyer 42,500 each and Miss Allyson 42,500. An additional 11,250 shares would be sold by Merrill Heatter and Robert Quigley, who had acquired them in August 1961 as payment for Four Star's purchase of Heatter-Quigley Productions, owner of *Video Village*, a live daytime show that was then on CBS-TV.

The market price of Four Star stock in the two months preceding the filing of the registration statement had ranged from $18.50 to $22. At the $20 per share the stock had been recently averaging the probable yields looked promising—about $1.7 million for the Powells, $600,000 for McDermott and $850,000 each for Niven and Boyer—all subject to a maximum tax of 25%. Under the plan, the Powells, McDermott, Niven and Boyer would still retain a total of 45.6% of the outstanding stock, enough to assure continued operating control of the company.

On the basis of Four Star's own prospects, the new stock issue seemed certain to catch investors' eyes. Powell and his associates knew that the company's earnings for fiscal 1962 would be bigger than in the previous year. But the general collapse of the stock market drove Four Star's prices down with most others. On May 31, three days after the market's "Black Monday" of May 28, Four Star was bid at about $10, half of the price it commanded earlier in the year.

Talking with a visitor last June, Powell expressed impatience with the market and explained why Four Star wanted to increase the public distribution of its stock.

"We don't have enough shares on the market to make a good price," he explained. "We talked for a while about splitting, but we never got over 25, and that isn't high enough to justify a split. That was before the whole market went to pot.

"We're now selling at about seven or eight times earnings which is ridiculously low. We'll earn around a dollar twenty-one this year. Last year we thought we were doing well to earn a dollar six."

With the general prices of stocks still sagging and showing no signs of sharp upswing, Four Star decided to postpone the secondary sale of stock. In July, although the bid price of its stock had moved up to about $13.50, Four Star withdrew its registration statement.

Powell's predictions of fiscal 1962 earnings turned out to be astonishingly accurate. A final audit completed just as this text went to press confirmed preliminary figures which put earnings per share at $1.20.

Four Star's growth in recent years has been achieved despite a record of program casualties that may be considered normal in the film industry. In the 1961-62 season there were six Four Star series on the networks. Only two of them will return in the 1962-63 season beginning this month. The two are *Rifleman*, which has been on ABC-TV since 1958, and the *Dick Powell Show,* which did well in ratings and even better in prestige on NBC-TV in its introductory season, 1961-62.

REPLACEMENTS AT THE READY

Again in 1962-63 Four Star has six series scheduled on the networks (see box on page 63). There is no way to predict how many of them will still be in network schedules a year from now. All kinds of fates beyond a producer's control can befall a network series. Aside from the uncertainties of forecasting how the public will react to any show, the producer faces unpredictable conditions of competition. A show may seem to him to have the ingredients of a hit but turn out to be clobbered by the opposition in the time period to which the network assigns it. For a producer of network series the only security lies in a constant process of replenishment. He must be ready with new shows to replace those that may be casualties. Ideally he hopes to create new ones in greater number than the casualties.

To perpetuate itself as a supplier of network shows a film producer must devote almost as much energy to the creation and selling of ideas as it does to actual production. In the past two or three months, while Hollywood production staffs and crews have been churning out the film that will be telecast in 1962-63, the top management of film companies has been working on ideas that cannot materialize before 1963-64. The development of most of the new series that will be introduced this month or next was begun a year or more ago.

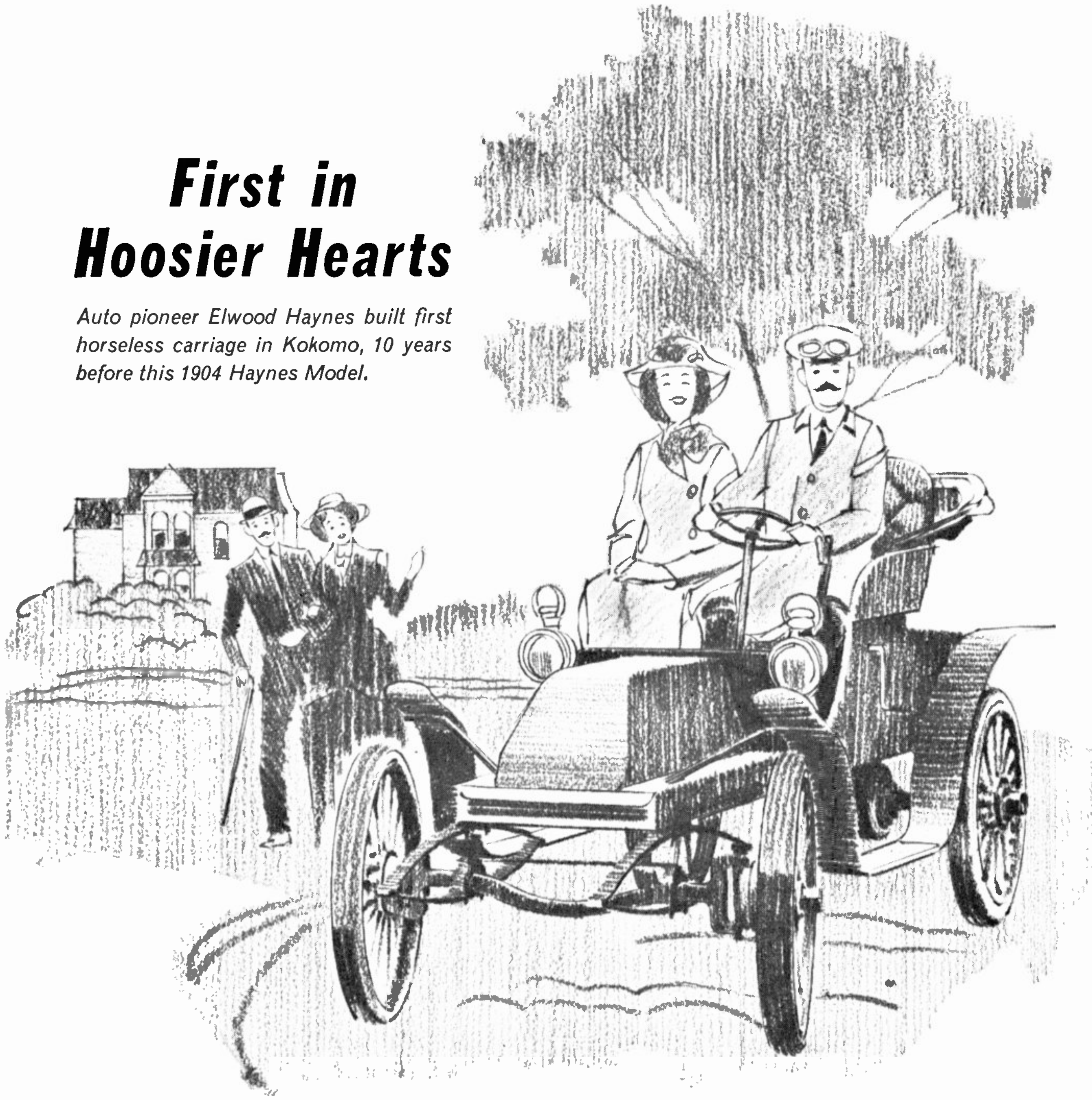
The number of prospective buyers of new shows has been markedly reduced by the disappearance of sponsor control over network programming.

"We have only three customers now," Powell remarked recently. "No sponsor means a damn thing." McDermott added: "It isn't quite that bad. Each year we've managed to sell one show to an advertiser. This year it's Kaiser." He referred to Kaiser's sponsorship of Four Star's *Lloyd Bridges Show* that will appear on CBS-TV Tuesday nights.

The centralization of program control has given the networks tremendous bargaining power. Though all three networks have denied that they condition their purchases of shows on the degree of financial participation they obtain

First in Hoosier Hearts

Auto pioneer Elwood Haynes built first horseless carriage in Kokomo, 10 years before this 1904 Haynes Model.



First in Hoosier Homes

September 22, 1962—A great Hoosier heritage will be recaptured as the 4th Annual WFBM-TV Antique Auto Tour . . . sputtering but determined . . . rolls through the Hoosier countryside from Indianapolis to Terre Haute and back. The reception won't have changed much from the first appearances of the "Haynes" back in 1894. Heads will turn. Kids will laugh. People all along the way will cheer (more than 150,000 spectators last year) as some 125 famous-make vintage and antique automobiles bring a touch of automotive history "*Back Home Again in Indiana*".

WFBM-TV keeps in close touch with viewers in rich satellite markets surrounding Indianapolis. Let us show you why this makes Indianapolis different from other TV markets. Ask your Katz man!

CHANNEL 6
WFBM TV
INDIANAPOLIS

TIME-LIFE BROADCAST INC.

America's ***13th*** *TV Market*
with the only basic NBC coverage of 760,000 TV set owning families. ARB Nov., 1961. Nationwide Sweep.

in them, the facts of economic life in Hollywood these days make it almost impossible for a producer to sell a show without cutting the network in on the profits in some way.

To begin with, the production of pilot films—samples intended to show what series will be like—has undergone radical changes. When sponsors still were buying many shows, it was customary for producers to risk their own money in shooting pilots their salesmen could present to a number of prospective customers. Five or six years ago a half-hour pilot might cost $30,000. It can cost up to $100,000 today. At current prices bankruptcy faces the producer who makes pilots for speculative selling. As Powell said, there are only three big customers in the market now.

In recent seasons selling has proceeded from a first offering of an idea or a series outline. If a producer interests a network in a show in that rudimentary form, the likelihood is that the network from that point on in the show's development will share at least some of the expense. By the time the process gets to the stage of pilot production, which is still done so the buyer can have a tangible property to view before he commits himself to the purchase of a series, the network picks up part of the tab, and sometimes all of it.

About the only way that pilots are made today for speculative purposes is to spin them out of series that are already on the air and are being paid for by networks. An anthology program like the *Dick Powell Show* is ideal for that purpose. As an hour-long vehicle that features entirely different stories and entirely different casts each week, it occasionally can find and produce a story that not only makes a good *Powell Show* hour but also may lend itself to adaptation for a series. Among the 30 hours of the *Dick Powell Show* that were filmed for presentation on NBC-TV in the past year (the 30 were played during the fall-winter season and 20 were spring-summer repeats), three were used as pilots for proposed series. One of them was bought by NBC-TV and will turn into *Saints and Sinners* in the 1962-63 season on Monday nights. "One out of three isn't a bad average," says Powell.

In return for contributing to the expenses of development—though never, the networks swear, as a condition of purchase—the networks expect to get some kind of a piece of the show.

Last February, testifying at a Federal Communications Commission hearing in Washington, James T. Aubrey Jr., president of CBS-TV, explained how his network seeks to reduce its program costs by acquiring interests in the shows it purchases. "In some cases," said Aubrey, "we acquire all of the network profits and none of the post-network profits. In other cases, we acquire 50% of the profits. In some cases, we acquire a nominal profit position. In many contractual arrangements we acquire the distribution privilege for programs after the programs are discontinued from network telecast. Such distribution may involve the United States or foreign countries, or both."

Four Star is not among the many companies that have ceded to CBS, and to ABC and NBC as well, the rights of foreign and domestic syndication. As a matter of necessity, Four Star, like other producers, has had to deal networks in on profit participation, but it has refused to relinquish the rights of distribution of its product for off-network runs.

"What's the use of giving away your assets?" Powell said not long ago. "I was in a banker's office, trying to explain to him how television production works. I saw a pack of cigarettes on his desk and I picked it up and said: 'The manufacturer makes this pack and sells it and that's the last he sees of it. Now in our business we make the pack and sell it and get it back. We can keep reselling the same pack

Four Star's seven-year comparative consolidated statement of income

	Fiscal Year Ended						
	June 30 1962	June 24 1961	June 25 1960	June 27 1959	June 28 1958	June 30 1957	June 30 1956*
Income:							
Television film rentals and live television shows	**$19,633,174**	$23,736,634	$13,969,053	$8,293,859	$3,638,354	$2,995,299	$ 759,463
Rentals and fees for studio facilities and personnel	**113,449**	247,048	1,055,290	435,722	1,733,081	1,051,235	1,341,908
Other	**216,357**	210,033	117,076	45,297	10,245	14,310	
	$19,962,980	$24,193,715	$15,141,419	$8,774,878	$5,381,680	$4,060,844	$2,101,371
Costs and Expenses:							
Amortization of television films and cost of live television shows	**14,807,522**	18,518,725	10,879,146	6,397,817	2,804,218	2,464,194	702,602
Operating, selling and administrative expenses	**3,177,516**	3,392,468	2,961,231	1,286,427	2,031,986	1,367,485	1,343,730
Other venturers' shares in income	**321,134**	886,684	555,322	374,064	181,778	213,828	(214)
Depreciation of fixed assets	**137,370**	89,299	49,430	12,126	6,146	3,546	1,585
Interest	**30,361**	8,117	58,827	28,488	19,016	10,108	
	$18,473,903	$22,895,293	$14,503,956	$8,098,922	$5,043,144	$4,059,161	$2,047,703
Income before tax	**1,489,077**	1,298,422	637,463	675,956	338,536	1,683	53,668
Provision for federal income tax	**755,000**	651,000	319,957	373,258	175,842	1,936	25,085
Net income (loss)	**$ 734,077**	$ 647,422	$ 317,506	$ 302,698	$ 162,694	$ (253)	$ 28,583
Earnings per share**	**$ 1.20**	$ 1.06	$ .66	$ .63	$ .34	—	$ .06

**The fiscal year ended June 30, 1956 was the first year of operations.*
***Based on 611,250 common shares outstanding for fiscal 1962 and 1961 and 480,000 common shares outstanding for fiscal 1960 and prior fiscal years.*

over and over without losing the title. The banker said it was the first time he understood the TV production business."

Powell's theories are soon to be put to practical test. In July, Four Star started setting up a syndication subsidiary.

Syndication is one of several expansionist moves that Four Star has made since it filled out its top management team by the addition of George A. Elber as first vice president and business manager on January 2, 1961.

A New Yorker who graduated from Columbia University's Law School in 1937, Elber practiced law in New York except for an interval during World War II as a navigator-bombardier in the Eighth Air Force. He spent part of the war interned in Switzerland after a forced landing.

As a member of the New York firm of Davis, Gilbert, Elber & Levine, Elber specialized in practice related to the entertainment field. An expert in copyright law and in contracts, he represented talent, packagers and others in television. One of his clients was Benton & Bowles, and he worked closely with McDermott when the latter was in charge of the agency's programming. A year and a half after McDermott joined Four Star, he persuaded Elber to join him in Hollywood.

Elber went to Hollywood in response to the same category of inducements that had drawn McDermott there: a five-year contract at high salary plus stock acquisition and the promise of important participation in an expanding firm.

McDermott's present contract became effective the end of June 1960. It guarantees him $100,000 a year, $70,000 to be paid each year and $30,000 a year deferred for payment after the expiration of the contract.

Elber's contract, effective January 2, 1961, guarantees $95,000 a year. He was paid the full amount in 1961, but for the next four years $25,000 a year will be deferred.

McDermott has been granted an option to buy 30,000 shares, in addition to the stock he obtained in the Four Star reorganization, and Elber has an option on 18,000 shares. The option price runs from $13.30 to $16.50.

The top man at Four Star draws no salary as president. Powell is under contract to the company as executive producer of the *Dick Powell Show* and as an actor in 10 of every 30 of its productions. He is guaranteed $300,000 for each year of production, an amount that increases in proportion to increases in the price paid by the network for the show, but the payments are made at a rate of $100,000 per year until the accrued compensation runs out. Powell's base went up to about $315,000 with the renewal of his show at a 5% increase in price for the 1962-63 season.

Once Elber arrived on the scene, the executive functions of top management were divided. Powell, as president, is now disengaged from operational responsibilities (though policy decisions are his). He concentrates on the production of the *Dick Powell Show*, a job requiring full-time executive talent. "You must remember," an admiring NBC program official has said, "that Powell produces 30 motion pictures a year. That's what it amounts to." McDermott is Four Star's chief executive officer, but spends much of his time supervising current production and the creation of future product. McDermott also presides at critical points in program selling (he and Robert E. Kintner, NBC president, closed the deal for the *Dick Powell Show* with a handshake before any contract had been drafted). Elber keeps track of the money, looks for business opportunities, negotiates the hundreds of contracts a company like Four Star writes each year and supervises fiscal operation.

"George runs the business side," McDermott explains. "As for sales, people say I make them, but that isn't so. We have 40 salesmen who work for us at William Morris [which gets 10% on the gross of everything Four Star sells]. People forget that most of my agency work was as a writer and producer. Production and program creation is what I do."

In 1961, Four Star began to search for auxiliary sources of income. In Hollywood, a search like that can lead down

TV shooting on Hollywood sound stages

Series in production for TV network showing this fall

SCREEN GEMS—9
The Jetsons, ABC; *Dennis the Menace*, CBS; *Empire*, NBC; *Our Man Higgins*, ABC; *Naked City**, ABC; *Donna Reed Show*, ABC; *Hazel*, NBC; *Flintstones*, ABC; *Route 66*, CBS.

REVUE—8
It's a Man's World, NBC; *Laramie*, NBC; *Wagon Train*, ABC; *Going My Way*, ABC; *The Virginian*, NBC; *McHale's Men*, ABC; *Alcoa Premiere-Fred Astaire*, ABC; *Wide Country*, NBC.

FOUR STAR—6
Ensign O'Toole, NBC; *McKeever and the Colonel*, NBC; *Saints and Sinners*, NBC; *Lloyd Bridges Show*, CBS; *Dick Powell Show*, NBC; *Rifleman*, ABC.

CBS—5
The Nurses, CBS; *The Defenders**, CBS; *Have Gun, Will Travel*, CBS; *Rawhide*, CBS; *Gunsmoke*, CBS.

WARNER BROS.—4
Cheyenne, ABC; *Hawaiian Eye*, ABC; *Gallant Men*, ABC; *77 Sunset Strip*, ABC.

DESILU—3
The Lucy Show, CBS; *Untouchables*, ABC; *Fair Exchange*, CBS.

MGM-TV—3
Eleventh Hour, NBC; *Dr. Kildare*, NBC; *Sam Benedict*, NBC.

FILMWAYS—2
Beverly Hillbillies, CBS; *Mister Ed*, CBS.

T&L—2
Real McCoys, CBS; *Danny Thomas Show*, CBS.

ZIV-UNITED ARTISTS—1
Stoney Burke, ABC.

BING CROSBY—1
Ben Casey, ABC.

MAYBERRY ENTERPRISES—1
Andy Griffith Show, CBS.

LORETTA YOUNG—1
The New Loretta Young Show, CBS.

SELMUR—1
Combat, ABC.

GOMALCO—1
Leave It to Beaver, ABC.

MARK VII—1
General Electric True, CBS.

WALT DISNEY—1
Wonderful World of Color, NBC.

EUPOLIS—1
Car 54, Where Are You?, NBC.

NBC—1
Bonanza, NBC.

CAVALCADE—1
Dick Van Dyke Show, CBS.

STAGE FIVE—1
Ozzie & Harriet, ABC.

DON FEDDERSON—1
My Three Sons, ABC.

PAISANO—1
Perry Mason, CBS.

HEYDAY—1
Dickens & Fenster, ABC.

McGUIRE CO.—1
Don't Call Me Charlie, NBC.

GAC—1
Mr. Smith Goes to Washington, ABC.

BELMAR—1
Joey Bishop Show, NBC.

SHAMLEY—1
Alfred Hitchcock Hour, CBS.

JACK WRATHER—1
Lassie, CBS.

20TH CENTURY—1
Dobie Gillis, CBS.

*Filmed in New York

twisting lanes. Almost any deal will involve talent agents, tax lawyers, business advisers, stars and stars' corporations that have been devised to enable performers, whose periods of high earnings may be relatively short, to put away some money outside the grasping reaches of the tax collector.

The first deal Four Star made was with a production company owned by Danny Thomas and his wife. (Thomas happens to be represented by William Morris too.) To the Thomases it meant a capital gain. To Four Star it meant the purchase of assets on which it could realize a return exceeding its investment.

In August 1961 Four Star bought for $300,000 cash from the Thomas production company, Marterto Productions Inc., a 25% interest in *The Real McCoys.* The ownership interest applied to the 146 episodes of the *McCoys* that had been made up to that point and to all future episodes. Marterto had acquired the interest in the first place in return for its financing the pilot. The *McCoys* is produced by Brennan-Westgate Productions, a corporation in which the star, Walter Brennan, is a principal stockholder.

The next month Four Star bought all the capital stock of Marterto Productions Inc., whose assets then included ownership of 90 episodes of *Make Room for Daddy*, starring Danny Thomas. Four Star paid a gross price of $1,800,000 for the Marterto stock, of which $500,000 was paid at time of purchase. Before the sale Marterto had $426,000 cash on hand (its cash position had been bolstered by the $300,000 Four Star had paid a month earlier for the interest in the *Real McCoys*). After the sale Four Star liquidated the corporation, absorbed the Marterto cash and wound up owning 90 episodes of the Thomas show for a net of $1,374,000, of which $1,300,000 is being paid out of Four Star's share of receipts from reruns of the Thomas episodes on NBC-TV's daytime schedule and from the *Real McCoys*, which moves from ABC-TV's nighttime lineup to CBS-TV this fall. By selling out their corporation, Thomas and his wife paid a tax of 25% on the proceeds. Had they taken the money as income, considerably less would have filtered through Internal Revenue to them.

(Thomas by no means went out of business when Marterto Productions Inc. was sold to Four Star. At the conclusion of the filming of the 90 *Make Room for Daddy* episodes which Marterto Productions owned, a change was made in the leading female role of the series. Jean Hagen, who had played Thomas's wife in the first 90 episodes, was replaced by Marjorie Lord. A new corporation, Marterto Enterprises, was formed to reflect the change in the contract for the female star. And *that* corporation several months ago was changed to T&L Productions. Thus the way has been prepared for another corporation sale at a capital gain.

"Film is income," Four Star's Elber has explained. "We bought the Thomas series and the interest in the *McCoys* for income."

An even bigger piece of income is promised by Four Star's new venture into syndication of its own shows. One of Elber's principal occupations for several months was a search for an executive to head a new syndication subsidiary. In mid-July he found one, Len Firestone, who had been vice president in charge of syndication sales at Ziv-UA. Since the beginning of television, Ziv Television (later merged with United Artists to become Ziv-UA) has been a leading syndicator. Firestone was with the company for seven years.

SHOW BUSINESS FAMILY • *This picture of the Powells was taken at the studio during filming of an episode of the* Dick Powell Show *in which all appeared. Mrs. Powell is actress June Allyson. The children are Pamela, 14, and Ricky, 11.*

Firestone is now organizing a New York headquarters for Four Star's new distributing arm. When he goes into operation, one of his biggest problems will be to decided what to release first. The Four Star library includes the following half-hour series (the number of episodes in parentheses): *Stage Seven* (37), *Richard Diamond* (78), *Trackdown* (71), *Hey Jeannie!* (32), *Dick Powell's Zane Grey Theatre* (145), *Wanted: Dead or Alive* (94), *The Rifleman* (142), *The Black Saddle* (44), *The David Niven Show* (13), *The June Allyson Show* (57), *Law of the Plainsman* (30), *Robert Taylor's Detectives* (67), *Johnny Ringo* (38), *The Westerner* (13), *The Law and Mr. Jones* (45), *Peter Loves Mary* (32),*The Tom Ewell Show* (32), *Willie Dante* (26), *Gertrude Berg Show* (26) and miscellaneous single episodes (16); and the following hours: *Stagecoach West* (38), *Michael Shayne* (32), *Dick Powell Show* (30), *Robert Taylor's Detectives* (30) and *Target: The Corruptors* (35).

Whatever luck Four Star has in syndication will be shared with others. As is now customary throughout the film production industry, Four Star has cut others in on ownership and profit participation. The series that is solely owned and devoid of profit sharing is a rarity. In filings at the Securities & Exchange Commission, Four Star has reported that in series it produced before the 1960-61 season its ownership interests ranged from a high of 100% to a low of 20% and averaged 64%, and its profit interests ranged from a high of 100% to a low of 20% and averaged 47%. In the series it produced for 1960-61, ownership ranged from 100% to 25% for an average of 52% and profit interests ranged from 75% to 20% for an average of 41%.

In any series, Four Star, like other production companies, is more apt than not to split ownership, profits or both with a network, a star and a star's own corporation.

If Four Star's syndication operations begin to show healthy results, the company's next venture may be a theatrical motion picture.

"We'll have to make an occasional feature," Powell says. "Television production has taught the production people how to shoot fast. We ought to be able to bring in a picture at an efficient cost."

Elber, the business manager, agrees. "We shoot a half-hour picture in three camera days and an hour in six camera days. If I remember correctly, when Twentieth Century-Fox suspended production of "Something's Got to Give" they had managed to get seven and a half minutes of film out of 34 shooting days."

Another reason for Four Star's interest in feature production is in using it to keep its staff busy during the two months or so each spring in which television production falls off. "We could fit the better part of a feature into that period," says Powell.

Four Star maintains a permanent staff of about 90, including executives, administrative personnel and a stable of 20 producers, directors and writers who are under exclusive contract to the company. Four Star employment rolls expand to more than 500 during periods like the past couple of months when six series have been in production. Additionally, several hundred other production workers are furnished under terms of a facilities arrangement with Republic Studios in North Hollywood, where Four Star has its headquarters and shoots its pictures. Earlier this year CBS leased part of the Republic property with an option to eventually buy all of it, but Four Star's lease, which has two more years to run, was unaffected by the deal. Four Star is a valuable tenant. In fiscal 1961 it paid Republic more than $3.6 million in rent and studio fees.

Four Star's future is the subject of intense interest among television program executives. One network vice president recently observed, "This could be Four Star's critical year. They've been trying to break away from the western format that was pretty successful for them. The Powell show last season was a big help. You've got to remember the competition they're up against, a Screen Gems that's big and versatile and a Revue that's massive and commercial. It'll be interesting to see how Four Star's new shows turn out."

Another network program executive put it this way: "Four Star has awfully bright people at the top. McDermott is an especially able executive, and Powell's show last season was an extraordinary success. People forget that Powell for the past 10 years has been one of the best producer-directors in Hollywood."

THE COMPETITION CAN BE TROUBLESOME

Last month Powell was putting in his habitual 14-hour days on the new series of the *Dick Powell Show*—which this season faces competition that would unnerve most men. NBC-TV has scheduled the show for 9:30-10:30 p.m. Tuesdays against Jack Benny and the first half of Garry Moore on CBS-TV and *The Untouchables* on ABC-TV.

"I'm not a damn bit happy about our slot this season," Powell said recently, "but I don't know anything to do about it except make the best show we can."

He turned to a rack of shelves behind his desk chair. "I've got twenty scripts in there that we've bought and then had second thoughts about. There must be $125,000 tied up in them all told, including rewrites we've done on them, but they still haven't measured up to what we want."

He pulled one from the shelf and riffled its dog-eared pages.

"Eventually we'll find some way to use them, I guess. Maybe we can sell some of them. Maybe we can find a writer to give some of them a treatment that comes off."

Powell put the script back in its resting place and turned toward a pile of new ones on his desk. "You can't be sure of anything in this business," he said.

"I guess that's why I never sold my banjo." END

McCall's confounded the pessimists by zooming from a fading third to a strong first

for the magazine that has crowded it out. It is the readers who force these changes, and what they want is something that is fresher and that comes closer to their interests."

But these are present-day enlightenments. During the 50s magazine publishers could not or would not believe that they themselves, not television, might be their own worst enemies. The great awakening came two weeks before Christmas in 1956 when the publishing house of Crowell-Collier folded two of the country's largest magazines, *Collier's* and *Woman's Home Companion* (a third link in the empire, *American* magazine, was disbanded some months earlier). It was a move that shook the magazine business as no other had for many years. An actual death in the family strikes more fear than a decade of woeful rumor and foreboding.

At the time of their demise, the two magazines seemed in the best of health. Both were enjoying peak readership. *Collier's* had an ABC circulation of more than 3.7 million, while slightly more than 4 million people were reading *Woman's Home Companion*. But underneath there was dry rot.

Trade sources said at the time that Crowell-Collier's sales forces "clung to outdated personal selling methods, lagged far behind in the high-powered merchandising services" pioneered by more successful magazines, and paid too little homage to the glories of sales promotion. One conclusion was that all of its operations "reflected management's extreme long-term reluctance to invest money in its publication properties." Most of all, though, the giant magazines folded because they couldn't get enough advertising to keep pace with and justify their expensively-won, new circulation.

There was a lesson in the tragedy for all magazine people, and some profited by it.

FIGURED TO FADE

In 1958 the wise money around magazine row had it that the next wobbly-legged Goliath to tumble would be *McCall's* magazine. At the time, the publication was running a fast fading third (behind the *Ladies' Home Journal* and *Good Housekeeping*) in the three-magazine women's field. But in early November of that year a lightning series of bewildering events turned the tide of the competition.

First, Herbert R. Mayes, jaunty editor of *Good Housekeeping*, was fired from his post after a tenure of 19 years. Then *McCall's* publisher-editor Otis L. Wiese, 31 years with the magazine, resigned after a bitter disagreement over policy. He took with him a host of top staff people. Mayes was called in, at a salary of $70,000 a year, to save what appeared to be a sinking ship.

Shackled at *Good Housekeeping* by a conservative management he did not always admire, Mayes went to work with a wide open and imaginative hand. He revamped, reshaped and rejuvenated. *McCall's* was 81 years old when Mayes took over. After a couple of years of his magical touch, it appeared as youthful and gay as many of its young housewife readers. Mostly by spectacular use of flaming color, exciting graphics and judicious use of big-name contributor talent he turned *McCall's* into an enticing morsel for modern appetites.

Once he had the kind of flamboyant product that could not be ignored, bankrolled by West Coast industrialist Norton Simon, whose Hunt Foods & Industries Inc. controls almost 50% of McCall Corp. stock, Mayes and his new publisher, A. Edward Miller, launched an aggressive promotion drive that turned the woman's field into an internecine battle royal. Buying full page ads (at about $5,000 a clip) in the *New York Times*, among other influential publications, *McCall's* shouted its supremacy in just about all things to media buyers, advertisers and readers at large. This kind of promotion soon evolved into a fascinating study of how to impress image and influence people by buckshot tactics.

And the image *McCall's* projected was that of a "hot" magazine. There is a widely accepted theory among print media people that advertising agencies flock to the publications that are the leaders in their field and all but completely shun the also-rans. The theory, which rather insults the skill and intelligence of agency media departments, gained many adherents by the success of the *McCall's* campaign.

By October 1960, *Business Week* was able to report that after two years with Herb Mayes at the helm, the once-faltering *McCall's* had become "the number one magazine in its field in advertising revenue. . .moved up from twelfth to fifth position among all magazines in revenues," and had virtually tied for circulation leadership among women's magazines.

Curtis Publications, publisher of *McCall's* chief competitor, *Ladies' Home Journal* (it also publishes the *Saturday Evening Post, Holiday, The American Home* and the children's magazine *Jack and Jill*), meanwhile, was threatened with a deluge of red ink. Its prize product, the 234-year-old *Saturday Evening Post*, had dropped from first to seventh place in ad pages among U. S. magazines in the 10-year period from 1951 through 1961. This, coupled with the *Ladies' Home Journal's* dethroning by *McCall's*, stirred Curtis out of what amounted almost to a state of shock during the 50s. On behalf of the *Ladies' Home Journal*, Curtis took up the unlady-like cudgels of internecine fray. Soon the two leaders of the women's field were trading what *Time* magazine described as "perfumed poison-pen letters" in the newspapers and trade press. Curtis, however, wasn't battling only *McCall's*. It was also fighting off that "cold" image that magazine people fear.

THE REAL REASON

One agency media executive, reviewing the situation recently, said, "This hot and cold image business is a lot of nonsense. Advertisers weren't going over to *McCall's* just because it was a hot magazine that engineered a high circulation and a lot of attention. They were going over because it was out-thinking, out-selling and out-doing Curtis."

When 48-year-old, lean, bespectacled Robert Fuoss was made editor of the *Saturday Evening Post* in 1961, replacing long-time editor Ben Hibbs, he acknowledged that Curtis had some streamlining to do.

"We are battling for our corporate lives," he told a meeting of Curtis sales personnel. "The *Post*," he said, "is in trouble not because it is a poor magazine, but because we have somehow failed to adjust to the savage competitive environment in which we live."

And so after a decade of vacillation and internal vindictiveness, the magazine industry seemed to be drawing a sensible battle line of revitalization and conformance with the times.

The *Post* then decreed a major change in format, and on September 16, 1961, an almost completely redesigned magazine made its debut. The *Post* was given a modern, more non-fictional look. Out went many of the boy-clinches-girl stories and in went more space-age, cold war in-depth studies. The theory was that today's Americans look to magazines for information and to television for entertainment. Curtis also chopped some 100 persons from its staff, reorganized and realigned some departments and tried to mold a "leaner and harder sales force."

Curtis estimated that these economies saved the company about $13 million, but apparently too late. For the fiscal year of 1961 the company suffered a net loss of $4,193,585.

Soon editor Fuoss was gone and a new

editor, Robert Sherrod, was in. He immediately declared the *Post's* changes too extreme and set about moderating them.

But Curtis is not alone with problems of change. *Life* magazine, locked in a relentlessly close competition for supremacy of the general field with *Look* and on the heels of a 1961 6% drop in ad pages, also went in for a new change of dress. Last summer the magazine moved much of its editorial and advertising matter into separate groupings "to give more clarity to the pattern of the magazine, more space to. . .major stories."

In addition to new formats the magazines have developed new weapons to engage in what some observers feel is basically uneven competition.

To offset the flexibility of network plus spot television, just about every major magazine now entices advertisers with the use of regional editions and split-runs. (Regional buys allow an advertiser to purchase selective portions of a magazine's circulation; split-runs allow him different copy in different areas.) Most magazines offer at least eight regional breakouts and *TV Guide* has as many as 63. (See box, pages 70-71.)

McCall's, for example, offers advertisers the use of eight specific market areas, each largely paralleling the Nielsen territories of New England, Atlantic, Southeast, Southwest, West, East Central, West Central and Central. In addition *McCall's* makes half of its total circulation available on an alternate copy basis to new advertisers who, perhaps, cannot afford to buy the magazine's full circulation.

LIFE'S JIGSAW

Life goes *McCall's* one better. In full page ads that ran earlier this year the Luce publication showed advertisers "How To Use *Life* Like A T.V. Spot." Explained the magazine: "Buy only the part of *Life's* circulation that reaches your test market. *Life* is the only national magazine that lets you match its circulation to your test market. You buy only the cities you need." *Life's* plan allows advertisers to use its circulation to a choice of 100 individual markets in order to test market new products.

In the same ad *Life* reminded prospective clients that they could run in as few as three of 26 U. S. regions and they could also split-run two to 26 ads in a single issue of the magazine.

Actually, the concept of regional editions is not entirely new. According to various industry sources *Progressive Farmer* probably started it some 54 years ago. A long-since-gone Triangle Publications magazine called *Radio Guide*, a forerunner to the present-day, immensely successful *TV Guide*, put out regional editions in the early 30s along with *Sunset* and *Family Circle*.

"What *is* new [about regionals]," reported J. Walter Thompson's vice president and media director Richard P. Jones and media manager Robert D. Lilien, in a comprehensive media review presented before the New York Chapter of the American Association of Newspaper Representatives last February, "is the ability to pick the area to match your distribution or marketing patterns more closely than ever before." The Messrs. Jones and Lilien found that the regionals have been successful, "measured by the fact that over 12% of total magazine revenue is now accounted for in such circulation splits—over $100 million in 1961, a 30% jump over 1960."

But along with more marketing flexibility, large circulation magazines, in their desperate need to live up to the competitive times, developed another and more insidious kind of selling pliancy. Robert MacNeal told and railed about it to stockholders last year:

"Price cutting," he complained, "has also invaded the advertising rate structure, usually in the form of volume and other discounts which are far larger than any resultant economies can justify, sometimes by giving 2-color for the price

Magazines have suffered from reliance on the 'old sell' vs. television's 'new sell'

of black-and-white, later by the unjustified elimination of bleed-printing premiums, and recently in the form of 'bonus' circulation so large it is simply an ill-concealed price cut masquerading as sharing the benefits of an upsurge in demand."

MacNeal's remarks were actually a thinly-disguised attack on *McCall's*. In September 1959, *McCall's* had eliminated the extra charge magazines traditionally tacked on to bleed pages (bleeding is a process by which pictures are made to run up to and off a page's margins). Late last year, prior to MacNeal's statement to stockholders, *McCall's* also promised advertisers an eight million circulation base by that December. To make its plum even juicier, *McCall's* delivered one million of that total as a bonus which advertisers didn't start paying for until the second half of this year.

"When magazines use the equivalent of the 'fire sale' and 'lost our lease' to ballyhoo their wares, the whole industry pays the penalty," MacNeal said angrily in 1961.

NO COLOR PREMIUM

McCall's apparently was not listening. In a page-high ad in the *New York Times* of March 19, 1962, it announced: "Effective with the July 1962 issue, with an 8,000,000 circulation base, there will be no difference between advertising rates for black-and-white and full color." The new one-time cost to advertisers for both: $38,000.

It was an unprecedented move, which was made possible, *McCall's* said, by the development, at a cost of $26 million, of "specially engineered high-speed presses that print color and black-and-white at the same time."

Whatever else it was, and some partisan observers called it an "outrageous example of price-cutting," *McCall's* move was an inspired piece of competitive thinking against television. This significance was not disregarded at *Broadcasting* magazine. Said that trade journal in an April 2, 1962, editorial:

"*McCalls's* move just might prove to be the most telling tactic yet devised in the print media's efforts to reverse the tide of black-and-white television."

Broadcasting prophesized that "sooner or later, magazines will have 'run-of-paper color' " and that *McCall's* example "clearly points the way that television must go."

And from all accounts *McCall's* color decision is paying off. This past June, Herb Mayes, who is now president and chief executive officer of McCall Corp. (boyish-looking John Mack Carter has taken over the editor's tiller) had told the New York Society of Security Analysts that, despite ad revenues of more than $37.6 million in 1961, *McCall's* magazine was not making money. He explained that the heavy investment needed to build *McCall's* into the kind of magazine that was wanted was the reason for the operating deficit. But just last month, Mr. Mayes told TELEVISION MAGAZINE that *McCall's* will be in the black for the last quarter of 1962, that its October issue will be the largest one in its history and that there will be 10% more color pages in the magazine this year than last (80% as opposed to 70% of all ad pages in the magazine—a ratio considerably above the 50-50 which is the industry norm).

And *McCall's* hasn't just been whistling in a soundproof room. The other two major women's service magazines—*Ladies' Home Journal* and *Good Housekeeping*—both have followed *McCall's* lead in eliminating the bleed premium. Curtis this year has also instituted what it calls "The Curtis Buy." Basically it's a selling device which offers "substantial combination plus volume discounts to advertisers now investing $1 million or more in any combination of two or more Curtis publications over the course of a year." The first big fish that Curtis caught in this new net was Longines-Wittnauer Watch Co. Beginning next month, the timepiece manufacturer will use full-page ads in 147 consecutive issues of the *Post*, and 33 consecutive issues each of the *Journal*, *Holiday* and *American Home*.

But despite this impressive buy, which Curtis did not hesitate to exploit to its fullest via the inevitable full-page announcements in the *Times* (it appears to a non-belligerent observer that the *Times* ad department must be hugely enjoying all these tit-for-tat magazine maneuverings), the situation is far from favorable at Independence Square in Philadelphia.

Last March, the Curtis publishing concern underwent a sweeping reorganization which changed the *Post* from a weekly publication to 45 issues a year, cut back both the *Ladies' Home Journal* and *American Home* from 12 issues a year to 10 and carried Robert Lee Sherrod into office as the new *Post* editor replacing Robert Fuoss. In addition *Journal* and *American Home*, deciding to make hay where television is forbidden to reap, broke with long-standing tradition by accepting liquor advertising for the first time.

But still the reorganizational storms raged at Curtis. Early this past summer Robert MacNeal, the corporation president who was so candid to stockholders the year before, was ousted by insurgent "outside" board directors (Curtis stock previously had always been tightly-held inside the company) and was replaced by Matthew Joseph Culligan, Interpublic Inc. vice president who formerly held high offices in radio and television at NBC. The decision to appoint a broadcast-oriented official to head a print operation was widely interpreted as an attempt to bring more flexible media thinking about discounts and other such selling tactics to the business.

"Greater flexibility" is a key phrase that agency media people use over and over again when discussing magazines. It's that wondrous adaptability to meet a problem situation, they say, that television and not magazines, to any comparable degree, provides. This, despite all of magazines' many acknowledged advancements in this area over the last few years.

"The trouble with most magazine salesmen," said the media vice president of a large agency recently, "is that they are using an old sell—that is, an image sell coupled with irrelevant information.

"Television," he continued, "gives you the new sell. A TV salesman will come in and say, 'Hey, what's your problem? Let's see what we can do for you. We'll bend enough to make a buy for you.'

"A magazine salesman, on the other hand, will come in," the agency man explained, "and say, 'Here's our rate card, these are our discount plans, now what do you want to buy?'

"It's a case," the media executive said with emphasis, "of the firm sell versus the flexible sell. Television will shift and adjust to meet our problems. Most magazine salesmen don't look at the specific marketing problem. They don't realize that the historic sell, selling on their past reputation, is out.

THE NEW SELL

"*Look*, *McCall's*, *Reader's Digest* and *TV Guide*," he said, "are some of the exceptions to the rule. They are examples of the new sell that magazines need. That's why they are successful."

But a need for more sales flexibility is only one of a host of serious problems that still confront the magazine industry. For one, the cut-rate circulation controversy keeps creeping out from under the rug where it is constantly being shoved by industry spokesmen. The demise of *Coronet* magazine last October brought the issue into the glaring open. When it folded, *Coronet's* circulation was setting a record—3.2 million people were reading the magazine every month. It was the fourteenth largest circulation magazine in the country. But more than two million of its readers were subscribers. Single-copy sales amounted only to about 750,000 a month.

Lewis W. Gillenson, the last editor of the magazine, in writing about the death throes of *Coronet* in the spring issue of the *Columbia University Journalism Review*, recounts that people have asked him "With all that circulation . . . how could it have happened?"

"Turn the question into a declarative sentence," Gillenson writes, "and you almost have the answer: 'Because of all that circulation, that's how it happened.' "

Paul C. Smith, former president of the Crowell-Collier Publishing Co. and the man who officiated at the *Collier's-Woman's Home Companion* funeral, noted in a recent interview that many magazines were still making the mistake of "buying circulation" with bargain rates. The industry would not have to be so heavily dependent on advertising, he said, if sales were "restricted to an honest price transaction."

THE C-P-M CLIMB

The real pity of the numbers game to magazine publishers is that it has failed to stem the skyrocketing cost of magazine advertising per thousand circulation. A study released this year by the Marplan Division of Interpublic Inc. under the title "Marketing Review and Forecast '61-'62—The Decade of Incentive," shows that during a period from 1950 through 1961 magazine media's cost-per-thousand has gone up 43% (more than other media), while its circulation rose 33% and its basic rates went up 90%. Network television, meanwhile, jumped its rates a whopping 396% during the same period, but had that increase offset by a gigantic 529% rise in circulation to create a steadily decreasing change in cost-per-thousand of minus 21%.

The Magazine Advertising Bureau estimates that in 1961 38 leading magazines, for which definite rate information and A.B.C. circulation reports were available, had an average $4.38 cost per black-and-white page per thousand. The Television Bureau of Advertising, using A. C. Nielsen figures for the same period, estimates that the network TV cost-per-thousand homes per commercial minute, nighttime, was $3.59. All these statistics would seem to indicate that television's cost-per-thousand is considerably below what any magazine can offer.

Internecine bitterness between magazines, which is not only costly (*McCall's* spent over a million dollars last year and the *Ladies' Home Journal* about $750,000 to present their special causes in newspapers and trade journals) but sometimes downright embarrassing, presents another staggering problem to the magazine industry. The nadir in dirty linen washing in public was probably reached a year ago this last summer. *Good Housekeeping*, poking a jab at the *Journal* and *McCall's*, its two front-running competitors, took full-page newspaper space to tell a fable with a pointed moral. The Hearst monthly's ad, which was illustrated in line drawings, told of a baby toad that puffs itself to the bursting point because of pride and in the belief that it can't be "outdone by any living creature." The obvious moral: "When a toad puffs to impress, it's the advertiser who pays."

Actually, while the battle on the ladies' front is the most eye-catching, internecine warfare between mass circulation magazines has raged in several other sectors in recent years. *Life*, *Look* and *The Saturday Evening Post* have waged a promotional cold war in print that is second only to the *McCall's-Journal-Good Housekeeping* battle. *Look*, low magazine in the competition for a long time, making remarkable progress in the last 10 years, has now surpassed the *Post* in circulation and advertising revenues (for the first half of 1962) and is running neck and neck with *Life*. The latest rate base circulation for both is now 7 million.

Life, however, is the leader among all magazines in advertiser investments, while *The Reader's Digest* (it opened its doors to advertising in 1955 and now ranks fifth in that department) is way out front in the numbers race (see magazine standings, pages 38-39). Sniping at each other from time to time, via trade and newspaper ads, but not locked in any do-or-die struggle, are *TV Guide*, *The Reader's Digest*, *Everywoman's Family Circle*, *Woman's Day* and *Better Homes & Gardens*.

An agency media executive recently told how this bitter internal competition manifests itself in day-to-day dealings.

"We recently bought some space in one magazine for a client," he recalled. "The next morning the sales guys from the competing books were in screaming their heads off. They said things like, 'Why did you buy that crummy, no-good sheet for?' We had to justify the buy all over again to our client.

"That's one of the worst things about magazines," he said. "They hardly ever sell their medium, they strictly sell against the other guy. If we had bought a big piece of NBC time, the CBS guys wouldn't be in here the next morning tearing down the other networks."

The magazine industry faces other problems, too. The government has legislation up for approval that magazine people claim can crush the industry. The second class menace, as the President Kennedy-Post Office Dept. bill (H.R. 7929) has been labeled, would boost second class and other postal rates by a total $691 million a year. Magazine Publishers Assn. executives have estimated that the major increases in the bill, including a rise in first class postage from four to five cents, a one cent surcharge on every magazine and a $35 per 1,000 rate for bulk promotion mail, would add $46 million to the industry's postage bill. This would eliminate, MPA officials say, the entire industry's profit of $25 million earned in 1960. They add that most magazines would have to suspend publication if Congress approves the increases.

The industry has used the occasion to get in some not altogether relevant remarks about television.

"Television uses the public's airways without charge, and pays no special taxes to enter millions of American homes," John K. Herbert, president of the Magazine Publishers Association, told the

REGIONALS, SPLIT-RUNS: THE MAGAZINES' ANSWER TO TELEVISION COMPETITION

Ask magazine salesmen about flexibility and they immediately mention regionals. Actually regional editions are, perhaps, magazines' loudest and most effective reply to the competition of television. And they have been crescendoing persistently over the last several months. The Television Bureau of Advertising claims that regionals are not as effective as spot TV because they give advertisers "seesaw coverage." *Reader's Digest*, the number one national circulation magazine, it points out, is second in six states, while *TV Guide*, the number two national circulation magazine, is not among the 10 most popular publications in 21 states. Independent researchers have reported that, so far, regionals are getting a greater portion of their ad revenues from national advertisers, rather than from the strictly regional companies, with limited budgets, they were designed to attract. Nevertheless, magazine publishers seem happily committed to their existence, even at the sacrifice of their national image; look to see more of them in the future. The following 11 plans are indicative of regional and split-run packages now being offered (source: Magazine Publishers Association):

LIFE

Regional: *Life* has divided the U.S. and Canada into 29 markets based on Nielsen test areas. Any combination of 3 or more U.S. markets may be purchased. The three Canadian markets are sold only together and to advertisers taking entire U.S. circulation. Available every week for page and spread units. Split runs: Entire circulation is available to a single advertiser for multi-copy splits (half-page or larger units of space). Test market facilities: *Life* offers national advertisers a wide choice of test areas, for use in the test marketing introduction of new products. Page, spread, or backing pages available.

TIME

Regional editions: Advertising in all standard space units from half columns to full pages is available in black and white or black and one color in four regional editions on an every fourth week basis. Four-color is available in full-page units only. Also full-page advertising in all colorations is available in the New York Metropolitan edition starting March 2 and every fourth week thereafter. The regions are: Eastern (13 states and D. of C.), Central (13 states), Western (13 states), Southern (11 states), New York Metropolitan (22 counties New York Metropolitan area). Split runs: 1. Geographical: A national advertiser can split his copy two or three ways along contiguous state lines for standard space units of one column or more. 2. Plant location split: A national advertiser can run different copy of the same size space unit in two or more of the five printing plant locations. Plants located in Chicago, Illinois; Los Angeles, California; Washington, D.C.; Albany, New York; Saybrook, Connecticut.

NEWSWEEK

Regional advertising: A. Four basic regions and percent of total circulation: Eastern Unit—28%, Western Unit—19%, North/Central—37%, South/Central—16%. B. Combinations: All combinations available at lower combination rates. C. Frequency rates: Available for all regions and combinations. D. Space units: All standard size space units—spreads, pages, 2 column, 1 column, square column, half column. E. Non-standard space units: Gatefolds, insert card, split run and other services available. F. Special geographical regions: Information available upon request. Split runs: A. National advertisers may run two or more different advertisements, each in a different geographical area. B. Rates vary by division of area specified.

LOOK

Magazone Plan: 8 geographic zones, New England, Middle Atlantic, East Central, Central, West Central, Southeast, Southwest, Pacific, available individually or in any combination, on every issue basis. Split runs: Full run circulation can be split along any state boundaries the advertiser desires. Test Market Service: On a limited basis, *Look* will custom tailor portions of its circulation to assist in testing the introduction of bona fide new products, or products which have never previously been advertised to the consumer.

READER'S DIGEST

Regional editions: Northeast edition (Regional Edition #1), Metropolitan N. Y. edition (Regional Edition #2), Senate Post Office Committee in April. "The entertainment it offers free competes for the leisure time which people also have available for reading the magazines that they buy."

A whole slew of magazine executives, including the editors of prestige magazines like *Harper's*, *Atlantic* and *American Heritage*, have testified to how destructive the bill would be to their publications.

(The beleaguered print people, however, got some unexpected but not unwelcome help from a surprise source. On two occasions earlier this year—once during a fraternity meeting speech and the other time via a special editorial delivered over company-owned stations—Dr. Frank Stanton, president of the Columbia Broadcasting System, came out in opposition to the Congressional bill. It is Dr. Stanton's contention that the bill will hamper the operation of the nation's free flow of information.)

The burden of the Post Office's argument against the magazine industry's cries of poverty was given by Deputy Postmaster General William Brawley early in the proceedings. And once again the cut rate subscription issue came out from under the rug: "Is there any inconsistency in the position of publishers who protest a one cent postage increase while they continue to load the mails with millions of copies each year at 50% off already reduced subscription prices and as much as 70% off their cover prices?" Brawley asked the Senate postal committee. He followed the question with three more self-answering inquiries: "When subscription prices are cut and circulation overblown, just what function is served by very low postage rates? Do they fulfill their intended function of promoting the dissemination of information? Or are they a prop to aid the building of a broad circulation base on which higher advertising rates can be mounted?"

Despite Mr. Brawley's testimony it appears likely that the postal-hike bill, which passed the House of Representatives last January, will either die in Senatorial committee, be postponed until the next session of Congress or be modified in favor of the magazine industry.

A spokesman for the Magazine Publishers Association's Advertising Bureau said the other week that he has a "strong feeling" that the industry will survive the crisis, because at worst "the Senate will ease the provisions of the bill."

Granted that they may survive the

Great Lakes edition (Regional Edition #3), Southern edition (Regional Edition #4), North Central edition (Regional Edition #5), Southwest edition (Regional Edition #6), Pacific edition (Regional Edition #7), Metropolitan Los Angeles edition (Regional Edition #8). The above 8 editions are available individually or in any combination. Split runs: 1. Geographical split runs available to U.S. edition national advertisers along the boundary lines of the eight regional editions of the *Reader's Digest*. 2. A/B copy split runs available in the U.S. edition and in each of the regional editions.

BUSINESS WEEK

Split runs: Copy split runs are available on the basis of use of two pieces of copy each occupying one-half of the press run with approximately equal geographic distribution. Such copy split run is available on standard black-and-white non-bleed units only. The charge is 10% additional based on space rate. This charge is non-commissionable.

EVERYWOMAN'S FAMILY CIRCLE

10 sectional editions: New England, Metro New York, Middle Atlantic, East Central, Metro Chicago, West Central, Southeast, Southwest, Pacific, Canadian. Full run 4-color letterpress copy change by regularly constituted sectional editions with no extra charge for one copy change but with service charge for each change thereafter. Rotogravure copy change—Eastern unit circulation versus balance of full-run circulation with no extra charge.

LADIES' HOME JOURNAL

Regional editions: The use by an advertiser of one or more of eight regional editions—with each regional edition consisting of the national edition plus a unit of advertising, or advertising and editorial pages, distributed to a specific geographical area of the United States. All split runs and regional editions are available to limit of press capacity and book size. Custom-made split runs: The use of 2, 3 or 4 different advertisements from the same advertiser (using magazine's total circulation) to be inserted on the same page with each advertisement appearing only in a geographical area made up by the advertiser to fit his distribution pattern . . . the geographical areas being made up along state lines, with each group of states being contiguous. U.S./Canadian split runs: The use of two advertisements from the same advertiser to be inserted on the same page—one advertisement appearing in all copies going into Canada, and the other advertisement appearing in the balance of the edition.

Multiple-Ad Plan: a. Alternate Copy (2 pieces of copy involved). Alternating copies throughout total circulation. b. Third Copy (2 pieces of copy involved). One advertisement every third copy, second advertisement in other two copies, throughout total circulation. c. Three Copy (3 pieces of copy involved). Three different advertisements, each one in every third copy throughout total circulation.

GOOD HOUSEKEEPING

Match-a-Market Plan—5 regional editions: Northeast (11 states and D. C.), East Central (5 states), West Central (12 states), Southern (13 states), Pacific (9 states). Split runs: 1. Geographical: Two tailor-made geographical split runs will be available per issue. The advertiser must take the entire circulation of a tailor-made split run. Rates on request. 2. Mechanical: (available in any issue). a. Newsstand vs. subscriptions. b. Alternate copy. c. Canadian circulation.

PLAYBOY

3 editions: Eastern (20 states and D. of C.), Midwestern (15 states), Western (15 states). Split runs: Numerical splits —e.g., alternate copies.

FARM JOURNAL

5 regional editions for editorial purposes: Eastern (12 states), Central (12 states), Southeastern (9 states), Southwestern (5 states), Western (12 states). 22 special advertising areas: A—New England; B—New York, New Jersey; D—Pennsylvania, Delaware, Maryland, W. Virginia, D. C.; F—Ohio; G—Michigan; H—Indiana; I—Wisconsin; J—Illinois; K—Minnesota; L—Iowa; M—Missouri; N—North & South Dakota; O—Nebraska; P—Kansas; Q—Montana, Wyoming, Colorado; R—Washington, Oregon, Idaho, Utah, Alaska; T—California, Nevada, Arizona, Hawaii; U—Texas, Oklahoma, N. Mexico; V—Arkansas, Louisiana; X—Kentucky, Tennessee; Y—Virginia, North & South Carolina; Z—Mississippi, Alabama, Georgia, Florida. Split runs: a. Alternate copy 50/50 in any regional edition, advertising area or combination. b. Geographic by regional edition, advertising area or combination. c. Combination of a. and b.

Diversification is the ace-in-the-hole many magazines are counting on for survival

postal-hike menace, magazines obviously have little reason for complacency. And in truth none of the big magazines can be found guilty of such a charge at the present time. Continually, in various ways, they are becoming more and more aggressive and imaginative challengers for the advertising dollar.

J. Walter Thompson's Jones and Lilien, in their report to newspaper representatives last winter, cited several examples of recent "mechanical developments" which have given magazines increased flexibility in the creative marketing area. The examples they listed are:

- More colors: White-on-white is available in *Look.*
- Novel space units: Gatefolds, dutch doors, etc.
- Booklet inserts.
- Card inserts.
- Product inserts: sampling device.
- Faster closings: *Life* is approaching almost newspaper speed.

Magazines, too, have generally, in recent months, trimmed sales staffs, bringing in more of the hard-nosed new and pasturing-out the less-hungry old. In one of his first moves as president of Curtis Publishing, Matthew Culligan used this approach to sweep three of the company's advertising executives into top jobs at three Curtis magazines. They were installed as the respective publishers of the *Ladies' Home Journal, The American Home* and *Holiday.* When asked about the significance of the moves, Mr. Culligan replied that they meant that "Curtis has gone to the publisher system . . . with a chief executive responsible for the marketing and business aspect of his publication.

"Our main problem today is advertising," he said, stressing that all three promotions were of young, progressive-thinking advertising men.

Culligan might have added that another thing his company could use a lot of and in a hurry is investment capital. The Curtis treasury, which doesn't have the profitable auxiliaries of a McCall Corp. (besides publishing *McCall's, Redbook* and *The Saturday Review,* McCall Corp. also manufactures and sells printed paper patterns and publishes allied fashion publications, as well as printing more than 50 outside publications in its huge and modern Dayton plant), has taken a frightful beating in recent years. Culligan currently is shopping around for credit to meet financial needs.

But the thinking at Curtis is upbeat these days, and the thinking in the industry at large also seems to have changed accordingly. At one time gloom and despair were the keynotes, television the focus, whenever magazine people got together to talk shop. The prevailing sentiment was to attack television directly, win back 100% of everything that was lost, beat the video vampires at their own life-letting game.

In 1961, *The New Yorker* resigned from the Magazine Advertising Bureau, noting its disapproval of mass magazine domination and continued concern with countering television. Up until that time the bureau doted on studies pitched directly against TV. The Magazine Publishers Association and its advertising bureau subsequently have been somewhat reorganized. Now the approach of these industry organizations is ever so much more subtle. This month, MPA will launch a new advertising campaign designed to "sell magazines in magazines." The soft-sell ads will be seen in magazines totaling 150 million circulation. The value of the space committed is said to exceed $3 million, with the cost to the Magazine Publishers Association coming to nearly $100,000. No mention is made of television.

It's a departure and one that may also mark the end of the civil war among magazines. *Look,* in one of its most recent full page newspaper promotions, devoted four paragraphs to promoting its "growing industry" and to reminding advertisers that magazines "generate the vitality and strength that provide the best possible climate for selling *any* product or service."

OUTSIDE HELP

And if all changes of selling tactics, personality and direction should fail, many magazine publishers still have a life belt tucked away in their corporate holdings. Diversification is what some publishers rely on to give more depth to their profit margins. "Call it prudence," said one magazine executive last month when asked why he believed in diversification.

When Crowell-Collier folded its magazine holdings six years ago, the company still retained its profitable radio, book and encyclopedia properties. These helped Crowell-Collier survive and prosper to a point where the company has since bought Macmillan Co., one of the old line book publishers, and Brentano's famous book stores.

Time Inc., which publishes *Time, Life, Fortune, Sports Illustrated, Architectural Forum, House & Home,* and the international editions of *Time* and *Life,* has interests in broadcasting, paper manufacturing and book publishing as well as in the magazine field. Among its broadcast holdings, *Time Inc.* owns KLZ-AM-TV Denver, Colo.; WTCN-AM-TV Minneapolis, Minn.; WFBM-AM-TV Indianapolis, Ind.; WOOD-AM-TV Grand Rapids, Mich., and KOGO-AM-FM-TV San Diego.

The San Diego stations were purchased last May. It was the publishing concern's second big acquisition of the year. In April it had acquired the Silver Burdett Co., textbook publishers.

And the magazine field continues to hear about still more diversification moves being planned by *Time.* It's believed that the company is negotiating with several overseas publishers with a view toward the establishment of joint magazine ventures abroad. The first project is said to be a monthly magazine, published in Italy and dealing with life in that country. Meanwhile, *Time* is also active in the travel field and is believed to be negotiating with American Express Co. to establish a new travel magazine as a joint operation.

The *Reader's Digest* is also profitably involved in the book publishing business. Its Reader's Digest Condensed Books Club has done so well over the years that during one period it actually helped save its parent company from taking a red ink bath. The *Digest* owns a burgeoning record club and has a special records division that packages and sells long-playing record albums at discount prices.

Cowles Magazines & Broadcasting Inc., publishers of *Look* magazine, *The Insider's Newsletter* and *The San Juan* (Puerto Rico) *Star,* is another one of the several magazine companies to own broadcast properties. Cowles stations are KRNT-AM-TV Des Moines, Iowa. The publishing firm also has seven wholly-owned publications sales subsidiaries.

And the magazine industry is rife with still more diversification moves. Curtis Publishing is the subject of another persistently-heard book-magazine merger rumor. This one, though, has a reverse twist. It has Doubleday & Co., possessor of one of the largest book publishing empires, dickering for a controlling interest in the Curtis Publishing Co. Curtis' new president, Matthew Culligan, it is also said, will use his broadcast background to buy some broadcast properties as soon as his company gets its necessary financial security. McCall Corp. is known to be shopping around for a book division and is rumored to be hooking up with Random House Inc. to publish cook, interior decorating and needlework books. McCall's diversification efforts led to its buying *The Saturday Review* on March 1, 1961.

So phenomenal has been the rise of

specialized magazines, so different in their advertiser-reader approach, that they can be considered as a separate field. Magazines like *The Saturday Review* (most experts draw a 4 million circulation boundary line between mass circulation and other magazines) disdain large circulation numbers and are edited to appeal exclusively to readers who have a common interest apart from the magazine itself. While in most instances these magazines have only a small fraction of the circulation enjoyed by their big brothers and sisters, and a much higher cost-per-thousand, they still generally receive strong advertiser support. Advertisers are impressed by the quality and loyalty of the readership that specialized publications command, reasoning that those readers are highly selective and much more likely to buy the product being advertised.

It has been estimated that there are currently some 80 specialized consumer magazines—more than double the 1950 number—having a combined circulation of about 41 million copies. Titles ranges from such far-flung specialties as *Antique Automobiles* to *Underwater*. Each tailors its editorial content to the tastes of its special audience. *Esquire*, shifting gears away from the leer, goes after the sophisticated male. *Seventeen* plays to a teen-age girl audience. *Redbook* is the magazine for young homemakers The *Reporter* gets the eggheads.

PAYOFF AT PLAYBOY

Success stories in the field abound. The rise of *Playboy* (granted that sex is a specialized interest) is an outstanding example. Launched in 1953 on a $7,600 bankroll by a former $65-a-week *Esquire* promotion writer named Hugh Hefner, it has grown spectacularly. Under a banner of sex and sophistication it now has a circulation of more than 1,250,000 and nets almost $400,000 on revenues of about $8 million a year. This is more than double the industry's average ratio of profits.

Scientific American provides a classic rags-to-riches case history. In 1948 a 33-year-old editor named Gerard Piel and some associates bought the more than a century old bankrupt technical magazine. They paid about $45,000 for it. By brilliantly tying up the growing national interest in scientific endeavors to a readable, easily understood format, Piel has made *Scientific American* an outstanding money-earner. The magazine now grosses about $6 million a year, nets, before taxes, about $1 million and has a circulation guarantee of some 300,000.

TV Guide is a special interest magazine that breaks all the rules. It has a massive (averaging more than 8 million copies a week this year) audience that has grown with television. A specialized magazine, with mass circulation, feeding and thriving on that medium's natural enemy, *TV Guide* is enjoying the best of several worlds.

Seventeen, which like *TV Guide* is owned by the flourishing Walter H. Annenberg Triangle Publications chain (other holdings include newspapers, *The Racing Form*, five AM and five FM radio and six television stations), is another special interest magazine which has made great gains in circulation and advertising pages over the years. Its August 1962 issue (albeit a special one) contained 356 pages, well over half of them ad pages.

Theodore Peterson of the University of Illinois thinks television, to a great degree, gave specialized magazines their needed breath of life. In his *Challenge* magazine article he writes: "TV and the mass magazines . . . cannot afford to explore at great length and depth subjects of concern to just a minority, even a sizable minority. They have left a big place for specialized magazines that can give the hi-fi fan or the boating enthusiast or the sports car buff the specialized information that he wants, and in the desired detail."

Erik Barnouw, associate professor of dramatic arts at Columbia University, echoes Peterson's analysis. "When things grow big," he says, "they make an opportunity for smaller things to grow. With the growth of the motion picture business and the development of the mass appeal picture, art houses grew. There is always a fringe audience that isn't being satisfied."

Seventeen's advertising director Andrew MacLeod, whose magazine features fashions for the teenage girl, says that *Seventeen* doesn't get a fringe audience, but that it gets an audience that television never had.

"Television," he claims, "has never been too strong with the teenage girl audience. They spend fewer hours with television than almost any other segment of the national audience. They feel television competes with their social life." Television, too, most observers feel, hasn't ever made a serious approach to corner fashion advertisers, thus making it a wide open territory for other advertising media.

But as with mass circulation general magazines, television's influence is not necessarily the decisive one in the specialized field. New special interest periodicals come, and if they are poor business ventures, with inadequate capitalization and a hazy identification, very many of them go.

An obituary that was published only a few weeks ago is somewhat symptomatic of conditions among the less successful special interest magazines. It didn't cause much of a stir, maybe because the victim wasn't particularly well-known. The *New York Times* gave it

MAGAZINES *continued*

a perfunctory six-paragraph treatment. The headline above the story read: Show Magazine Buys USA*1, New Monthly To Be Suspended.

*USA*1*, which was a news magazine drawing heavily on history backgrounds for its interpretative stories, was five months old when it died. *Show*, only a few months older, needs more readers, among other things, to stay alive. Last February it absorbed a direct competitor, Hugh Hefner's *Show Business Illustrated*, and now, with *USA*1*'s subscribers, has a circulation of more than 200,000. This case history suggests two possible conclusions that can be made about specialized magazines: That some can get too esoteric for even selective tastes and that publications with limited circulations swallow their brethren with as much dispatch as does anyone in the business jungle.

Most industry officials today are reluctant to talk about magazine mortalities. They would much rather trumpet the prevailing theme for the year—that happy days are coming again.

"More and more in the last six months those businesses exclusively in TV are beginning to ask questions, to sniff around, to ask if they shouldn't be in print again," C. D. Jackson, publisher of *Life*, told *Chicago Sun-Times*' columnist Edwin Darby last May.

"Advertisers are finding they can't go any further with TV," Jackson added. "There's no gain in tacking on two or three or four programs to the one they already have."

Taking an optimistic back-seat to no one, a spokesman for the Magazine Bureau of Advertising said recently: "There is a feeling that television has reached maturity—that some disenchantment has set in among advertisers." He mentioned with considerable pride that magazine ad revenues for the first seven months are up 6% in dollars over a like period last year (through June 30 advertisers have invested some $491 million in magazines).

Magazine people were particularly cheered by a speech made by Barton A. Cummings, president of Compton Advertising, before the Magazine Promotion Group in New York last winter.

"We do not want to see any one medium of communications dominate all the media," Mr. Cummings told his partisan audience. "Many advertisers share this view. Many of them back it up with their pocketbooks. Furthermore, we have noticed something of a trend back to print—a reaction against the enormous vogue TV enjoyed in the past decade when it was still a novelty."

Most magazine people publicly applaud the new Nielsen Media Service, started last year, which measures size and nature of the audience reached by advertisers using both magazine and television media.

"The Nielsen service," says one top magazine executive, "provides a common denominator for measuring our effectiveness against TV."

Foote, Cone & Belding gave the industry still another reason for general optimism when it made some unexpected kind remarks about cut-rate circulation last June. In an inter-departmental memo, which was released publicly, the agency's media department said that an analysis of 13 audience measurement surveys conducted over a 14-year period "indicates very clearly that circulation growth," even at cut rates, does not hurt "a magazine's ability to attract readers."

Sanguine speeches and encouraging research by themselves, however, are not going to pull mass circulation magazines through their current financial squeeze unscathed. Many observers think that one or two of the big magazines are headed for their last lockup.

William Nichols, publisher and editor-in-chief of *This Week*, a Sunday supplement, is on record as predicting an age of "supermagazines"—magazines of massive circulation and universal appeal, and "precision" magazines—publications with an extremely pointed appeal. In other words, the big magazines will get bigger and the special interest magazines more specialized. He sees little future for magazines that don't fall into either of these two classifications.

How accurate a prognosticator Mr. Nichols is only time, of course, will tell.

"Right now television is the heavyweight champion selling medium," said a young agency media director last month. "Mass circulation magazines are lightweights. They could be middleweights, even challengers. They have the class. They have the know-how. All they have to do is apply it." END

THE AUTO DEALER *from page 45*

picture is generally the same nationally, not only with association advertising market by market, but with national factory advertising.

With the big auto companies moving more strongly into national spot television, more and more larger dealers are demanding "proportionate weight"—ad support commensurate with their sales and marketing potential. Less and less can the factory afford to provide the smallest dealer in the smallest and least productive territory with the same national ad support as provided to the big dealers.

Despite the big vs. small dealer "war" going on, association advertising is picking up. Dealers may miss the old cooperative advertising money but they do not miss the measure of "control" over them it gave the manufacturer. And next to the freedom of their own individual advertising, they have to like the professionalism and organization of their association efforts, recommended and prepared by top agency talent to supplement national ad programs.

It is difficult to make any general comparison of TV expenditures by the dealer associations as against newspaper and radio advertising because the association activities vary widely among regions and can shift quickly within a region. A Plymouth ad man, however, would calculate "that over a period of time most dealer associations would put between 40% and 60% of their ad dollars into newspapers, 15% to 30% into radio and 10% to 30% into television. A lesser amount would go into other local media, including outdoor."

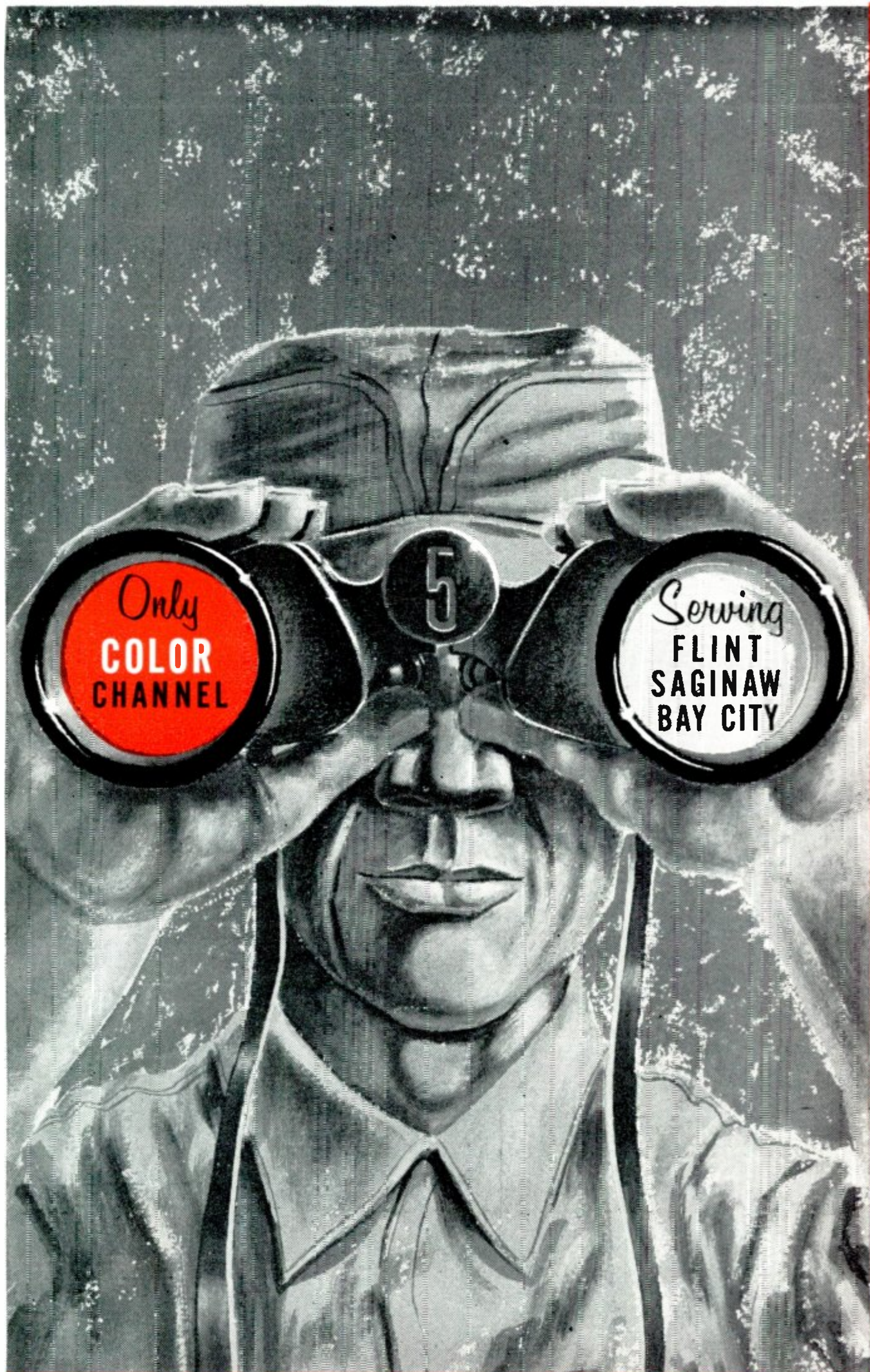
At the present time, none of the 18 Plymouth advertising associations (3,000 dealers) is sponsoring a regular TV program, although this year some of them—Los Angeles, New York, San Francisco—have been making substantial spot TV investments.

As with most association TV activity, the Plymouth spot buys have been for special campaigns. This spring and summer the dealers wanted to emphasize the handling, ride and performance of the '62 Plymouth. "The action possibilities of television," says the Plymouth man, "naturally dictated a concentration in this medium to get the story across."

(The Plymouth association spot campaigns were based on results of a competitive "Showdown at Riverside" in which the U.S. Testing Co. supervised and certified the outcome of 10 competitive events by Chevrolet, Ford and Plymouth, with Plymouth winning eight of the ten. The Los Angeles association placed spots for three months on eight stations, the San Francisco association ran spots for two months on 15 stations and the New York association made a three-month, five-station buy. "Showdown" was also the subject of a Plymouth national ad campaign in newspapers and magazines and of spot TV and radio placed by Plymouth in 30 major markets during March and April.)

For Plymouth associations this year there have also been additional TV campaigns for short periods in 16 cities on an individual market basis.

The Ford associations are in and out of TV with some groups following a



5 REASONS WHY IT PAYS TO BUY.. CHANNEL 5!

1—Local-level merchandising support.

2—Top FM coverage in All Eastern Michigan.

3—Every commercial gets full-page, front-page exposure.

4—Eastern Michigan's only TV station telecasting color daily.

5—Nearing 10 years of one-ownership service to all Eastern Michigan.

WNEM-TV

CHANNEL 5

SERVING THE ONE **BIG** TOP 40 MARKET OF FLINT • SAGINAW • BAY CITY AND ALL EASTERN MICHIGAN

A Gerity STATION

NBC

WNEM-TV

Affiliated with WNEM-FM, 102.5 MC, Bay City, and WABJ, CBS in Adrian.

CHANNEL 5

TV K.O. "If anyone at Yankee Stadium saw the Joe Louis knockout blow of Billy Conn more clearly than the estimated 100,000 'televiewers', it was the referee." Thus did BROADCASTING report the first championship contest ever to be telecast (June 24, 1946). NBC carried it and Gillette sponsored it. BROADCASTING told the story in 20 columns of news and pictures. Another episode in the history of a publishing service unmatched in the businesspaper field.

One of a series "Great Moments in Broadcasting" created by ***BROADCASTING PUBLICATIONS, INC.,***
publishers of Broadcasting Magazine, Television Magazine and Broadcasting Yearbook

BP

One dealer says he gets back $7 to $8 for every $1 spent in TV advertising

steady pattern of news, weather and sports. The Ford Dealers of New York last year were on WCBS-TV with *7 O'Clock Report, 6:45 Report* and *Late Weather*. For the baseball season this year they are sponsoring some of the pre- and post-game shows on WPIX's New York Yankee coverage.

(New York, because of the difficulty of getting dealers together on a united front, is a notoriously poor dealer TV city. Business comes in from Detroit but, according to one station sales manager, "dealer money is almost nonexistent." This is just the opposite of Los Angeles, where dealers spend big in TV and so many late movies are sponsored by dealers that other advertisers have a tough job getting on a Los Angeles station after 10 p.m.)

The Ford Dealer Association of Kansas City has utilized a sports personality for a steady TV gambit, buys midwestern stations for a five-minute film featuring hunting and fishing expert Harold Ensley, uses him as a traveling goodwill ambassador for Ford.

Studebaker dealer associations, currently behind *Mr. Ed* sponsorship, fill in holes with spot radio and TV where this national vehicle does not reach. Rambler, too, has dealers buying market to market spot.

How much does a station make from auto association advertising? The figure, of course, varies with the market. Over the last year, according to general sales manager Richard A. O'Leary, KABC-TV Los Angeles had dealer organization monies from the Chevrolet, Ford, Dodge, Rambler and Pontiac groups. Total dealer association monies exceeded $150,000.

To get an idea of the range of dealer TV activity and views on the medium, TELEVISION MAGAZINE contacted 16 dealers around the country. For the most part they represent large dealerships, have an aggregate annual ad budget of approximately $2.4 million. Most of them have been longtime TV users and most advertise through local ad agencies or have house agencies.

Nalley Chevrolet in Atlanta claims that the 40% of its budget in television nets it 70% of deliveries made. Nalley sells between 500 and 600 new and used cars a month, puts between $7,000 and $8,000 monthly in TV, $5,000 in newspapers and from $4,000 to $5,000 in other media.

Nalley, with its own house agency, currently has sponsorship of a 6 p.m. news strip on WAGA-TV Atlanta (two 90-second commercials) and a prime time spot schedule. Jack Alexander, Nalley ad manager, also does the TV commercials himself. He tries for "a friendly, warm image . . . not soft sell but not hard either, moderate claims."

The dealership prefers to handle advertising itself, has no association affiliation. Alexander reports that competing dealers in Atlanta are "in television out of self defense. If one dealer gets in strong, others have to follow. If I had my way, we'd put all our dollars in TV."

A Nalley competitor in Atlanta, Central Chevrolet, has used television off and on for the last four years, has an ad budget of from $10,000 to $20,000 a month. (The wide range between figures indicates the budget fluctuation common with most dealers. Ad budgets are geared to units of car sales. In a good selling year, budgets are higher, both with the factory and with the dealer.)

Frank Bradshaw, manager of Central Chevrolet, says that about 25% of his ad budget goes to TV, but that the share can go as high as 50% during specific campaigns. Currently he is using 10 spots a week, five each on WAGA-TV and WLWA.

EFFECTIVENESS COUNTS

Bradshaw, selling between 5,000 and 6,000 cars a year, calls television "satisfactory . . . sometimes more effective than at other times." Without a survey he says it is hard to measure TV effectiveness, "but we keep using the medium. We just wouldn't if it wasn't effective," a statement made by many dealers.

Bob Fellows, ad manager of Westfield Ford, Westfield, Mass., says his dealership has been in television since 1955 with a range of programming. Currently Westfield is on WWLP Springfield for 13 weeks with a half-hour local bowling program. Recently it concluded a sponsorship of the syndicated *Famous Flights of the Century*.

Westfield's annual ad budget is about $24,000, its TV budget ranging from as low as $175 to as high as $2,500 a week. Fellows calls television "good but expensive," adding that "continuity is necessary." Westfield sells between 400 and 500 cars a year.

Brand Motors, a Ford dealership in Los Angeles, is one of the largest in the country (9,600 cars sold last year) and one of the largest users of television ($50,000 a month split between KABC-TV and KHJ-TV).

The Brand TV strategy, according to general manager John Fair, is feature film. Brand is a six-nights-a-week sponsor of KABC-TV's 12 p.m. *Nightcap Theatre*. On Saturday from 9 a.m. to 4:30 p.m. it is in on daytime western movies; on Saturday night it takes two movies starting at 11 p.m. on the two stations. During the week it also has half sponsorship of an afternoon movie. Finally, it has one spot a day in a KHJ-TV newscast.

Fair calls Los Angeles "a television town," an "aggressive market for dealer advertising in which all the major competitors use TV." The general manager has had Brand in TV since he took over the dealership five years ago because "TV works for me." (Chick Lambert, one of the Brand sales managers, does the TV commercials.)

Fair, in his only other media activity, takes two-column weekend ads in the Los Angeles newspapers. "I don't feel newspapers work for me," he says, "but I somehow feel we have to be in them, at least with the weekend crowd."

In Seattle, J. M. Cole, general manager of Westside Ford, keeps his dealership on TV all year with spot campaigns. Currently he is running seven one-minute spots a week on KOMO-TV, also has the 11 p.m. news.

In TV since 1956, Cole gives it about 50% of his budget. He spent $17,000 on advertising last year, may hit $75,000 this year. Cole sold 2,000 cars in 1961, expects to hit sales of 2,600 this year.

Cole figures his TV return at from $7 to $8 for every $1 spent. He says the return is better when the auto market is good, poor for some reason during recession periods when he feels that newspapers are a better sales pull. And, like most of the auto dealers spoken to, Cole will spend little or no extra money on 1963 model introduction advertising because the surge of "free" factory announcement advertising is enough.

Ellis Brooks, owner and manager of San Francisco's Ellis Brooks Chevrolet (3,000 cars sold annually), puts about 85% of his $100,000 ad budget in TV a year, has been using the medium for 14 years.

Like a lot of TV-conscious dealers, Brooks is mindful of spiraling costs. For three and a half years he had an "Ed Sullivan-type" live variety show on KRON-TV. "It was very successful," says Brooks, "but it got too expensive to keep."

Today Brooks carries 28 spots a week on KGO-TV. Where once he was on all San Francisco stations, until the lack of availabilities closed him out, he has been on KGO-TV alone for the past 18 months. "It makes sense spending in one place," he says, and "makes for a lower cost-per-thousand."

Brooks, director of the Chevrolet Dealers Association of Southern California and Nevada (with its ad money in metropolitan TV and suburban newspapers, some radio), can't say television is "better" than any other medium but he does say, "We started with TV and grew with it. We just haven't seen the need to try other media to the same degree."

THE AUTO DEALER *continued*

Hollywood's big (7,000 to 8,000 car sales) Cadillac, Oldsmobile, Chrysler and Plymouth-dealing Yeakel Brothers puts from 90% to 95% of its $200,000-plus ad budget into Los Angeles television.

In TV since 1954 (with as much as 23 hours of daytime programming, nine hours at night a week on a single station in 1958), Yeakel currently spreads 90- and 60-second commercials and ID's around on three stations 52 weeks a year.

Leonard Robins, Yeakel account executive at Action in Advertising, Los Angeles, says the dealer's commercials range from soft to hard sell, try overall to develop a personality or image for Yeakel. (It is stressed by many dealers that they use TV for "image-making," not specific sales. It is felt that by becoming "familiar" with viewers on a personality basis, the public will turn to the dealer they remember, feel more disposed to buy from him.)

Lester H. LaPedus, general manager of Archway Ford, Baltimore, has been advertising on television for 15 years, has had as much as 70% of his budget in the medium but today, like so many of his counterparts, finds TV prices "prohibitive." The smaller part of LaPedus' $80,000 a year budget is earmarked for spot TV. He moves about 4,600 new and used cars a year.

Like LaPedus in Baltimore, George Gittnen, manager of Neuman Motors, Buffalo, N.Y., cites high costs as a drawback to using television. Gittnen is out of TV completely, puts his $14,000 to $15,000 a year ad budget in newspapers and direct mail.

"I'd like to be in television if we could afford it," says Gittnen, "but there's no use breaking yourself." Gittnen does not believe any dealer in the Buffalo-Tonawanda area is now using television. His Chrysler-Plymouth product has had some TV exposure through dealer association advertising. (Stan Neuman of Neuman Motors, now dead, did have the 600-car dealership in TV, carried a 10-minute sportcast on WGR-TV, claimed television had increased his business 60%.)

Giant Spitzer Motors, with three showrooms in Cleveland, one in Columbus, Ohio, and another in Miami, Fla., spends $350,000 a year on advertising its Cleveland operation alone, puts about $144,000 of it in TV.

John Spitzer says his dealership has been using television for about six years. Spitzer currently sponsors a Friday night movie but uses heavy spot campaigns as its primary TV attack. The Spitzer operation moves between 16,000 and 20,000 Fords, Chryslers and Buicks a year.

MONEY TALKS

Chicago's and the nation's leading auto dealership, Courtesy Motors (moving from 21,000 to 22,000 units a year on a $1 million ad budget), plows most of its ad money into TV. Says Harold A. Barkum, Courtesy account executive with Malcolm-Howard Advertising Agency, Chicago, "We trace sales directly to our TV activity. The cash register is our rating service."

Jim Moran, Courtesy's owner and president, bought a Ford dealership in 1945, switched over to Hudson Motors soon after. When television came to Chicago in 1948, Moran was one of the first retailers in it. With other Hudson dealers he sponsored a local wrestling match, soon took over the show himself and announced his own commercials, a practice he still follows.

With success on the wrestling show, Moran branched way out into Chicago television, put on his own variety show, a barn dance and sponsored late night movies. In time he became Hudson's top U.S. dealer with 10% of factory sales. When Hudson bowed out as a motor company, Moran went back to Ford, is now Ford's top dealer.

Moran today buys spot participations on three Chicago stations, has in addition a daily five-minute weather show,

Market Quotation

"What's the market situation?"

"Looks like England will get in."

"Not that one."

"Well, hogs are up twenty-five cents."

"I mean the *stock* market."

"Prime beef is twenty-nine dollars at Chicago."

"We're not communicating . . . I mean what was the Dow-Jones industrial average this noon?"

* * *

In Eastern Iowa, you have to be specific. Many markets interest Iowans.

The Common one, for example: Iowa ranks 17th in value of manufactured exports and sends $248 million in agricultural products abroad annually.

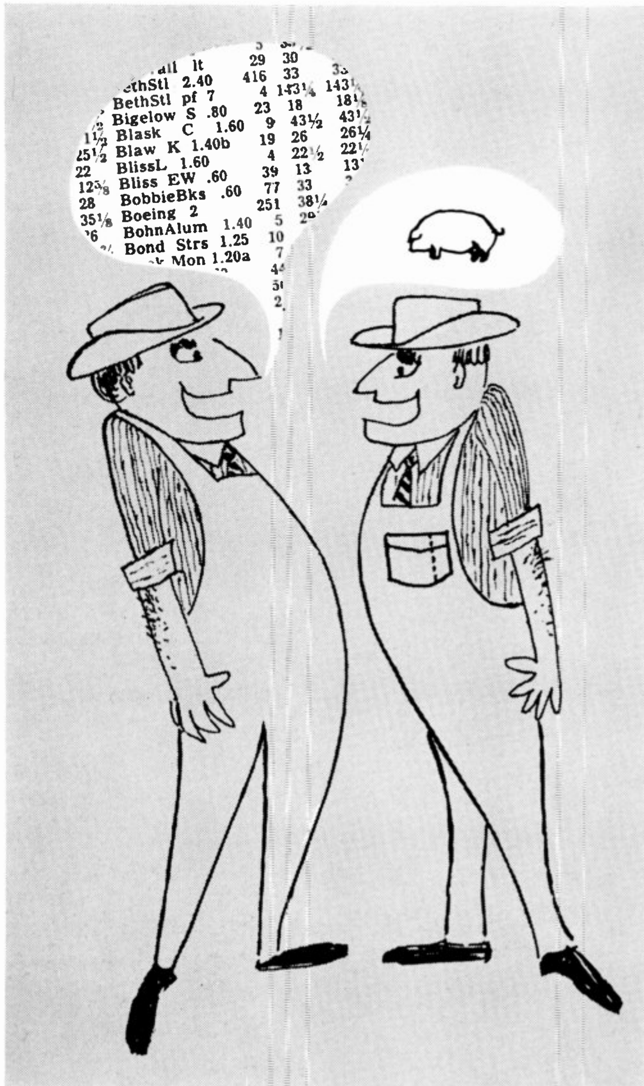
The livestock market: Iowa ranks first in production of beef, pork, lamb, eggs, corn and oats: Iowans own better than 10 per cent of the total value of livestock and poultry in the U.S.

The stock market: With average annual income in the $16,000 bracket, the Eastern Iowa farmer has definite interest in investments.

WMT-TV *is* specific. Our programming covers all of the market interests of Eastern Iowans. Our market covers all of the market interests of time buyers: cities (three of Iowa's six largest), towns, villages and farms. More than half of the state's 734,600 tv homes are in WMTland. In "homes reached" WMT-TV is first in all time periods from sign-on to sign-off. Sunday through Saturday (ARB 3/15/62, Cedar Rapids—Waterloo).

* * *

WMT-TV
CBS Television for Eastern Iowa
Cedar Rapids—Waterloo
Represented by the Katz Agency
Affiliated with WMT Radio;
K-WMT, Fort Dodge; WEBC, Duluth



a 10-minute Friday newscast and seven late night movies a week.

Jack Ross of Jack Ross Motors, a Lincoln-Mercury dealership in Phoenix, calls himself "the oldest continual TV sponsor in Arizona," a point he makes to emphasize something he things important for any dealer. It pays, Ross feels, to stay with television to establish a sponsorship record, get frequency rates and the availabilities you want. "Getting on TV is tough in a well-sold station," the Arizona dealer notes.

Ross puts his annual budget of from $75,000 to $100,000 almost exclusively in TV, currently has a Friday hour in the KOOL-TV-carried *Steve Allen Show* plus feature film on KPHO-TV.

Jack Ross Motors sells about 2,500 new and used cars a year, depends on the "personality selling" of two paid announcers and features Mrs. Ross, a former movie actress, in commercials. Ross himself favors feature movie sponsorship because it gives him "long commercials, more time to talk than can be gotten from spots," a point made by a number of the dealers.

In Miami, Fla., Joseph Abraham Ford takes a forward-looking approach to TV selling, particularly in a different kind of program selection. In addition to spots, Abraham is currently sponsoring a late night program in Spanish—an access to Miami's large Cuban population. It has also sponsored various documentary type programs, one on WCKT on the inroads being made by communism in South America.

Anthony Abraham, advisor to the dealership, says the documentary approach has been effective. "It delivers good will and a responsive audience."

Abraham Ford has been a sponsor of everything from major league ball games to movies, puts about three-quarters of a $250,000 ad budget in television, will sell upwards of 7,000 cars this year.

A relatively small dealer, Joe Levino, sells Cadillacs and Oldsmobiles out of Riverside Motors in South Bend, Ind. As his ad budget ($4,000 to $5,000 a year) limits what he can do, he has been off television for 10 months waiting to buy a feature film show in the fall.

On television for about six years, Levino puts the bulk of his ad dollars in the medium, does his own commercials. Since his TV hiatus he reports customers calling him up to say they miss him on TV. He credits TV with boosting his sales from 40 to 50 cars a year to the present 400 to 500 unit mark. And, with TV, he notes that he sells a 50-mile area.

Murray Fry, manager of Denver's Pappy Fry National Motors, like Levino in South Bend, is on a summer hiatus from TV, will be back in the winter with news sponsorships. Although not exceptionally heavy in the medium (a range of from $1,500 to $2,500 a month, about 25% of ad spending), Fry feels that it's a "backward dealer who doesn't get into television."

Fry's Plymouth sales run about 2,000 units a year. He sold 6,000 cars in 1957 and in the same year spent $20,000 on advertising in one month. This would tend to point up the variations in auto sales and advertising. With the factors of national economy, "hot selling" cars vs. sales duds, there is no such thing as an even keel for the auto industry.

THE TV TIGER

Lex Mayers' Chevrolet in Columbus, Ohio, puts about $125,000 a year in TV out of an overall ad budget of $250,000, sells about 500 new and used cars a month from two locations. Last month the company took a TV hiatus, "and," says owner Lex Mayers, "we saw sales momentum slip a little. TV is like having a tiger by the tail—you can't let go."

Mayers is as much a showman as he is an aggressive auto dealer. He is located in a high-income suburb of Columbus, has to draw business from a wide area, has to promote heavily to do it. And Mayers seemingly was a born promoter. Raised in a farm community, he once came up with a slogan for an area auto dealer: "A cow down, a pig a week." The effort got him a job with a dealer in advertising and promotion. He rose up the ladder to his present business.

To make showroom traffic, Mayers stays open on all holidays, makes an annual promotion out of a fish fry for 6,000 people, an ox roast with 24-hour service, a Thanksgiving turkey shoot, sauerkraut and ribs on New Year's Day, "anything to bring people out."

The Columbus dealer's creativity reflects in his TV activity. In the medium since 1954, he has produced his own live plays, had sports interest shows centering around nearby Ohio State, carried bowling remotes, five years of wrestling, local specials, election coverage, full sponsorship of the recent *PM East* show, movies, contest remotes.

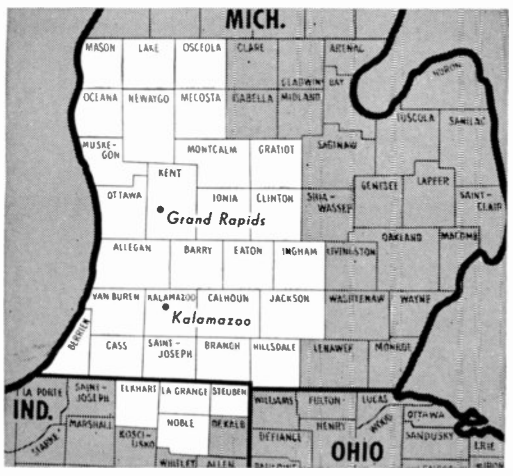
In his showroom and TV promotions Mayers has used a 700-pound wrestling bear—which he owns—and trained dog acts. He recently ran 100 spots a day on Columbus TV stations in an across-the-board deal, also had a five-minute golf tip of the day show to throw in when a station needed a "fill."

But Mayers does not use TV by itself. He supplements with newspapers and radio, and when in newspapers he uses color advertising and back pages for attention.

YOU MAY NEVER RIDE THE LONGEST BICYCLE*—

BUT... WKZO-TV Will Help You "Pedal" Throughout Kalamazoo-Grand Rapids And Greater Western Michigan!

WKZO-TV MARKET
COVERAGE AREA • NCS '61



Daily, nightly, weekly—WKZO-TV reaches more homes than any other Michigan station outside Detroit.

The facts are in NCS '61. WKZO-TV has weekly circulation in 456,320 homes in 30 Western Michigan and Northern Indiana counties. SRDS credits this prosperous area with retail sales of *over two and one-half billion dollars annually* ($2,537,725,000, to be exact).

There's plenty of free-wheeling buying in Kalamazoo-Grand Rapids and Greater Western Michigan!
And if you want all the rest of outstate Michigan worth having, add WWTV, Cadillac/WWUP-TV, Sault Ste. Marie to your WKZO-TV schedule.

**The Oriten bicycle, a ten-seater, was built in 1898 in Waltham, Mass.*

AM-TV-FM

The Fetzer Stations

RADIO
WKZO KALAMAZOO-BATTLE CREEK
WJEF GRAND RAPIDS
WJEF-FM GRAND RAPIDS-KALAMAZOO
WWTV-FM CADILLAC

TELEVISION
WKZO-TV GRAND RAPIDS-KALAMAZOO
WWTV/ CADILLAC-TRAVERSE CITY
/WWUP-TV SAULT STE. MARIE
KOLN-TV/ LINCOLN, NEBRASKA
/KGIN-TV GRAND ISLAND, NEB.

WKZO-TV

100,000 WATTS • CHANNEL 3 • 1000' TOWER
Studios in Both Kalamazoo and Grand Rapids
For Greater Western Michigan
Avery-Knodel, Inc., Exclusive National Representatives

THE AUTO DEALER *continued*

Mayers has found his Columbus competition starting to use more TV, getting "on the bandwagon," mostly in spots. But Mayers reflects some of Phoenix dealer Jack Ross' thinking: "Some of the competition has not been able to get into TV because the cost is too high. We took the gamble and know what TV can do and our costs, while high, are in bounds. We live with the TV and agency guys pretty good because everything is negotiable. If you do enough TV you get a break. We might be able to get a program for $600 where someone else might have to pay twice as much for it."

Mayers has done some association advertising but says, from the seemingly reflect the narrow profit margin dealers have been facing recently. But the picture has brightened. In New York, the 500-member Greater New York, Long Island and Westchester Dealers Association reports a 2.8% sales profit before taxes for the first six months of 1962 vs. a minute nine-tenths of 1% for the same period last year.)

On the bleak side, Mayers estimates that five or six small dealers in his area will fold this year—a continuation of the dealer fatality wave engulfing the industry. Mayers looks for "a definite decline in dealerships" still ahead. In his own area he says that dealers in smaller cities like Zanesville and Springfield will never be eliminated but those towns "in between" stand to lose.

tions around the country, TELEVISION MAGAZINE found most of them active in going after and getting auto dealer business. For most of them, dealer TV activity is increasing. And dealers are found to be using TV in many ways.

At WDSU-TV in New Orleans, sales manager John V. Dolan reports local sales in the auto dealer classification up 18% for the first five months of 1962, and with new car sales in New Orleans holding strong and 1963 models breaking soon, Dolan anticipates exceeding the 18% increase during the fourth quarter.

WDSU-TV, like a number of stations, has been using TvB's "Philadelphia Story" (a film sales presentation on the success Philadelphia Chrysler-Plymouth dealers have had with local spot TV) on calls

THE AUTO DEALER: KEY TO LOCAL MONEY AND POSSIBLE BACK DOOR TO DETROIT

Over the last five years the Detroit factories have spent nearly $275 million in spot and network television. The five major makers put nearly $53 million in TV last year, $61 million the year before (a better production year than 1961). With production this year heading for 6.7 million units, the best since 1955's record 7.1 million total, Detroit's TV spending may close on $70 million by year's end. If 1963 model sales keep pace with 1962's, TV spending should be equally heavy next year.

But the motor companies, more and more leaving off their former big sole sponsorships on network TV to follow the advertising pack into participation buys and spot, are not firmly committed to television, still make either newspapers or magazines their prime medium and, of course, still hinge spending to unit sales. A poor sales year is a poor advertising year.

General Motors last year put $28.3 million into television, or 27.8% of its total ad budget. Its TV spending is up over a five-year period, was $14.4 million in 1957, 13.9% of its budget. Last year it made general magazines its prime ad medium, reversing its newspapers-first policy.

Ford in 1961 spent $14.8 million in TV, 28.4% of its budget. TV spending for Ford in 1957 was $16.8 million, 24.3% of budget. Magazines were Ford's primary medium last year, again, as at GM, a swing out of newspapers.

Chrysler, with a poor sales record over the last several years, has been cutting back ad spending, and it has been reflected in its TV spending. Last year Chrysler put $6.6 million in TV, 19.9% of its budget. This compares with $19.9 million in TV in 1957, 33.7% of budget. Newspapers remain Chrysler's prime ad weapon.

American Motors last year put $1.6 million in TV, 12.1% of its budget. The figure was $1.1 million in 1957, a 20.5% budget slice. Newspapers get the bulk of American spending.

GM and Ford have increased their TV shares, Chrysler and American have been decreasing them. Print in all cases takes the major share of spending from the biggest auto companies. The question comes up, do dealers favor the direction of factory media selection, or, more to the point, do they have any influence on it?

The answer would seem to be perhaps, although dealers are split in their opinion.

Jack Alexander at Nalley Chevrolet in Atlanta believes the answer is no. "It seems," he says, "that we sell one thing and Chevrolet sells another. We sell our dealership, Chevrolet sells the car."

common viewpoint, "Most Chevrolet dealer associations can't get two dealers to agree on something, much less seven" (the number of Chevy dealers in Columbus).

For next fall Mayers is readying some shows of his own invention: a TV bingo strip and an interview-variety show from a popular Columbus restaurant.

On the fortunes of the auto dealer, Mayers is both bleak and happy. On the good side he sees the best profit margin since 1955, with some Chevrolet dealers having net earnings of $500,000 already this year. (Even Ford's Jim Moran, with sales of $41 million last year, had meek net earnings of $117,000, down 55% to

All of the auto dealers spoken to say they get constant sales calls and some presentations from their local TV stations, although most indicate the newspaper salesmen are more frequent visitors, perhaps more aggressive. Often, if the dealer is "married" to one station, the other stations in the market will let him alone. In the New York market, and perhaps to an extent in other major cities where time sales are less critical a problem and ad lineups are fat, the station salesmen will hardly bother courting dealers on an individual basis on the theory "why knock yourself out going after hard-to-get business.

In a spot check of 13 television sta-

to dealers and ad agencies. As a result, Dolan says, "many dealers reduced their 'weekly habit linage' in newspapers and converted the money to TV. Others increased their ad budgets to include TV."

Over the first five months of this year, WDSU-TV has sold schedules to 17 different local dealers and the Ford Dealers Association. The majority of the minute commercials were locally produced on videotape at an average cost of $100 per commercial.

At WFLA-TV Tampa, Fla., sales manager William B. Faber notes "a little more" dealer TV this year than last. On WFLA-TV so far this year: Rambler dealers with early evening news, spots in sports adjacencies: Chevrolet dealers with special events, golf, NBC's baseball "Game of the Week": Studebaker dealers with *Mr. Ed*; Ford dealers with minute spots and chain breaks.

As with most stations, auto dealer advertising is not the top retail ad classification. In WFLA-TV's case, real estate is top. In other markets the highest local billing ranges from banks and savings and loan associations to groceries, department stores and furniture. WFLA-TV ranks dealers its fourth or fifth local spender.

WTVJ Miami, Fla., this year has carried about 10 local dealers led by a Ford group, five dealers united in sponsoring sports specials and prime time 20s.

As Florida is a big used car state, the papers carry a three- to four-page listing of every car on the lots. If we could come up with a used car paper of the air, we'd be all right."

Boscia actively goes out after dealer advertising with the station's availabilities but his selling difficulty lies with not being able to talk to a central source. He can't cover as much territory as the specially organized newspaper space selling teams. "Dealers don't use our medium enough," says the account man. "The used car dealer is generally considered a low-down, cut-throat businessman. He needs to build up trust and he can do it with consistent TV advertising. The job rests with guys like us on the local level hitting the beat harder. We have to prove we can do a job for the dealers,

Long, like many TV men, feels that dealers could be a lot smarter advertisers than they are, not only by swinging more into television, but by using better commercial approaches. Says Long: "One of our dealer-advertisers likes his hard sell. The station feels his approach could be a lot better. But he's making sales and you can't argue with success."

WBNS-TV Columbus, Ohio, has no complaints on dealer TV. An aggressive dealer town, TV spending is high, ranks as the station's second largest local account after financial. Among the big local spenders: George Byers Sons, Lex Mayers', Beesley Ford, Spitzer Motors. Dealers last year, according to WBNS-TV account executive Arnold Routson, spent $250,000, and business is up this year.

Frank Bradshaw at Central Chevrolet in Atlanta believes that "the factories and dealers influence each other. From styling to advertising Detroit listens to our dealer panels and boards."

John Fair, general manager of Brand Motors in Los Angeles feels that "ad agencies influence the factories, we don't."

Ellis Brooks in San Francisco would disagree with Fair. As director of a major West Coast dealer group, Brooks says "the factory talks to dealer planning committees and to big individual dealers. Campbell-Ewald [Chevrolet agency] throws away our screwball ideas but I know the agency and the factory give weight to what I say."

Lester LaPedus at Baltimore's Archway Ford says "I'm afraid dealers don't influence their factories, although we'd like to think we do."

Dealer John Spitzer in Cleveland frankly doesn't know if dealers are a big influence on Detroit advertising. He says "We only seem to have a lot to say about factory advertising after its run."

Jack Ross in Phoenix believes dealers are becoming more and more influential in Detroit thinking all the time, but perhaps only geographically. "The factories," he says, "listen to dealers from their principal points of sale."

Lex Mayers in Columbus believes that dealer counsels do have some influence on the factories but as to advertising he says, "Most metropolitan dealers would just as soon do their own advertising, not caring what the factory does. There are 7,000 Chevrolet dealers in the U.S., most of them small. They have to depend on the factory and they are the ones who care."

You can pick your answer as to the dealer's influence on Detroit. He may influence the factory and then again he may not. If he is big and advertising heavily for himself, he may not care. If he is small and cares, he may not be influential enough to have a voice.

But *en masse* the dealer voice most certainly does reach Detroit. All the companies have regional sales zones and in each zone the dealers of each make elect counsel members. Each counsel head takes note of member gripes, goes to Detroit quarterly to air many things—quality, styling, market analysis, advertising. If there is some point cropping up often enough from enough dealer representatives, an auto company probably will act. Get enough dealers hot on a certain subject and they make themselves heard in Detroit.

The auto dealer may be television's back door to Detroit TV spending. Certainly he is a target for local advertising. But he needs a more vigorous TV education job from station reps and individual station sales forces.

As a group, the nation's auto dealers are still wedded to newspapers. Many of their ad budgets may dictate only classified listings, but where the dollars are available, if stations can present a sound selling story, they can make more dealer sales.

WTVJ gets most of its revenue from that dealer category. One used car dealer has an unlikely sales vehicle: a half-hour called *Gospel Favorites*, 8 a.m. Sunday.

Frank Boscia, auto account executive at WTVJ, ranks dealers the station's third or fourth local classification, says dealer business has been "disappointing" this year. "Dealers," says Boscia, "don't stay in the medium long enough. They come in with a crash plan to see what happens and then pull out again."

Boscia's sore point is the Miami newspaper competition. "The *Herald* and the *News*," he says, "carry a wealth of used car advertising. Dealers use the papers for a shopping guide and every weekend perhaps even by making speculative commercials to show the hard heads."

At WSFA-TV Montgomery, Ala., national sales manager Jack Long has two active dealer accounts. A Chevrolet dealer takes three spots a week plus a 13-week five-minute sports report. A Ford dealer has followed the Chevy man in with Thursday, Friday and weekend spots in which the dealer appears as the sales personality.

Long says dealer business is running about the same as last year on dollar volume because of increased rates but advertising is not as heavy. Auto dealers make up about 20% of WSFA-TV's overall retail business.

A lot of WBNS-TV's dealer business is from groups and Routson says the station worked for six years to get Ford group advertising. "All dealer groups," he says, "can be sold at the local level whether the group's national agency likes it or not." The station got the Ford business with the help of two dealers on the group's board of directors. When the two key men were sold, they swung the group into TV to the tune of from 30 to 40 spots a month on WBNS-TV.

"It takes good promotional ideas to get dealers into TV," says Routson, "and too many stations may be missing out on dealer business because they don't come up with the ideas. In addition to specific promotions it pays to take promotable station personalities out to the lots for introductions, also running merchandise give-aways.

"Another point to be stressed to dealers is the good economics of buying prime time TV spots in place of metropolitan newspaper ads. Papers begin to lose circulation outside of the metropolitan area. It's either buy a bunch of suburban papers or get everyone at once with the longer reach of TV."

At WANE-TV Fort Wayne, Ind., sales director John Keenan says the station's auto dealer business is running "better than last year." Dealer volume is increasing, dealers are more "aggressive." So far this year WANE-TV has had spots from Chevrolet, Oldsmobile, Ford, Studebaker, Rambler and a TV rarity, Cadillac's first TV in the Ft. Wayne market—a five and ten weekly spot plan.

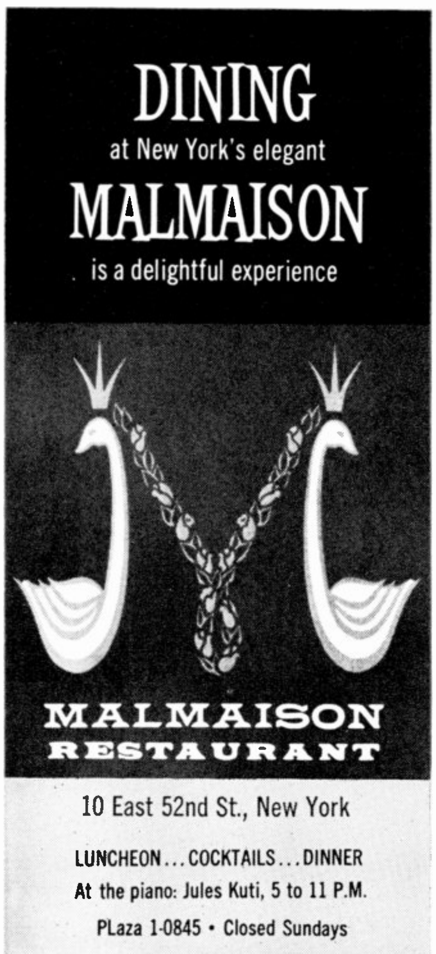
Auto dealers are about third or fourth ranked in WANE-TV's local business. And as with most stations, dealer business peaks at a specific time of year. In WANE-TV's case, dealers are most active in the fall and winter for close outs and introductions. The spring is poor for dealer advertising because that's when Indiana's personal property tax comes due. The public will rarely buy big ticket items in the spring because of the tax. Weather, economic cycles and dealer pushes when they come up all effect TV use to some extent market by market.

Keenan finds the auto dealers in his market "very much sold on print," not generally very smart TV buyers. He feels they haven't varied their advertising ways very much in the last 10 years. "They are competitive," he says, "but do not generally make it a practice to seek the advice of ad agencies or stations. They buy price in television, not ideas."

WAGA-TV Atlanta reports auto dealers "always fairly active on TV." Nalley Chevrolet has used the WAGA-TV 6 p.m. *Pan-O-Rama News* show for two years. The Greater Atlanta Dodge Dealer Association has been using the sports segments of *Pan-O-Rama News* tying in with a station sports personality. A Pontiac dealer has also been using WAGA-TV sports sponsoring 10 Atlanta Cracker baseball games and pre- and post-game shows plus football and a scoreboard show. A Chevrolet dealer is on a spot scatter plan and a Lincoln-Mercury dealer has been using late news one night a week.

Paul Raymon, WAGA-TV sales manager, says dealer business is running good, about the same pace as last year. As a retail ad category, dealers are "one of the top" TV spenders and, as with many stations, one or two dealers constantly number among the top 10 individual accounts.

Raymon feels that, with a few exceptions, Atlanta auto dealers are astute advertising and TV men. "They've become more sophisticated in what they've been doing over the last three or four years, perhaps through trial and error."



BIG DEALER

On the West Coast, KABC-TV Los Angeles is holding its own with last year on dealer advertising, gets its big cut of dealer dollars from Brand Motors' full sponsorship of from 14 to 17 feature movies a week. (Brand runs through so many commercials that KABC-TV schedules a taping session in its studios once a month for new supplies.)

The Los Angeles station also has a Rambler dealer running three consecutive Sunday morning movies and a Ford dealer on a spot buy. In addition it has pulled spot dollars from five dealer groups in the last year.

Richard A. O'Leary, general sales manager of KABC-TV, calls the auto dealers "blue chip" accounts, although the dealer classification is not the station's top local category. O'Leary also calls the Los Angeles dealers "a progressive group of advertising professionals. After 10 years of buying advertising in the Los Angeles market they are veterans."

At WKY-TV Oklahoma City, dealers are using weather and news, NBC Sunday baseball breaks, Huntley-Brinkley. Dealer advertising is up slightly over last year with the top spenders beefing up their activity, the in-and-outers cutting back. Three or four dealers make it a practice to hypo TV when their business slows down. Auto business is the station's fourth-ranking retail classification.

Nick Panos, in WKY-TV national sales, calls dealers "a funny breed who often have to be hit on the 'right' day to get results." He feels that TV advertising and strategy is often above the head of his area's dealers. And they are reluctant to give TV credit for being effective.

Seven Oklahoma City dealers spent $36,480 on WKY-TV last year vs. spending of $41,639 by nine dealers in 1960.

OPTIMISTS

Ted Lovel, sales manager of WBZ-TV Boston, has somewhat the same impression of Boston dealers. He says they need basic TV education. "We work on educating them," he says, "through presentations and constant hounding. But they are difficult to get on the air and keep on the air. If one of them runs an announcement at 2 p.m. he expects the public to knock down his doors at 2:30."

Lovel says WBZ-TV's dealer advertising, "probably the fourth ranked retail category," is up over last year. The big buy is 52 weeks for the Rambler Dealers Association of New England, three days a week on weather and sports. A Plymouth-Valiant group is in occasionally on Boston Red Sox pre- and post-game baseball shows.

At WBBM-TV Chicago, general sales manager Edward Kenefick is a happy man, thanks to Ford dealer Jim Moran. The giant auto retailer took his late movie TV business away from WBKB last October to buy WBBM-TV's *Late Show* five nights a week and another movie, *The Best of CBS,* on Saturday night. (Reason given for the move was WBKB's adopting ABC-TV's 11 p.m. network news strip. With local news following the network 10-minutes, the WBKB movie didn't start until 10:30 and Moran was coming on 30 minutes behind other Chicago movies.)

The Moran move to WBBM-TV (the dealer has a spot schedule as well as the movie time, now plows about 80% of his TV budget into the CBS-TV o&o) has given the station a decided increase in dealer advertising this year over last and makes dealers one of the largest WBBM-TV local accounts.

In addition to Moran, WBBM-TV gets a big schedule of Ford Dealer Association advertising, Rambler, Plymouth-Valiant and Dodge group spots and several individual dealers.

At WCAU-TV Philadelphia the station is setting a better dealer ad pace this year because of more dealer association advertising. Frank Beesley, general sales manager, reports Dodge and Ford dealers in prime time with 20-second commercials varied from 10 to 15 a week.

Beesley says WCAU-TV has actively courted the dealer associations while concentration on individual dealers has depended on their potential.

WFAA-TV Dallas notes that auto dealers are in the station's top three retail classification all the time, calls dealer advertising good both last year and this year.

WFAA-TV local sales manager Bill Hobbs says a Pontiac dealer recently came on the station Thursday and Friday nights to sponsor a 15-minute news and weather show, was so successful with it he bought Tuesday night as well. The same dealer also sponsored two hours of the Texas Democratic election run-offs. A Chevrolet dealer uses saturation spot, a Dodge dealer runs two syndicated programs a week.

Hobbs says WFAA-TV works 100% today through ad agencies for the local dealer (not always the case in every market) and notes that only three years ago about a quarter of the dealer business was on a direct basis. The Dallas auto dealer, according to Hobbs, is smart, "he's learned a lot about TV and has made some very good buys. The ad agencies have undoubtedly helped in this."

At WXYZ-TV Detroit the sales department also considers dealers smart TV advertisers who are getting away from their old hard sell to look for an image. WXYZ-TV's top auto account, Roy O'Brian Ford, has been with the station for 14 years, is a 52-week advertiser currently buying minutes and 20s, some in prime time.

THE WISE MONEY

Station men tend to call the dealer a "smart advertiser" when he is heavy in TV. The prejudice is natural. But it is probably true that enlightenment comes with a big ad budget—dollars, directed by agency advice, are not usually spent foolishly by the dealers. And if they are major dealers, they are usually in TV. The station job is to swing more of the big ad budgets into the medium, get even the small dealers to realize that they can afford some TV activity.

Dealers' choice of programs have run the gamut, with the possible exception of kid shows, they have shown a preference for late-week and weekend time slots to catch the peak shopping traffic.

The U. S. auto dealer can wear many business faces. In addition to running his dealership, he may also be in real estate or active in local government. Often times he has considerable personal wealth.

Courtesy Motors' Jim Moran draws an annual salary of $150,000 from Courtesy—but that isn't all he makes. "If you're in the automobile business today," said Moran late last year, "and your only profit is in selling new cars, you aren't going to make money. You have to be in insurance, financing, the whole ball of wax."

Moran himself owns Grand Insurance Company, Grand Acceptance Corp., a finance company that handles one-third of Courtesy's financing a year, and Grand Finance Corp., a small loan company. He also runs Courtesy Lease-Save Plan which rents out about 1,200 cars and trucks, takes in over $1 million a year. From these Moran takes in another $24,000 a year.

Moran can't be called the typical dealer, but he may be an example of the kind of dealer who is more and more coming to power around the U.S.—smart, aggressive, an advertising-promotion specialist as well as a salesman. He thrives on volume sales and his advertising bankroll is upwards of $1 million.

For television, this big, high-powered dealer means dollars. As seen, the bigger the dealer the more inclined he is toward TV advertising. While dealers today are troubled with a high fatality rate, the ones remaining will be stronger, wealthier—prime targets for the hard-selling TV station. END

TELESTATUS

Exclusive estimates computed by Television Magazine's research department for all markets, updated each month from projections for each U.S. county

SEPTEMBER TELEVISION HOMES

TV HOMES in each market are derived in part from TELEVISION MAGAZINE's county-by-county projections of television penetration and the measurement of total households made by the Bureau of the Census in 1960, plus various industry interim reports.

The coverage area of a television market is defined by TELEVISION MAGAZINE's research department. Antenna height, power and terrain determine the physical contour of a station's coverage and the probable quality of reception.

Other factors, however, may well rule out any incidence of viewing despite the quality of the signal. Network affiliations, programming and the number of stations in the service area must all be taken into consideration. The influence of these factors is reflected in the various industry audience measurement surveys made on a county-by-county basis which are accepted by the magazine for determination of viewing levels in individual television markets.

After testing various formulae, TELEVISION MAGAZINE adopted a method which utilizes a flexible cut-off point of 25%. *Television homes in a county generally will be credited to a market if one-quarter of these homes view the dominant station in the market at least one night a week.*

Penetration figures in markets with both VHF and UHF facilities refer to VHF only.

The television penetration potential varies by sections of the country. Many areas in New England have achieved a saturation level above 90%. Other areas—sections of the South, for example—have reached a rather lower plateau. Future increases from either level can be expected to be distributed over a longer period of time than was characterized by the early stages of television growth.

In a number of markets, therefore, the TV homes count is at a temporary plateau. These markets will be held for an indefinite period of time. The factor chiefly responsible for this situation is that penetration increases are often offset by current trends of population movement which for some regions have shown at least a temporary decline.

In some markets it has been impossible to evaluate the available and sometimes contradictory data. These areas are under surveillance by this magazine's research department and new figures will be reported as soon as a sound estimate can be made.

In many regions individual markets have been combined in a dual-market listing. This has been done whenever there is almost complete duplication of the television coverage area and no substantial difference in television homes. Furthermore, the decision to combine markets is based upon advertiser use and common marketing practice.

The coverage picture is constantly shifting. Conditions are altered by the emergence of new stations and by changes in power, antenna, channel and network affiliation. For this reason our research department is continuously reexamining markets and revising TV homes figures accordingly where updated survey data becomes available. For a complete explanation of the various symbols used in this section, refer to the "footnote" key at the bottom of each page.

SEPTEMBER 1962	
TOTAL U.S. TV HOMES	49,967,000
TOTAL U.S. HOUSEHOLDS	54,950,000
U.S. TV PENETRATION	90%

Unlike other published coverage figures, these are neither station nor network estimates. They are copyrighted and may not be reproduced without permission. Listed below are all commercial stations on the air.

Market & Stations—% Penetration	TV Homes
ABERDEEN, S.D.—83 KXAB-TV (N,C,A)	25,500
ABILENE, Tex.—86 KRBC-TV (N) (KRBC-TV operates satellite KACB-TV, San Angelo, Texas.)	***80,800
ADA, Okla.—82 KTEN (A,C,N)	83,200
AGANA, Guam KUAM-TV (C,N,A)	††
AKRON, Ohio—45 WAKR-TV† (A)	†70,800
ALBANY, Ga.—80 WALB-TV (A,N)	162,500
ALBANY-SCHENECTADY-TROY, N.Y.—93 WTEN (C); WAST (A); WRGB (N) (WTEN operates satellite WCDC, Adams, Mass.)	**424,800
ALBUQUERQUE, N.M.—84 KGGM-TV (C); KOAT-TV (A); KOB-TV (N)	161,600
ALEXANDRIA, La.—80 KALB-TV (A,C,N)	106,700
ALEXANDRIA, Minn.—81 KCMT (N,A)	103,500
ALPINE, Tex. KVLF-TV (A)	†††
ALTOONA, Pa.—89 WFBG-TV (A,C)	307,800
AMARILLO, Tex. —88 KFDA-TV (C); KGNC-TV (N); KVII-TV (A)	121,200
AMES, Iowa—91 WOI-TV (A)	284,900
ANCHORAGE, Alaska—93 KENI-TV (A,N); KTVA (C)	22,300
ANDERSON, S.C. WAIM-TV (A,C)	††
ARDMORE, Okla.—81 KXII (N)	77,700
ASHEVILLE, N.C., GREENVILLE-SPARTANBURG, S.C.—85 WISE-TV† (C,N); WLOS-TV (A); WFBC-TV (N); WSPA-TV (C)	444,300 ††
ATLANTA, Ga.—88 WAGA-TV (C); WLWA (A); WSB-TV (N)	586,500
AUGUSTA, Ga.—82 WJBF-TV (A,N); WRDW-TV (C)	200,400
AUSTIN, Minn.—89 KMMT (A)	181,400
AUSTIN, Tex.—84 KTBC-TV (A,C,N)	144,300
BAKERSFIELD, Calif—93 KBAK-TV† (C); KERO-TV (N); KLYD-TV† (A)	141,200 †67,700
BALTIMORE, Md.—93 WJZ-TV (A); WBAL-TV (N); WMAR-TV (C)	762,400
BANGOR, Me.—88 WABI-TV (A,C); WLBZ-TV (N,A) (Includes CATV Homes)	101,800
BATON ROUGE, La.—85 WAFB-TV (C,A); WBRZ (N,A)	288,200
BAY CITY-SAGINAW-FLINT, Mich.—93 WNEM-TV (A,N); WKNK-TV† (A,C); WJRT (A)	392,900 †60,900
BEAUMONT-PORT ARTHUR, Tex.—88 KFDM-TV (C); KPAC-TV (N); KBMT-TV (A)	165,100
BELLINGHAM, Wash.—89 KVOS-TV (C)	*48,800
BIG SPRING, Tex.—87 KEDY-TV (A,C)	20,400
BILLINGS, Mont.—83 KOOK-TV (A,C); KGHL-TV (N)	59,800
BINGHAMTON, N.Y.—90 WNBF-TV (A,C); WINR-TV† (A,N,C)	234,900 †49,000
BIRMINGHAM, Ala.—79 WAPI-TV (N); WBRC-TV (A C)	438,700
BISMARCK, N.D.—83 KXMB-TV (A,C); KFYR-TV (N,A) (KFYR-TV operates satellites KUMV-TV, Williston, N D., and KMOT, Minot, N.D.)	**46,500
BLOOMINGTON, Ind.—90 WTTV (See also Indianapolis, Ind.)	665,400
BLUEFIELD, W. Va.—82 WHIS-TV (N,A)	138,800
BOISE, Idaho—88 KBOI-TV (C); KTVB (A,N)	81,100
BOSTON, Mass.—94 WBZ-TV (N); WNAC-TV (A,C); WHDH-TV (C,N)	1,801,400
BOWLING GREEN, Ky. WLTV	†††
BRISTOL, Va.-JOHNSON CITY-KINGSPORT, Tenn.—78 WCYB-TV (A,N); WJHL-TV (A,C)	189,400
BRYAN, Tex.—80 KBTX-TV (A,C)	45,100
BUFFALO, N.Y.—94 WBEN-TV (C); WGR-TV (N); WKBW-TV (A)	578,700
BURLINGTON, Vt.—88 WCAX-TV (C)	*161,700
BUTTE, Mont.—82 KXLF-TV (A,C,N)	55,200
CADILLAC, Mich.—88 WWTV (A,C) (Operates satellite WWUP-TV, Sault Ste. Marie, Mich.)	***115,000
CAGUAS, P.R. WKBM-TV	††
CAPE GIRARDEAU, Mo.—80 KFVS-TV (C)	238,500
CARLSBAD, N.M.—87 KAVE-TV (A,C)	12,600
CARTHAGE-WATERTOWN, N.Y.—91 WCNY-TV (A,C) (Includes CATV Homes)	*91,700
CASPER, Wyo.—83 KTWO-TV (A,N,C)	43,400
CEDAR RAPIDS-WATERLOO, Iowa—91 KCRG-TV (A); WMT-TV (C); KWWL-TV (N)	305,500
CHAMPAIGN, Ill.—89 WCIA (C); WCHU† (N)[1] ([1]See Springfield listing)	326,100
CHARLESTON, S.C.—82 WCSC-TV (C); WUSN-TV (A,N)	142,400
CHARLESTON-HUNTINGTON, W. Va.—83 WCHS-TV (A); WHTN-TV (C), WSAZ-TV (N)	426,700
CHARLOTTE, N.C.—86 WBTV (C,A); WSOC-TV (N,A)	606,500
CHATTANOOGA, Tenn.—83 WDEF-TV (A,C); WRGP-TV (N), WTVC (A)	208,500
CHEBOYGAN, Mich.—85 WTOM-TV (N,A) (See also Traverse City)	36,300
CHEYENNE, Wyo.—85 KFBC-TV (A,C,N) (Operates satellite KSTF, Scottsbluff, Neb.)	**89,500
CHICAGO, Ill.—95 WBBM-TV (C); WBKB (A); WGN-TV; WNBQ (N)	2,282,900
CHICO, Calif.—87 KHSL-TV (A,C)	127,500
CINCINNATI, Ohio—91 WCPO-TV (C), WKRC-TV (A), WLWT (N)	747,900
CLARKSBURG, W. Va.—85 WBOY-TV (A,C,N)	95,000
CLEVELAND, Ohio—94 WEWS (A); KYW-TV (N), WJW-TV (C)	1,291,700
CLOVIS, N.M.—83 KVER-TV (A,C)	19,500
COLORADO SPRINGS-PUEBLO, Colo.—87 KKTV (C), KRDO-TV (A), KOAA-TV (N)	97,200

■ Major facility change in market subsequent to latest county survey measurement date.
• Markets coverage area being re-evaluated.
† U H F
†† Incomplete data
††† New station, coverage study not completed
* U.S. Coverage only.
** Includes circulation of satellite (or booster).
*** Does not include circulation of satellite.

Market & Stations—% Penetration	TV Homes
COLUMBIA-JEFFERSON CITY, Mo.—84 KOMU-TV (A,N); KRCG-TV (A,C) (KRCG-TV operates satellite KMOS-TV, Sedalia, Mo.)	**129,100
COLUMBIA, S.C.—82 WIS-TV (N); WNOK-TV† (C); WCCA-TV† (A)	226,300 ■†38,400
COLUMBUS, Ga.—80 WTVM (A,N); WRBL-TV (C)	■185,500
COLUMBUS, Miss.—79 WCBI-TV (C,N,A)	75,900
COLUMBUS, Ohio—92 WBNS-TV (C); WLWC (N); WTVN-TV (A)	481,600
COOS BAY, Ore.—79 KCBY-TV (N)	13,400
CORPUS CHRISTI, Tex.—87 KRIS-TV (N); KZTV (C,A)	110,300
DALLAS-FT. WORTH, Tex.—90 KRLD-TV (C); WFAA-TV (A); KTVT; WBAP-TV (N)	759,400
DAVENPORT, Iowa-ROCK ISLAND, Ill.—92 WOC-TV (N); WHBF-TV (A,C)	331,100
DAYTON, Ohio—93 WHIO-TV (C); WLWD (A,N)	499,800
DAYTONA BEACH-ORLANDO, Fla.—92 WESH-TV (N); WDBO-TV (C); WLOF-TV (A)	318,800
DECATUR, Ala.—49 WMSL-TV† (C,N)	†40,900
DECATUR, Ill.—83 WTVP† (A)	†126,100
DENVER, Colo.—91 KBTV (A); KLZ-TV (C); KOA-TV (N); KTVR	367,600
DES MOINES, Iowa—91 KRNT-TV (C); WHO-TV (N)	266,500
DETROIT, Mich.—96 WJBK-TV (C); WWJ-TV (N); WXYZ (A)	*1,585,300
DICKINSON, N.D.—81 KDIX-TV (C)	18,400
DOTHAN, Ala.—78 WTVY (A,C)	113,600
DULUTH, Minn.-SUPERIOR, Wis.—88 KDAL-TV (C); WDSM-TV (A,N)	160,800
DURHAM-RALEIGH, N.C.—85 WTVD (A,C); WRAL-TV (A,N)	350,900
EAU CLAIRE, Wis.—86 WEAU-TV (A,C,N)	88,500
EL DORADO, Ark.-MONROE, La.—80 KTVE (A,N); KNOE-TV (A,C)	168,600
ELKHART-SOUTH BEND, Ind.—66 WSJV-TV† (A); WSBT-TV† (C); WNDU-TV† (N)	†142,600
EL PASO, Tex.—88 KELP-TV (A); KROD-TV (C); KTSM-TV (N)	*106,900
ENID, Okla. (**See Oklahoma City**)	
ENSIGN, Kan.—83 KTVC (C)	37,100
EPHRATA, Wash.—39 KBAS-TV† (C,N) (Satellite of KIMA-TV†, Yakima, Wash.)	†5,400
ERIE, Pa.—91 WICU-TV (A); WSEE-TV† (C,N) (Includes CATV Homes)	171,900 †60,800
EUGENE, Ore.—88 KVAL-TV (N); KEZI-TV (A) (KVAL operates satellite KPIC-TV, Roseburg, Ore.)	**103,200
EUREKA, Calif.—86 KIEM-TV (A,C); KVIQ-TV (A,N)	54,100
EVANSVILLE, Ind.-HENDERSON, Ky.—83 WFIE-TV† (N); WTVW (A); WEHT-TV† (C)	216,900 †115,700
FAIRBANKS, Alaska—85 KFAR-TV (A,N); KTVF (C)	10,300
FARGO, N.D.—84 WDAY-TV (N); KXGO-TV (A) (See also Valley City, N.D.)	151,000
FLINT-BAY CITY-SAGINAW, Mich.—93 WJRT (A); WNEM (A,N); WKNK-TV† (A,C)	392,900 †60,900
FLORENCE, Ala.—70 WOWL-TV† (C,N,A)	†21,500
FLORENCE, S.C.—80 WBTW (A,C,N)	156,300
FT. DODGE, Iowa—64 KQTV† (N)	†29,400
FT. MYERS, Fla.—91 WINK-TV (A,C)	33,000
FT. SMITH, Ark.—76 KFSA-TV (C,N,A)	68,000
FT. WAYNE, Ind.—80 WANE-TV† (C); WKJG-TV† (N); WPTA-TV† (A)	†168,500
FT. WORTH-DALLAS, Tex.—90 KTVT; WBAP-TV (N); KRLD-TV (C); WFAA-TV (A)	759,400
FRESNO, Calif.—73 KFRE-TV† (C); KJEO-TV† (A); KMJ-TV† (N); KAIL-TV†; KICU-TV† (Visalia)	■†193,200
GLENDIVE, Mont.—83 KXGN-TV (C,A)	3,800
GOODLAND, Kan.—79 KWHT-TV (C)	16,500
GRAND FORKS, N.D.—88 KNOX-TV (A,N)	38,000
GRAND JUNCTION, Colo.—82 KREX-TV (A,C,N) (Operates satellite KREY-TV, Montrose, Colo.)	**28,000
GRAND RAPIDS-KALAMAZOO, Mich.—92 WOOD-TV (A,N); WKZO-TV (A,C)	■553,400
GREAT BEND, Kan.—84 KCKT-TV (N) (KCKT operates satellite KGLD, Garden City, Kan. and KOMC-TV, McCook, Neb.)	**138,600
GREAT FALLS, Mont.—85 KFBB-TV (A,C,N); KRTV (Includes CATV Homes)	56,900
GREEN BAY, Wis.—90 WBAY-TV (C); WFRV (N); WLUK-TV (A)	310,700
GREENSBORO-WINSTON-SALEM, N.C.—87 WFMY-TV (A,C); WSJS-TV (N)	391,100
GREENVILLE-SPARTANBURG, S.C., ASHEVILLE, N.C.—85 WFBC-TV (N); WSPA-TV (C); WLOS-TV (A); WISE-TV† (C,N)	444,300 ††
GREENVILLE-WASHINGTON, N.C.—84 WNCT (A,C); WITN (N)	■216,600
GREENWOOD, Miss.—78 WABG-TV (C)	77,400
HANNIBAL, Mo.-QUINCY, Ill.—87 KHQA (C,A); WGEM-TV (A,C)	160,100
HARLINGEN-WESLACO, Tex.—81 KGBT-TV (A,C); KRGV-TV (A,N)	*70,200
HARRISBURG, Ill.—81 WSIL-TV (A) (WSIL-TV operates satellite KPOB-TV†, Poplar Bluff, Mo.)	***192,300
HARRISBURG, Pa.—83 WHP-TV† (C); WTPA† (A)	†128,500
HARRISONBURG, Va.—78 WSVA-TV (A,C,N)	68,600
HARTFORD-NEW BRITAIN, Conn.—95 WTIC-TV (C); WNBC† (N); WHCT†	720,600 †331,600
HASTINGS, Neb.—86 KHAS-TV (N)	103,200
HATTIESBURG, Miss.—87 WDAM-TV (A,N)	56,500
HELENA, Mont.—85 KBLL-TV (C,N)	7,600
HENDERSON, Ky.-EVANSVILLE, Ind.—83 WEHT-TV† (C); WFIE-TV† (N); WTVW (A)	216,900 †115,700
HENDERSON-LAS VEGAS, Nev.—92 KLRJ-TV (N); KLAS-TV (C); KSHO-TV (A)	50,600
HOLYOKE-SPRINGFIELD, Mass.—91 WWLP† (N); WHYN-TV† (A,C) (WWLP operates satellite WRLP†, Greenfield, Mass.)	**†179,600
HONOLULU, Hawaii—88 KGMB-TV (C); KONA-TV (N); KHVH-TV (A) (Satellites: KHBC-TV, Hilo and KMAU-TV, Wailuku to KGMB-TV. KMVI-TV, Wailuku and KHJK-TV, Hilo to KHVH; KALA, Wailuku to KONA-TV.)	**141,000
HOT SPRINGS, Ark.—82 KFOY-TV	13,600
HOUSTON, Tex.—89 KPRC-TV (N); KTRK-TV (A); KHOU-TV (C)	508,800
HUNTINGTON-CHARLESTON, W.Va.—83 WHTN-TV (C); WSAZ-TV (N); WCHS-TV (A)	426,700
HUNTSVILLE, Ala.—43 WAFG-TV† (A)	†18,400
HUTCHINSON-WICHITA, Kan.—87 KTVH (C); KAKE-TV (A); KARD-TV (N) (KGLD-TV, Garden City, KCKT-TV, Great Bend, and KOMC-TV, Oberlin-McCook, satellites of KARD-TV; KAYS-TV, Hays, satellite of KAKE-TV.)	**349,300
IDAHO FALLS, Idaho—88 KID-TV (A,C); KIFI-TV (N)	64,600
INDIANAPOLIS, Ind.—91 WFBM-TV (N); WISH-TV (C); WLWI (A) (See also Bloomington, Ind.)	687,800
JACKSON, Miss.—84 WJTV (C); WLBT (A,N)	273,500
JACKSON, Tenn.—76 WDXI-TV (A,C)	64,100
JACKSONVILLE, Fla.—87 WJXT (C,A); WFGA-TV (N,A)	265,500
JEFFERSON CITY-COLUMBIA, Mo.—84 KRCG-TV (A,C); KOMU-TV (A,N) (KRCG-TV operates satellite KMOS-TV, Sedalia, Mo.)	**129,100
JOHNSON CITY-KINGSPORT, Tenn.-BRISTOL, Va.—78 WJHL-TV (A,C); WCYB-TV (A,N)	189,400
JOHNSTOWN, Pa.—91 WARD-TV† (A,C); WJAC-TV (N,A)	577,200 ††
JOPLIN, Mo.-PITTSBURG, Kan.—82 KODE-TV (A,C); KOAM-TV (A,N)	144,400
JUNEAU, Alaska—69 KINY-TV (C)	2,200
KALAMAZOO-GRAND RAPIDS, Mich.—92 WKZO-TV (A,C); WOOD-TV (A,N)	■553,400
KANSAS CITY, Mo.—90 KCMO-TV (C); KMBC-TV (A); WDAF-TV (N)	606,900
KEARNEY, Neb.—86 KHOL-TV (A) (Operates satellite KHDL-TV, Hayes Center, Neb.)	**100,900
KLAMATH FALLS, Ore.—88 KOTI-TV (A,C,N)	26,700
KNOXVILLE, Tenn.—77 WATE-TV (N); WBIR-TV (C); WTVK† (A)	246,100 †43,500
LA CROSSE, Wis.—87 WKBT (A,C,N)	110,300
LAFAYETTE, La.—83 KLFY-TV (C) (Includes CATV Homes)	119,300

■ Major facility change in market subsequent to latest county survey measurement date.
• Markets coverage area being re-evaluated.
† U.H.F.
†† Incomplete data.
††† New station; coverage study not completed.
* U.S. Coverage only.
** Includes circulation of satellite (or booster).
*** Does not include circulation of satellite.

Market & Stations—% Penetration	TV Homes
LAKE CHARLES, La.—83 KPLC-TV (A,N)	103,500
LANCASTER, Pa.—89 WGAL-TV (C,N)	567,200
LANSING, Mich.—93 WJIM-TV (C,A); WILX-TV (N) (Onondaga)	366,000
LAREDO, Tex.—80 KGNS-TV (A,C,N)	14,300
LA SALLE, Ill. (See Peoria, Ill.)	
LAS VEGAS-HENDERSON, Nev.—92 KLAS-TV (C); KSHO-TV (A); KLRJ-TV (N)	50,600
LAWTON, Okla. (See Wichita Falls, Tex.)	
LEBANON, Pa.—86 WLYH-TV† (A)	†116,200
LEWISTON, Idaho—86 KLEW-TV (C,N) (Satellite of KIMA-TV, Yakima, Wash.)	20,400
LEXINGTON, Ky.—56 WLEX-TV† (N), WKYT† (A,C)	†71,300
LIMA, Ohio—68 WIMA-TV† (A,C,N)	†45,400
LINCOLN, Neb.—87 KOLN-TV (C) (Operates satellite KGIN-TV, Grand Island, Neb.)	**207,300
LITTLE ROCK, Ark.—80 KARK-TV (N), KTHV (C); KATV (A)	237,500
LOS ANGELES, Calif.—97 KABC-TV (A); KCOP, KHJ-TV; KTLA; KNXT (C); KRCA (N); KTTV	3,006,600
LOUISVILLE, Ky.—84 WAVE-TV (N); WHAS-TV (C); WLKY-TV† (A)	417,900 ††‡
LUBBOCK, Tex.—88 KCBD-TV (N), KLBK-TV (C,A)	121,100
LUFKIN, Tex.—80 KTRE-TV (N,C,A)	58,700
LYNCHBURG, Va.—85 WLVA-TV (A)	172,900
MACON, Ga.—83 WMAZ-TV (A,C,N)	118,700
MADISON, Wis.—88 WISC-TV (C); WKOW-TV† (A); WMTV† (N)	248,200 †109,500
MANCHESTER, N.H.—90 WMUR-TV (A)	151,000
MANKATO, Minn.—85 KEYC-TV (C)	110,000
MARINETTE, Wis. (See Green Bay)	
MARQUETTE, Mich.—88 WLUC-TV (C,N,A)	60,100
MASON CITY, Iowa—89 KGLO-TV (C)	166,200
MAYAGUEZ, P.R. WORA-TV	††
MEDFORD, Ore.—89 KBES-TV (A,C), KMED-TV (N)	43,300
MEMPHIS, Tenn.—81 WHBQ-TV (A), WMCT (N); WREC-TV (C)	496,000
MERIDIAN, Miss.—82 WTOK-TV (A,C,N)	130,700

■ Major facility change in market subsequent to latest county survey measurement date.
• Markets coverage area being re-evaluated
† U.H.F.
‡ Incomplete data.
‡‡ New station; coverage study not completed
* U.S. Coverage only.
** Includes circulation of satellite (or booster)
*** Does not include circulation of satellite

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Market & Stations—% Penetration	TV Homes
MESA-PHOENIX, Ariz.—89 KTAR-TV (N), KTVK (A), KPHO-TV, KOOL-TV (C)	246,100
MIAMI, Fla.—95 WCKT (N), WLBW-TV (A), WTVJ (C)	628,600
MIDLAND-ODESSA, Tex.—91 KMID-TV (A,N), KOSA-TV (C), KDCD-TV†	104,300 ††
MILWAUKEE, Wis.—95 WISN-TV (C) WITI-TV (A) WTMJ-TV (N) WXIX†	641,800 †170,300
MINNEAPOLIS-ST. PAUL, Minn.—92 KMSP-TV (A), KSTP-TV (N), WCCO-TV (C), WTCN-TV	747,900
MINOT, N.D.—82 KXMC-TV (A C), KMOT TV (A N)	*38,200
MISSOULA, Mont.—84 KMSO-TV (A C)	57,600
MITCHELL, S.D.—84 KORN-TV (A,N)	31,400
MOBILE, Ala.—84 WALA-TV (N); WKRG-TV (C), WEAR-TV (A) (Pensacola)	276,800
MONAHANS, Tex.—88 KVKM-TV (A)	32,500
MONROE, La.-EL DORADO, Ark.—80 KNOE-TV (A,C); KTVE (A,N)	168,600
MONTEREY-SALINAS, Calif. (See Salinas)	
MONTGOMERY, Ala.—75 WCOV-TV† (C), WSFA-TV (N,A) WCCB-TV† (A)	165,100 †46,100
MUNCIE, Ind.—59 WLBC-TV† (A,C,N)	†22,800
NASHVILLE, Tenn.—80 WLAC-TV (C), WSIX-TV (A), WSM-TV (N)	442,200
NEW BRITAIN-HARTFORD, Conn.—95 WTIC-TV (C), WNBC† (N); WHCT†	720,600 †331,600
NEW HAVEN, Conn.—95 WNHC-TV (A)	705,300
NEW ORLEANS, La.—89 WDSU-TV (N), WVUE (A); WWL-TV (C)	431,500
NEW YORK, N.Y.—95 WABC-TV (A), WNEW-TV; WCBS-TV (C); WOR-TV, WPIX, WNBC-TV (N)	5,463,500
NORFOLK, Va.—86 WAVY (N), WTAR-TV (C); WVEC-TV (A)	312,300
NORTH PLATTE, Neb.—86 KNOP-TV (N)	26,100
OAK HILL, W.Va.—81 WOAY-TV (A C)	89,400
OAKLAND-SAN FRANCISCO, Calif.—93 KTVU; KRON-TV (N); KPIX (C); KGO-TV (A)	1,388,400
ODESSA-MIDLAND, Tex.—91 KOSA-TV (C), KMID-TV (A N); KDCD-TV†	104,300 ††
OKLAHOMA CITY, Okla.—88 KWTV (C); WKY-TV (N); KOCO-TV (A) (Enid)	347,200
OMAHA, Neb.—91 KMTV (N), WOW-TV (C), KETV (A)	322,500
ORLANDO-DAYTONA, Fla.—92 WDBO-TV (C), WLOF-TV (A), WESH-TV (N)	318,800
OTTUMWA, Iowa—87 KTVO (C,N,A)	103,100
PADUCAH, Ky.—80 WPSD-TV (N)	■192,700
PANAMA CITY, Fla.—83 WJHG-TV (A,N)	■29,000
PARKERSBURG, W.Va.—54 WTAP† (A,C N)	†22,400
PASCO, Wash.—57 KEPR-TV† (C,N) (Satellite of KIMA-TV†, Yakima, Wash.)	†31,100
PEMBINA, N.D.—82 KCND-TV (A)	14,700
PEORIA, Ill.—77 WEEK-TV† (N), WMBD-TV† (C), WTVH† (A) (WEEK-TV† operates WEEQ-TV† La Salle, Ill.)	**†168,300
PHILADELPHIA, Pa.—95 WCAU-TV (C); WFIL-TV (A), WRCV-TV (N)	2,069,600
PHOENIX-MESA, Ariz.—89 KOOL-TV (C), KPHO-TV; KTVK (A), KTAR-TV (N)	246,100
PITTSBURG, Kan.-JOPLIN, Mo.—82 KOAM-TV (A N), KODE-TV (A C)	144,400
PITTSBURGH, Pa.—93 KDKA-TV (C); WIIC (N); WTAE (A)	1,244,100
PLATTSBURG, N.Y.—89 WPTZ (A,N)	*124,400
POLAND SPRING, Me.—90 WMTW-TV (A) (Mt. Washington, N.H.)	328,800
PONCE, P.R. WSUR-TV, WRIK-TV	††
PORT ARTHUR-BEAUMONT, Tex.—88 KBMT-TV (A), KPAC-TV (N), KFDM-TV (C)	165,100
PORTLAND, Me.—91 WCSH-TV (N), WGAN-TV (C)	229,600
PORTLAND, Ore.—91 KGW-TV (N), KOIN-TV (C); KPTV (A); KATU-TV	473,600
PRESQUE ISLE, Me.—87 WAGM-TV (A,C,N)	22,800
PROVIDENCE, R.I.—95 WJAR-TV (A N); WPRO-TV (C)	706,000
PUEBLO-COLORADO SPRINGS, Colo.—87 KOAA-TV (N); KKTV (C); KRDO-TV (A)	97,200
QUINCY, Ill.-HANNIBAL, Mo.—87 WGEM-TV (A N); KHQA-TV (C A)	160,100
RALEIGH-DURHAM, N.C.—85 WRAL-TV (A N); WTVD (A,C)	350,900
RAPID CITY, S.D.—86 KOTA-TV (A,C); KRSD-TV (N) (KOTA-TV operates satellite KDUH-TV, Hay Springs, Neb.) (KRSD-TV operates satellite KDSJ-TV, Deadwood, S.D.)	**56,400
REDDING, Calif.—87 KVIP-TV (A,N)	82,400
RENO, Nev.—90 KOLO-TV (A,C N)	48,500
RICHLAND, Wash. KNDU-TV† (A) (Satellite of KNDO-TV†, Yakima, Wash.)	††
RICHMOND, Va.—87 WRVA-TV (A); WTVR (C); WXEX-TV (N) (Petersburg, Va.)	296,300
RIVERTON, Wyo.—83 KWRB-TV (C,N,A)	12,500
ROANOKE, Va.—85 WDBJ-TV (C); WSLS-TV (A,N)	323,400
ROCHESTER, Minn.—89 KROC-TV (N)	145,200
ROCHESTER, N.Y.—94 WROC-TV (A,N); WHEC-TV (A,C)	327,800

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†† Incomplete data
††† New station; coverage study not completed.
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** Includes circulation of satellite (or booster).
*** Does not include circulation of satellite

Market & Stations—% Penetration	TV Homes
ROCKFORD, Ill.—92 WREX-TV (A,C), WTVO† (N)	208,600 †105,000
ROCK ISLAND, Ill.-DAVENPORT, Iowa—92 WHBF-TV (A,C); WOC-TV (N)	331,100
ROME-UTICA, N.Y. (See Utica)	
ROSWELL, N.M.—88 KSWS-TV (A,C,N)	■15,200
SACRAMENTO-STOCKTON, Calif.—93 KXTV (C); KCRA-TV (N); KOVR (A)	468,000
SAGINAW-BAY CITY-FLINT, Mich.—93 WKNX-TV† (A,C); WNEM-TV (A,N); WJRT (A)	392,900 †60,900
ST. JOSEPH, Mo.—85 KFEQ-TV (C,A)	143,300
ST. LOUIS, Mo.—91 KSD-TV (N); KTVI (A); KMOX-TV (C); KPLR-TV	829,900
ST. PAUL-MINNEAPOLIS, Minn.—92 WTCN-TV; WCCO-TV (C); KSTP (N); KMSP-TV (A)	747,900
ST. PETERSBURG-TAMPA, Fla.—92 WSUN-TV† (A), WFLA-TV (N); WTVT (C)	460,600 †286,500
ST. THOMAS, V.I. WBNB-TV (C,N,A)	††
SALINAS-MONTEREY, Calif.—89 KSBW-TV (A,C,N) (See also San Jose, Calif.) (Includes circulation of optional satellite, KSBY-TV, San Luis Obispo)	**227,100
SALISBURY, Md.—68 WBOC-TV† (A,C)	†34,100
SALT LAKE CITY, Utah—91 KSL-TV (C); KCPX (A); KUTV (N); KLOR-TV (Provo, Utah)	258,700
SAN ANGELO, Tex.—84 KCTV (A,C,N)	29,200
SAN ANTONIO, Tex.—86 KENS-TV (C); KONO (A); WOAI-TV (N); KWEX-TV†	342,000 ††
SAN DIEGO, Calif.—98 KFMB-TV (C); KOGO-TV (N)	*329,400
SAN FRANCISCO-OAKLAND, Calif.—93 KGO-TV (A); KPIX (C); KRON-TV (N); KTVU	1,388,400
SAN JOSE, Calif.—95 KNTV (A,C,N) (See also Salinas-Monterey, Calif.)	312,500
SAN JUAN, P.R. WAPA-TV (A,N); WKAQ-TV (C)	††
SAN LUIS OBISPO, Calif. (See Salinas-Monterey)	
SANTA BARBARA, Calif.—90 KEYT (A,C,N)	75,200
SAVANNAH, Ga.—84 WSAV-TV (N,A); WTOC-TV (C,A)	117,200
SCHENECTADY-ALBANY-TROY, N.Y.—93 WRGB (N); WTEN (C); WAST (A) (WTEN operates satellite WCDC, Adams, Mass.)	**424,800
SCRANTON-WILKES-BARRE, Pa.—81 WDAU† (C); WBRE-TV† (N); WNEP-TV† (A) (Includes CATV Homes)	†292,600
SEATTLE-TACOMA, Wash.—93 KING-TV (N); KOMO-TV (A); KTNT-TV (C); KTVW, KIRO-TV (C)	*590,500
SELMA, Ala.—74 WSLA-TV	13,700
SHREVEPORT, La.—84 KSLA (C); KTBS-TV (A); KTAL-TV (N) (Texarkana, Tex.)	■296,800
SIOUX CITY, Iowa—89 KTIV (A,N); KVTV (A,C)	165,200
SIOUX FALLS, S.D.—86 KELO-TV (C,A); KSOO-TV (N,A) (KELO-TV operates boosters KDLO-TV, Florence, S.D. and KPLO-TV, Reliance, S.D.)	**224,200
SOUTH BEND-ELKHART, Ind.—66 WNDU-TV† (N); WSBT-TV† (C); WSJV-TV† (A)	†142,600
SPARTANBURG-GREENVILLE, S.C.-ASHEVILLE, N.C.—85 WSPA-TV (C); WFBC-TV (N); WLOS-TV (A); WISE-TV†	444,300 ††
SPOKANE, Wash.—87 KHQ-TV (N); KREM-TV (A); KXLY-TV (C)	262,400
SPRINGFIELD, Ill.—75 WICS† (N) (Operates satellites WCHU†, Champaign, and WICD-TV†, Danville, Ill.)	**†166,800
SPRINGFIELD-HOLYOKE, Mass.—91 WHYN-TV† (A,C); WWLP† (N) (WWLP† operates satellite WRLP†, Greenfield, Mass.)	**†179,600
SPRINGFIELD, Mo.—78 KTTS-TV (C); KYTV (A,N)	■128,100
STEUBENVILLE, Ohio—90 WSTV-TV (A,C)	449,000
STOCKTON-SACRAMENTO, Calif.—93 KOVR (A); KCRA (N); KXTV (C)	468,000
SUPERIOR, Wis.-DULUTH, Minn.—88 WDSM-TV (N,A); KDAL-TV (C)	160,800
SWEETWATER, Tex.—89 KPAR-TV (A,C)	56,600
SYRACUSE, N.Y.—93 WHEN-TV (A,C); WSYR-TV (N,A) (WSYR-TV operates satellite WSYE-TV, Elmira, N.Y.)	**465,600
TACOMA-SEATTLE, Wash.—93 KTNT-TV (C); KTVW; KING-TV (N); KOMO-TV (A); KIRO-TV (C)	*590,500
TALLAHASSEE, Fla.-THOMASVILLE, Ga.—81 WCTV (C)	182,300
TAMPA-ST. PETERSBURG, Fla.—92 WFLA-TV (N); WTVT (C), WSUN-TV† (A)	460,600 †286,500
TEMPLE-WACO, Tex.—85 KCEN-TV (N); KWTZ-TV (A,C) (KWTZ-TV operates satellite KBTZ-TV, Bryan, Tex.)	***139,200
TERRE HAUTE, Ind.—87 WTHI-TV (A,C)	183,600
TEXARKANA, Tex. (See Shreveport)	
THOMASVILLE, Ga.-TALLAHASSEE, Fla. (See Tallahassee)	
TOLEDO, Ohio—92 WSPD-TV (A,N); WTOL-TV (C,N)	390,300
TOPEKA, Kan.—87 WIBW-TV (C,A,N)	128,800
TRAVERSE CITY, Mich.—88 WPBN-TV (N,A) (WPBN-TV operates S-2 satellite WTOM-TV, Cheboygan)	■***41,000
TROY-ALBANY-SCHENECTADY, N.Y.—93 WRGB (N); WTEN (C), WAST (A) (WTEN operates satellite WCDC, Adams, Mass.)	**424,800
TUCSON, Ariz.—88 KGUN-TV (A); KOLD-TV (C); KVOA-TV (N)	107,700
TULSA, Okla.—86 KOTV (C); KVOO-TV (N); KTUL-TV (A)	325,000
TUPELO, Miss.—80 WTWV (N)	62,600
TWIN FALLS, Idaho—88 KLIX-TV (A,C,N)	30,300
TYLER, Tex.—83 KLTV (A,C,N)	136,100
UTICA-ROME, N.Y.—94 WKTV (A,C,N)	161,800
VALLEY CITY, N.D.—84 KXJB-TV (C) (See also Fargo, N.D.)	151,900
WACO-TEMPLE, Tex.—85 KWTZ-TV (A,C); KCEN-TV (N) (KWTZ-TV operates satellite KBTZ-TV, Bryan, Tex.)	***139,200
WASHINGTON, D.C.—91 WMAL-TV (A); WRC-TV (N); WTOP-TV (C); WTTG	888,600
WASHINGTON-GREENVILLE, N.C.—84 WITN (N); WNCT (A,C)	■216,600
WATERBURY, Conn. WATR-TV† (A)	††
WATERLOO-CEDAR RAPIDS, Iowa—91 KWWL-TV (N); KCRG-TV (A); WMT-TV (C)	305,500
WATERTOWN-CARTHAGE, N.Y. (See Carthage)	
WAUSAU, Wis.—87 WSAU-TV (A,C,N)	132,500
WESLACO-HARLINGEN, Tex.—81 KRGV-TV (N,A); KGBT-TV (A,C)	*70,200
WEST PALM BEACH, Fla.—91 WEAT-TV (A); WPTV (N)	109,900
WESTON, W.Va.—84 WJPB-TV (A)	98,800
WHEELING, W.Va.—89 WTRF-TV (A,N)	311,800
WICHITA-HUTCHINSON, Kan.—87 KAKE-TV (A); KARD-TV (N); KTVH (C) (KGLD-TV, Garden City, KCKT-TV, Great Bend, and KOMC-TV, Oberlin-McCook, satellites of KARD-TV; KAYS-TV, Hays, satellite of KAKE-TV)	**349,300
WICHITA FALLS, Tex.—87 KFDX-TV (N); KSYD-TV (C); KSWO-TV (A) (Lawton)	142,900
WILKES-BARRE-SCRANTON, Pa.—81 WBRE-TV† (N); WNEP-TV† (A); WDAU-TV† (C) (Includes CATV Homes)	†292,600
WILLISTON, N.D.—81 KUMV-TV (N,A)	30,100
WILMINGTON, N.C.—83 WECT (A,N,C)	126,000
WINSTON-SALEM-GREENSBORO, N.C.—87 WSJS-TV (N); WFMY-TV (A,C)	391,100
WORCESTER, Mass. WWOR† (N)	††
YAKIMA, Wash.—78 KIMA-TV† (C,N); KNDO-TV† (A) (KIMA-TV† operates satellites KLEW-TV, Lewiston, Idaho, KBAS-TV†, Ephrata, Wash., KEPR-TV†, Pasco, Wash.; KNDO-TV† operates satellite KNDU-TV†, Richland, Wash.)	***†38,900
YORK, Pa.—58 WSBA-TV† (A)	†43,600
YOUNGSTOWN, Ohio—68 WFMJ-TV†; WKBN-TV† (C); WKST-TV† (A) (Includes CATV Homes)	†174,600
YUMA, Ariz.—83 KIVA (C,N,A)	26,700
ZANESVILLE, Ohio—51 WHIZ-TV† (A,C,N)	†19,300

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†† Incomplete data.
††† New station; coverage study not completed.
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TV MARKETS

1—channel markets	131
2—channel markets	64
3—channel markets	61
4—(or more)—channel markets	15
Total U.S. markets	271
Commercial stations U.S. & possessions	549

EDITORIAL

SOME AMERICANS ARE WATCHING TV THE HARD WAY

During extensive travels in recent months we have watched television in a good many hotel rooms and in the homes of friends in several cities. This sampling may be unscientific, but it convinces us that the quality of the picture on the average television set is poor enough to arouse concern in broadcasting.

The television world we have been watching lately is peopled by ghosts and freaks. Baseball teams field 18 players as often as they field nine, perhaps in a logical defensive formation to cope with the two men who are at bat. In closeups, foreheads expand like balloons in the process of inflation, chins recede, noses flatten. As her lover approaches, the heroine demurely flutters the lashes of four eyes.

In this television world symbols are distorted. The trademark that is round when displayed on a supermarket shelf is transformed by television into a Dali watch or a football seen dimly through a Venetian blind. Lettering of brand names that left the drawing board in upright roman may lean into italic on the television screen or ripple as though filmed under water.

It has been rare, in our recent experience, to see on a home receiver a picture anything like those that appear on the monitors in master control. We are convinced that the producers, broadcasters, agency people and advertisers who see their television on well-engineered screening systems or on sets that are attended by qualified technicians have no idea of the kind of television that is being seen in American homes.

The trouble is that many American viewers have been conditioned to accept inferior picture quality. Lacking opportunities to make comparisons with receivers that are better than his own, the viewer assumes his is functioning properly unless the picture deteriorates to the point of meaninglessness or disappears. If the repair man's bill is high enough, it provides assurance that quality has been restored.

Complain to the front desk about a hotel set that produces ghosts, and you will be told that no other guests have been so critical. The friend whose tastes in other matters you admire is surprised to be advised that the picture on his portable lacks range in tonal shadings, and he bristles as his wife would if a visitor questioned the quality of her guest towels. There is no public outcry against bad television pictures because the public is unaware they are bad.

Yet the absence of protest ought to give no comfort to those who are professionally concerned with the size and attentiveness of the television audience. Although high-fidelity reception may not be capable of enhancing the value of a dull television program, bad reception is unarguably capable of making a good program unacceptable. The degrees to which inferior picture quality affects viewing time and viewing interest deserve more study than they have had.

Without scientific research, however, it is safe to assume that viewer satisfaction is diminished by poor reproduction on the screen. We have no doubt that in some measure the negative criticism of television programming has been accentuated by dissatisfaction, perhaps unconscious, with the technical quality of reception. With certainty it may be said that bad pictures are doing nothing to enlarge the television audience, to expand the time spent watching or to intensify the satisfaction that the audience derives.

At this late stage of television development it is difficult to say what can be done to effect a general improvement in reception. Plainly the public must be educated to the technical potentials of modern receivers so the viewers themselves will be discriminating in their purchases of sets and their choice of set repair men. This job of education could be done by broadcasters, and they have more reason to do it than anyone else. There isn't much point in their spending nearly $700 million a year to produce television programs and another $120 million on the technical functions of production and transmission if the picture that comes out of the home screen makes Matt Dillon look like the hunchback of Notre Dame.

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6:30 TO 7:30 PM
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A complete hour-long report of all the day's news, compiled by Washington's largest, most experienced and best equipped local radio-television News staff. Its facilities include 6 radio-camera equipped Newswagons, the city's only News Helicopter, 2 World-wide News services, a high-speed film laboratory and Washington's first mobile VTR unit (in operation next month), plus the ABC World-wide News staff.

6:30-6:45 PM—ABC Evening Report
6:45-6:50 PM—Backstage
6:50-6:55 PM—Business News
6:55-7:00 PM—Sports
7:00-7:15 PM—Area Round-up News D. C., Md., & Va.
7:15-7:25 PM—Capitol Report
7:25-7:30 PM—Weather

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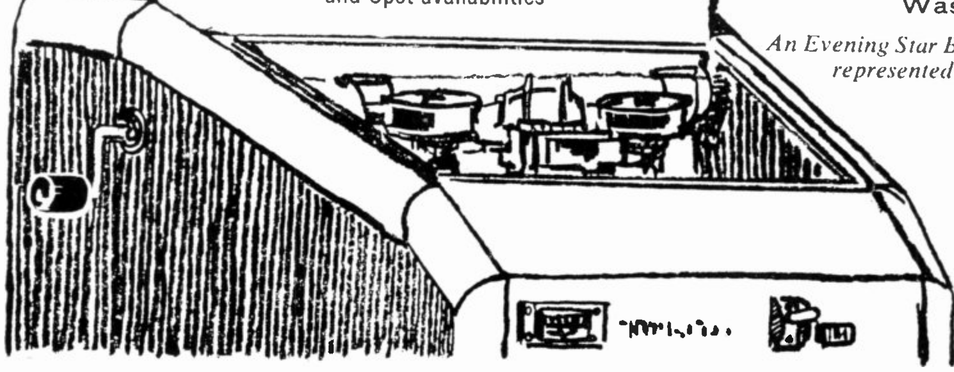

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NBC-TV Channel 4	ABC-TV Channel 8	CBS-TV Channel 5

NASHVILLE, TENNESSEE