Hard look at the real world of network selling
Meet The Family... America's First Family of Plumbicon Color Cameras.

*Registered trademark for television camera tubes.

The PC-70 Studio-Field Color Camera. Now used by all three networks on prime-time shows. Plus a growing list of groups, independents, and videotape producers. Why? Because it offers pictures of truest fidelity. Unquestionably, the finest Plumbicon camera in the world. Because it offers lowest maintenance, simplest set-up, widest selection of lens types around today.

The PCP-70 "Little Shaver" Portable. It can do anything the PC-70 can do... but it gets around a lot more. It's the broadcast quality portable. For news, special events, sports. You'll see them all over the place this year, wherever the networks go, and at pace-setting independents. They're lightweight, easy to set up, can get the closest, most intricate shots in beautiful, faithful Norelco color.
Last year, more Norelco Plumbicon cameras were sold than any other kind. If you haven't met America's first family of Plumbicon Color Cameras, now's the time to get acquainted. We have modified and improved it further. For example, the new-generation PC-70 has the revolutionary extended red sensitivity Plumbicon tube (as do other members of the family), separate-mesh Plumbicons for finer overall resolution and improved highlight handling capability, external filter wheel control and new, no-guesswork set-up accessories.

It's remarkable. The entire family is endowed with those important traits that mean so much: All offer extraordinary resolution and color fidelity. They offer camera control unit compatibility from camera to camera. They have interchangeable CCU modules. Stability. Low maintenance. Simplicity and ease of set-up. Economy. Backed up by total Philips Broadcast service. You must meet the family. Call or write, today.

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PHILIPS BROADCAST EQUIPMENT CORP.
299 Route 17, Paramus, N.J. 07652. 201/262-7300

The PCB-701 Remote Pan and Tilt. The swinging Robot. Works all by itself. It pans, tilts, focuses by remote control. Ideal for small studios or networks. You can mount it in a studio, a stadium, an operating room...a mountaintop. It offers economy, low maintenance and the superb color reproduction that has made Norelco the number one name in color cameras.

The PCF-701 Film Camera. The only three-Plumbicon color film camera in the world! This telecine camera is the heart of a complete film system, and its beam split optical assembly is specifically tailored to the colorimetry requirements of color motion picture film. Now you can show movies and filmed commercials with the breathtaking fidelity that distinguishes Norelco three-Plumbicon color.
GETTING WHAT'S PAID FOR ON NETWORK TELEVISION
The nature of network-sponsor bargaining has changed apace with the move to spread advertiser risk over a variety of programs. Advertisers losing program control were gaining audience control. And now the networks are closer than many suspect to guaranteed audience delivery. Looking in—the FTC.

AN ECONOMIST DESCRIBES TV'S 'GREAT DISCOUNT ILLUSION'
From the journals of academia to the Supreme Court, CBS economist Dr. David Blank traces the origin and growth of the networks' image as benefactors to the large, discriminators against the small. His lesson: Once history is written, it's very hard to rewrite.

ON MADISON AVENUE YOU DON'T HAVE TO BE SMALL TO BE BIG
The creativity quotient of an agency (loud ties and long hair attendant) is thought by some to increase in inverse proportion to the ad shop's size; the smaller, the more creative. Not so. Large agencies headed by men from the creative ranks, and new tables of organization explode the myth.

SHOOTING FOR THE LONG GREEN ON NETWORK GOLF
Measured by CPM, golf is the highest-priced sport on TV, but advertisers go right on paying their way from tee to green. The profile of the golf viewer, from his country-club membership to his corporate influence—not to mention wallet size—makes him a tough but valuable TV target.

SPOT: BIG STRUGGLE FOR THE SMALL MARKETS
Agencies putting money into TV market-by-market disagree about the efficiency of large markets vis a vis small ones. But the argument is little solace to small-market station men who are barely holding their own as larger markets go on eating bigger slices of the spot pie. Why?

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*Postmaster: Please send Form 3579 to TELEVISION, 1735 DeSales Street, N.W., Washington, D. C. 20036.
Give everyone in your audience a new television set

Amazing new Image Enhancer installed in your studio “rides through” weaknesses and defects in home receivers. Delivers unbelievable picture clarity.

When anyone tunes in your newly-equipped channel for the first time, he’ll think his old set is brand new. That’s how remarkable our new Image Enhancer is. Color pictures (black and white, too) leap to life with incredible clarity. They have more snap. More sparkle. More impact.

Our Image Enhancer gives complete contour enhancement. Even fast-action sporting events are sharp. Clear. Well defined.

And a remarkable process called “crispening” works like an electronic retoucher. Puts light in the eye. Even darkens an eyebrow. And does it without noise or crosstalk.

Order our Image Enhancer for your studio, and deliver the “new television set” to your audience. Don’t wait. Write us for details. Or better yet, call us collect: (203) 327-2000.

WASHINGTON:
The FCC in recent weeks has been hit by political fallout, and already mutations are discernible in the agency’s appearance and behavior. If in more stable times the commission has been reasonably predictable, it now reflects the uncertainties of the larger political scene. Anything can happen before a new President organizes his administration.

By design the FCC is supposed to be nonpolitical, or at least nonpartisan. (No more than four of its seven members may be from the same party.) In practice it cannot ignore political realities. And the dominant political reality of the moment is that the incumbent chairman of the FCC, through no fault of his own, has been given notice.

By law, all members of the commission are appointed by the President, subject to confirmation by the Senate, to terms of seven years (one term expiring each year) or to unexpired portions of terms left vacant by resignations or other fates. From these members the President appoints a chairman to serve at the President’s pleasure.

Rosel Hyde, the incumbent, was appointed to the FCC chairmanship by President Johnson (although Hyde is a Republican). When the President unexpectedly announced his intention to retire next Jan. 20, he automatically limited the tenure of Hyde’s chairmanship. A stronger man than Hyde would have trouble keeping his colleagues in line when they assumed his days in command were numbered.

Nor has Hyde’s grip on things been reinforced by the announced intention of his strongest ally, Commissioner Lee Loewinger, to leave the FCC at the expiration of his term on June 30. In the confines of commission meetings, Loewinger, a skilled if mercurial lawyer, has often run interference for Hyde’s programs. At times Loewinger may also have been calling the plays.

The expectation here last month was that President Johnson would nominate a Loewinger successor in time for Senate confirmation before Loewinger leaves. It was also assumed that the nominee would be philosophically attuned to the Hyde style of even-handed regulation. (When Johnson retires to private life and his family’s broadcast interests are removed from the trusteeship in which they have been held during his Presidency, the Johnsons will be dealing with the FCC as ordinary licensees.) But even if the new member is a known quantity, the FCC is likely to remain unsettled until it acquires the brand of the next man at the top.

The appointee who succeeds Loewinger will join a commission composed of widely disparate attitudes and aspirations.

Hyde, the oldest member in age and service, is closing out a long career spent almost entirely at the FCC and its predecessor Federal Radio Agency as, first, a staff member and, since 1946, a commissioner. He will be 69 when his term as a commissioner expires on June 30 next year.

The two other Republicans, though somewhat younger than Hyde, are also in or near the twilight of their public service. James J. Wadsworth, now 62, divides his attention between the FCC and the private International Club, which he was instrumental in founding several years ago. He was named to the commission in 1965, reportedly at the suggestion of Henry Cabot Lodge, to whom Wadsworth was deputy when Lodge was ambassador to the United Nations in the Eisenhower administration. His term expires on June 30, 1971.

Robert E. Lee, now 56, has been a commissioner since 1953. A former FBI man and congressional aide, Lee will be eligible for maximum government pension when his term expires on June 30, 1974.

The Democrats now on the commission are Loewinger, Robert J. Bartley, Kenneth A. Cox and Nicholas Johnson.

Bartley, who turns 59 this month, will also be eligible for government retirement when his term expires on June 30, 1972. A nephew of the late Sam Rayburn, speaker of the House, Bartley was put on the FCC in 1952 after holding a number of jobs in broadcasting.

Cox, 51, a protege of Senator Warren Magnuson (D-Wash.), chairman of the Senate Commerce Committee (which includes communications law in its jurisdiction), was brought to the capital originally as special counsel on the Magnuson committee staff. Later he became chief of the FCC’s Broadcast Bureau. He was named a commissioner in 1963 to a term expiring on June 30, 1970.

Johnson, whose term runs to June 30, 1978, is the junior in all respects. He is 33. In 1966 he was transferred to the FCC from the job of maritime administrator. The removal from his maritime assignment was said to have been celebrated by shipping interests, maritime unions and the staff of the Maritime Administration alike. At the FCC he has been planning a similar reservoir of affection. His dissents to FCC actions have been models of inventive. In one, he accused the majority of making “a mockery of the public responsibility of a regulatory commission that is perhaps unparalleled in the history of the American administrative processes.”

That comment was included in Johnson’s dissent to the approval, by a 4-3 vote, of the proposed (but later frustrated) merger of ABC and ITT. The same 4-3 division (Hyde, Loewinger, Lee and Wadsworth in the majority; Bartley, Cox and Johnson in the minority) obtained on a number of important FCC cases in recent years.

It is no longer a division that can be counted on. At the end of March the six members present
Now there's more to see than ever: a new package! PERRY MASON II: new episodes never before released for local sales plus an additional run of episodes now in syndication.

PERRY MASON is the most successful off-network series on television today, by far. Better see us about PERRY MASON II. Right away!

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(Bartley was absent) voted unanimously to issue one of the most radical proposals to come from the FCC in years: to prohibit any future acquisition of more than one broadcast station of any kind in any market. (It is now permissible to own a TV, AM and FM in the same place.) Unanimity in this case was less a sign of discipline within the FCC than one of agitation by the unions and acquiescence by the others.

A few weeks later Cox and Johnson, acting wholly on their own, began an inquiry into the programming practices of a batch of Oklahoma stations that were up for license renewal. The questions asked by Cox and Johnson covered details of programming that the commission had decided officially some years before were none of the FCC's business. If any of the other commissioners made an effort to dissuade Cox and Johnson from their anarchical adventure, the effort has not come to light.

Washington handiwork who make a living guessing what the FCC will do have all butt gone underground. In present circumstances it would be suicidal to gamble on the duration of negotiations with North Vietnam.

EDWIN H. JAMES

HOLLYWOOD:
April in Hollywood. The weather was unseasonably hot. So, too, were the things that were happening.

But being in Hollywood was like drifting in a cushioned limousine, the windows rolled shut, the air conditioning humming a pleasant fantasy, while outside a brooding sky hung over a decaying landscape.

First Bobby Kennedy had taken the presidential plunge, and for a moment Hollywood could think it was part of the swim. Hollywood always has been a Kennedy town. The family has played to Hollywood, embraced its power structure, married into its high society. Already there was talk of casting that hot young actor, Dustin Hoffman, as a crusading U.S. attorney general relentlessly pursuing, against all odds, evil union boss Jimmy Hoffa, as portrayed by the hot young Michael J. Pollard.

When LBJ declined to seek or accept reelection Hollywood's creative traditions were offended. A beleaguered politician surrendering when things look darkest instead of walking through the storm with his head up high just doesn't have any place in the script.

The assassination of the Rev. Dr. Martin Luther King Jr. left Hollywood disbelieving, numb and fearful. Fresh in all minds was the frightful Watts riot of 1965. What would happen next? As the reports of violence and upheaval in cities across the country were read in Hollywood, the town blessed its luck in being spared, in being out of it. At first there was a breathless feeling about it all. Then apprehension turned into thankfulness and finally, as it must with human nature, into a congratulatory mood, even cockiness. The drums and war whoops were sounding in the native quarters, and the situation made stimulating conversation in the European compound where the Rwanas were drinking gin and tonics.

And to be sure Hollywood's wheels of commerce continued to spin despite threat and tragedy. The forces of film unionism were particularly unwavering. On April 5, only a day after a rifle bullet in Memphis ended Dr. King's life, Hollywood unions and guilds—toed by the indefatigable and indefatigable Hollywood AFI, Film Council—met in Washington with key film company officials and the California Republican Party's gifts to the U.S. Senate, Thomas Kuchel and George Murphy, to discuss ways to prevent freedom of choice and movement for TV and movie production. In another industry milestone of enlightened thinking to rank alongside the progressive spirit that prevailed when sound was introduced, television made its appearance, pay TV was offered, the Hollywood unions and guilds discussed the possibility of legislative aid to keep TV and movie people from running away to Europe and other points west and east where presumably the locales are more authentic than can be duplicated at Hollywood and Gower and the economic savings more substantial.

Without question runaway production is the biggest local issue in Hollywood today. You can prove it by the Los Angeles Times. That powerful community voice devoted a four-part series to the problem and reported that 40% of film workers today are unemployed. A local "informational, nonpartisan, nonprofit" publication called "SAM" ("Save American Movies") cried that "Disaster Strikes Hollywood." Not a word was written or said anywhere about the futility of
Wild and wonderful things are in store when you schedule television's comedy queen Lucille Ball in “I Love Lucy.” She's the number one syndicated attraction in all New York television. She's tops in her time period in Fresno, Indianapolis, Kansas City and Spokane. She's raising the roof in Albuquerque (150% more homes, 289% more viewers), Chicago (69% more homes, 96% more women), Detroit (34% more homes, 200% more women), Flint-Saginaw-Bay City (19% more homes, 27% more women), Harrisburg (40% more homes, 67% more women) and Jacksonville (150% more homes, 600% more women). 179 half hours available.

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holding back the floods of change.

Even the Academy Awards this year lost its in feeling. It was to be the 40th consecutive year that film workers had gathered to pat each other on the back and thus a particularly festive occasion. But the murder of Dr. King thrust the event into a somber situation. The awards were to be given out the day before the funeral of the Negro leader. The Negro members of the Motion Picture Academy, such as Sammy Davis Jr., Louis Armstrong, Dialham Carroll and Sidney Poitier, would not have taken part in the Oscar show. The academy's board of governors called an emergency meeting and decided in "unprecedented gesture" to postpone the event for 48 hours. They also canceled the governor's ball, the traditional party following the awards presentations, which this year was to be more exclusive than ever before. Obviously the sparkle had been taken out of the stars and even Bob Hope, in his 14th turn as MC, was flat. For ABC-TV the postponement was of even greater consequence. From the overnight reading in New York, it seemed sure that the network coverage of the event this year was seen by at least 10 million people fewer than had tuned in last year.

Before the arguments over the Oscar choices could get heated, Easter week had set in and the teen-agers took over. Southern California always is pretty much a teen-ager's world. With the coming of the Easter school holiday the only place for a Hollywood adult to be is in front of the television set seeing how his counterparts in other sections of the country can still make a man ful of it. Disneyland, the Universal Studio tour and the Teen-Age Fair were the three biggest attractions in town. Curiously, they all are part of heavily television-oriented companies (what with Filmways just absorbing Teen-Age Fair Inc.). Maybe there's a message in this for the Hollywood unions and guilds holding back the dawn when the whole world will be a regular location site for film production. Faced with a youth revolution, Disney, MCA-Universal, Teen-Age Fair-Filmways have abandoned the barricades and steered the movement toward their own financial interests.

Again, these are the exceptional few. For the most part, last month was an accurate reflection of Hollywood, a community on the outside looking in. There was an earthquake in the area last month. It registered almost six on the seismograph. Yet the Hollywood of 1956 did it so much better with "San Francisco," starring Clark Cable and Jeanette MacDonald.

LONDON:
The recent revelation that the British government once threatened to seize the British Broadcasting Corp. has sent a thrill of horror around broadcast circles in this country. Suddenly the cherished independence of the BBC seems vulnerable.

The revelation was made in the autobiography of a retired BBC official, Harman Grisewood, who is (or was) chiefly known as the first head of the BBC's cultural Third Program, which he introduced on radio just after World War II. In his new book, Grisewood has charged that Anthony Eden, as prime minister, planned to take over the BBC at the time of the Suez campaign in 1956.

The trouble started over the right of reply (see "On Location," February 1968) of the leader of the opposition, the late Hugh Gaitskell, to a broadcast made by Eden on the eve of the invasion of Egypt by British and French troops in October 1956. But trouble had been brewing for some time. The hawks in the government had objected to the BBC's sturdy impartiality in reporting the developing crisis. BBC had reported the opposition both in domestic and overseas broadcasts and had quoted from such dope-like newspapers as the 'Manchester Guardian'.

Eden had spoken a patriotic speech to which only triers would want to reply. Gaitskell and the BBC thought otherwise. The situation was complicated by accidents that often happen on great occasions. The director-general of the BBC was abroad, leaving decisions up to his deputy and to Grisewood, his chief assistant. One of Grisewood's assignments at the time was to maintain smooth relations between the BBC and politicians.

Gaitskell made his demand for time late on a Saturday night. The BBC officials waited until what Grisewood now calls a "Christian hour" the next morning before putting Gaitskell on the air. (Christianity, for Grisewood, begins around 10 a.m. on Sunday).

Poor old BBC. Gaitskell felt abused. Eden, by then in a neurotic state anyway, ordered the lord chancellor, the government's highest legal official, to draft a document putting the BBC, then and now, an independent corporation, under government control. Seizure was averred when Britain accepted a cease-fire in Suez and was no longer at war.

Now that these events have come to light, nearly 12 years after their occurrence, the question is being asked whether they could occur again—and proceed to the conclusion that was forestalled in 1956. Could a future prime minister use the Eden order as a precedent? Would there be another Grisewood to stand up, in his dreamy, conservative way, for the BBC's independence?

The major consolation at the moment is that the present chairman of the BBC's governors, Lord Hill, was postmaster-general in the Eden government and is generally credited (and not just by himself) with the defense of the BBC's integrity. Indeed, as postmaster-general, he insisted on the BBC's right to receive government money for overseas broadcasting after Suez.

NICHOLAS FAITH

CHICAGO:
Broadcasting's alphabet soup never gets thicker than when the industry pours all its members into one pot and cooks slowly—for a week—at the annual convention of the National Association of Broadcasters. If not stirred regularly with extra-agenda activity the result is lumpy, even to the palate of the hardest connoisseur.

When mixing AMSF, NAFMB, TFE, TVB, TIO, RAB, ACTS, MBS, ABS, BMI, APBE and others in a common bowl, and ABC, NBC and CBS add functions to taste, it takes a heavy hand on the tabasco bottle to insure a palatable mixture. If the consistency is a bit rough it can be overcome with a memorable sauce such as an unscheduled address by the U. S. President the day after he announces he will not seek or accept his party's nomination for re-election. This occurred in Chicago last month and broadcasters were grateful for the intrusion. Hotel corridors that might otherwise have sustained only the dry talk of station-ownership policies and spectrum management came to life with politics: "My God, what happens to us if Bobby gets elected?"

But for year-in-year-out excitement at convention time the NAB
Join the family.

Who can resist? Certainly not audiences! Danny Thomas in "Make Room for Daddy" is the only situation comedy in network television history to rank in the top dozen for seven consecutive years. Now it's repeating its success in local showings: Albany-Schenectady (tops in its time period), Burlington (tops in its time period), Chicago (69% more homes reached, 110% more women), Hartford-New Haven (tops in its time period, 46% more women reached), Lansing (tops in its time period, 44% more homes reached, 156% more women) and New York (64% more women reached). 195 half hours available.

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has a tough assignment. Conventions are not the wicked invention of the NAB. They transcend the broadcasting business and go right to the heart of the American way of life and one of its unwritten axioms: For every industry worthy of the name there is a trade association and for every trade association there is a national convention.

As a trade fair where hardware and programing are exhibited and sold, the national meeting has an enormous value to seller and buyer as their one common marketplace. The millions of dollars worth of broadcast equipment displayed (this year it covered 54,000 square feet) attest to the value placed on the show by the hardware men from color-TV-camera makers to quasiflight salesmen.

For some film salesmen the show comes too early. Many of them would like it to arrive about a month later when all network schedules for the following season are absolutely firm and network affiliates have had time to decide exactly what they will need to complement their network-supplied programing. Those decisions are contingent not only on firm schedules for all three networks but on a gradual emergence of program prevention strategies within each market, each station deciding what network offerings it will bump in favor of its own origination. This opens holes to be plugged by the film syndicators.

There's not much chance the convention could be moved to a later date for the next few years although there has been discussion of that possibility within the NAB. The association has firm reservations through 1975 with its Chicago and Washington hotels (Washington in 1969, Chicago in 1970-71-72, Washington in 1973). Even after that, trying to make a calendar jump with a major industry exposition in a big convention city like Chicago could set off a chain reaction that wouldn't stop until the National Association of Better Button Makers had been reddened out of town on an Illinois Central rail.

While the broadcasters' convention is in a real sense a trade fair, there are leaders of special-interest associations (the broadcasting business is loaded with them) who must use it to gather their members together to tell them where their dues are going, to explain the Washington battles being fought for them, or the sales efforts being made in their behalf. The annual rite becomes a call to arms for some, a justification of existence for others, a time to gather new members, to prevent the loss of old ones and to bolster treasuries to fight the good fight in the year ahead.

For the NAB brass it is a time when their policy gets a thorough test under fire from all directions, when they too must demonstrate their value to the multiple interests their membership comprises.

NAB officials were pleased with the way things went in Chicago this year. It was clear enough that most members liked the show. Registration was up to 5,305 this year, an increase of more than 1,000 over three years ago. A growing industry firm resident listing of derivative organizations as well as an influx of foreign broadcasters are responsible for the gains.

Not even the traffic jams in the Conrad Hilton elevators can keep broadcasters away from their once-a-year thronging together. Part of the attraction is apart from strict business. Convention time is a week of near exhaustion for those who mix pleasure too liberally with business, a week when incipient sclerosis cases are apt to live too dangerously, when the wind and fog roll off Lake Michigan reinforcing the homing instincts of 5,000 conventioneers on alcoholic bountyful hospitality suites. As long as there's a broadcasting industry there'll be an NAB convention with a formal agenda long enough to tax the most assiduous session attendee and with pretty girls on exhibit as well as equipment and films. In a good year the unexpected will be enough to make it all worthwhile.

JOHN GARDNER

NEW YORK:

While the job of the television networks' Vietnam bureaus is to get picture-stories of the action in that war-wrecked nation, some of the most interesting information is written and never relayed to the public.

This is the behind-the-scenes activity involved in rounding up war coverage, and it can be glimpsed in the telex cable of the leased-line messages datelined SGN and sent back and forth between the New York newsrooms of the three networks and their Saigon bureaus.

The most frantic time for the overseas newsmen was the Communists' Lunar New Year invasion of Saigon and other major cities. Once their stories were filed and the film on planes to Tokyo, the newsmen gave the home office graphic descriptions of how the war had suddenly changed for them:

IT USED TO BE THE TYPE OF WAR WHERE AYE NEWSMAN COULD COMMIT TO THE ACTION BY HELICOPTER EARLY IN THE MORNING AND BE BACK IN THE COMFORTS OF THE CARAVELLE HOTEL IN SAIGON BY EVENING TO ENJOY A SHOWER AND FRENCH COOKING, cabled ABC correspondent Don North on Jan 31, but that's all changed now and today I didn't even leave the city. WHEN I FINISH THIS REPORT I WILL BE ESCORTED BACK TO THE HOTEL only 200 YARDS AWAY FROM THIS BROADCAST STUDIO BY US MILITARY POLICE IN A JEEP WITH A MOUNTED FIFTY CALIBRE-MACHINE GUN. ALL CITIZENS WERE ORDERED OFF THE STREET A FEW HOURS AGO WHEN THEY CAMPED DOWN THE TIGHTEST CURFEW EVER IMPOSED HERE. ANY CITIZEN ON THE STREET AFTER 7 P.M. GETS SHOT. NO SHOWERS TONIGHT THE WATER IS RATIONED IN THE HOTEL. I'VE ALREADY MISSED THE LIMITED SUPPER SERVING BUT OUR ABC NEWS BUREAU WAS JUST ISSUED A BOX OF C RATIONS BY A SYMPATHETIC US MILITARY OFFICIAL, IT WILL BE COLD HAM AND LIMA BEANS TONIGHT JUST LIKE IN THE FIELD WITH THE GIs.

NBC soundman Vo Suii cabled New York:

I'VE BEEN IN OTHER PLACES MORE DANGEROUS THAN THIS, BUT THIS HAPPENED TOO FAST. THE HOUR BEFORE I WAS IN THE OFFICE, THE NEXT HOUR IN THE MIDDLE OF BATTLE, AND THE NEXT HOUR BACK IN THE OFFICE.

Few viewers at home got such a blunt personal assessment of the situation as ABC correspondent Ed Needham sent the network's New York office:

ALL THE YARDSTICKS ARE BROKEN ... ALL THE OFFICIAL OPTIMISTIC REPORTS ON THIS BLOODY WAR ARE JUST SO MUCH MICROGRAPH PAPER. THE CREDIBILITY GAP HAS BECOME AVE CANYON AND SAIGON AN ARMED CAMP. NO LONGER IS TAN SON NHUT AIR BASE SANCTUARY SANCTORUM ... NO LONGER CAN ANYONE AVOID THE WAR IN THIS COUNTRY. PEOPLE EVERYWHERE ARE JUST BEGINNING TO REALIZE THAT THEIR AIR-CONDITIONED, ISOLATED WORLD HERE IN SAIGON IS NO LONGER INVIULNERRABLE, DEATH OR MUTILATION CAN VISIT ANYONE, ANYWHERE, ANYTIME. THE FACE OF SAIGON HAS UNDERGONE AYE PERMANENT CHANGE.

Despite the danger the combat newsman felt in the heat of the Saigon fighting, they could not pass up the chance to attempt a little
Pronounce it "Password": one of network television's most successful celebrity quiz shows, now proving a sensation in local showings. Tops in its time period in Miami, Phoenix, Salt Lake City, Tampa and Tucson. Sending audiences soaring in Dallas-Ft. Worth (11% more homes, 50% more women), Ft. Wayne (12% more homes, 39% more women), Houston (74% more homes, 71% more women), Los Angeles (15% more homes, 93% more women), Philadelphia (64% more homes, 59% more women) and Seattle-Tacoma (67% more homes, 73% more women). 195 color half hours available.

CBS Enterprises
In New York, Chicago, San Francisco, Dallas and Atlanta.
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Humor for the fellows back in the home office. Cabled ABC Assistant Bureau Chief George Allen:

CARAVELLE HOTEL IS GUARDED BY ONE MIDDLE-AGED UNARMED INDIAN DOORMAN AND ONE CIVILIAN VIETNAMESE POLICEMAN COMPLETE WITH PISTOL. IF THEY TRIED HARD THEY MIGHT BE ABLE TO STOP A TEENAGED GIRL FROM GETTING IN, BUT WE DOUBT THEY COULD STOP EVEN A MILDLY DETERMINED VIET CONG FROM GETTING IN... FOR SAFETY WE RELY MORE ON OUR POWER TO THE PRESS. THE CARAVELLE IS PRETTY MUCH THE HEADQUARTERS OF THE FOREIGN PRESS CORPS IN SAIGON AND IF THE VC WIPED OUT A SIZEABLE CHUNK OF THAT CORPS THEY WOULD GET AN AWFUL LOT OF BAD PUBLICITY... ABOUT DEPENDENTS, [Bureau Chief Richard] Rosenbaum says he COMPLETELY UNWORRIED ABOUT HIS WIFE AS SHE IS SAFE AND SOUND IN K...K...K...KITY.

And no matter how intense the danger to life, correspondents were keenly aware of routine physical comforts. NBC Bureau Chief Ron Steinman cabled:

WE WERE RUNNING OUT OF CIGARETTES. I THINK THE AVERAGE SMOKER WAS DOING THREE PACKS A DAY, WITH BULLETIN FLYING ALMOST EVERYWHERE CANCER WAS AN INCIDENTAL WORRY. WE EVENTUALLY RAN OUT OF COFFEE, SUGAR, TEA, COKES AND BEER, TUNA FISH, CRACKERS AND CONDENSED SOUP. THE WATER PRESSURE WAS LOW AND BATHS AND SHAVES WERE AT A MINIMUM.

NBC correspondent Wilson Hall vividly described a fire fight near Tan Son Nhat airport where he and a camera team got caught in a crossfire after wankling behind Viet Cong lines:

FIRE CAME CRACKLING IN FROM THE FRONT AND ONE EXPOSED FLANK, WE HIT THE HARD PACKED DIRT BEHIND A HUT. THERE WERE SHARP CRACKS OVERHEAD. THAT MEANS THEY'RE CLOSE. FINGERNAILS MAY BE USEFUL FOR SOME THINGS. THEY ARE NOT ENTRENCHING TOOLS. EVERYONE GAVE IT A TRY... BUT MORE THAN THE ACTION, HALL REMEMBERED THE SCENES:

JACK RUSSELL WAS GRUMBILING ABOUT LOSING HIS CIGARETTES... PHILL ROSS WAS SAYING THAT AURIGON SOUND CAMERAS WERE TOO DAMNED BIG AND HEAVY FOR SUCH STUFF. AND BP WAS WONDERING OUT LOUD IF THE ACCOUNTING PEOPLE WOULD ALLOW ME A PAIR OF READING GLASSES ON THE EXPENSE ACCOUNT SINCE I LOST MY IN THE SCRAMBLE, AND SUGGESTED THEY WAIT ALL DAY IF I WANTED TO GO BACK AND LOOK FOR THEM. THERE WAS NO COLD WATER IN THE REFRIGERATOR WHEN WE GOT BACK TO THE OFFICE.

One thing the television viewer didn't get was some personal as- sessments of problems in the Vietnam war that are not only the doing of the Viet Cong and the North Vietnamese enemy. ABC's North cabled:

ANYWHERE WE GO WE ARE CONFRONTED BY MILITARY POLICE OF THE VIETNAMESE ARMY, THE KOREANS HERE IN CHOLON AND THE AMERICANS, WHO ARE BOTH ORDERED FROM ALL THREE MILITARY POLICE AND NEWSMEN HERE ARE MUCH MORE AFRAID OF BEING SHOT BY MILITARY POLICE THAN THE VIETCONG.

NBC correspondent Howard Tuckler elaborated to his bureau:

THE TERRIFYING THINKING DURING THE WHOLE WEEK WAS THE FEAR OF BEING FIRED UPON BY THE SOUTH VIETNAMESE MANNING THE ROAD POSTS. THEY WERE SUPPOSED TO CHALLENGE EVERYONE FIRST, THEN FIRE IF YOU KEEP COMING, SOME WERE READY TO FIRE FIRST, THEN CHALLENGE, ESPECIALLY IF THEY SAW VIETNAMESE IN THE CAR.

Newsmen had their uneasy eyes on South Vietnamese national police chief General Nguyen Ngoc Loan long before he became famous to American viewers by pulling his pistol and executing on camera a Viet Cong who surrendered during fighting in the Cholon district of Saigon. In addition to relating several incidents of harassment of newsmen by Loan, ABC's North cabled two days before the shooting incident:

ONE MAN WHO CAN BE SEEN AT ALMOST EVERY BATTLE IN THIS CITY IS NATHAN, POLICE CHIEF GENERAL NGUYEN NGOC LOAN. HE IS RENOWED FOR HIS RUTHLESSNESS AND HIS CAPACITY FOR AMERICAN BEER. CONSIDERED THE MOST FEARED AND HATED OFFICIAL IN VIETNAM... BOTH THE VIET CONG AND HIS POLITICAL OPPONENTS IN THE GOVERNMENT ARE NOW GUNNING FOR HIM.

ABC's Rosenbaum provided a graphic account of the problems while closing the shelling of the Tan Son Nhat terminal:

WHILE WE WERE FILMING THE SOUTH VIETNAMESE POLICE FORCE, UPSET AT THE BAD PUBLICITY, DECIDED TO STOP US... FIRST BY PUTTING AYE HAND OVER THE LENS AND JOSTLING THE CAMERAMAN AND THEN BY PULLING AYE PISTOL ON US. WE WERE DETAINED FOR SEVERAL HOURS AND WHAT THEY THOUGHT WAS ONE FIAT COMPLETELY.

Naturally, much of the cable traffic is taken up with the routine business of trying to run a far-overseas branch office under the worst possible conditions:

RELAY FROM LONDON... ROSENBAUM... BYRNES... PARENTS OF SAIGON CAMERAMAN PATRICK LEETT ASKING ASSURANCE THEIR SON OKAY AS THEY HAVE NOT HEARD FROM HIM IN OVER MONTH, WOULD APPRECIATE MESSAGE WHICH WE CAN ONPASS TO FATHER.

BYRNES... ALLEN... YOUR 11115... PATRICK AT HOME AND UNFACED FOR NEXT EIGHT HOURS DUE TO CIVILIAN IN INTEREST RELIEVING. PARENTS' ANXIETY SOONEST SUGGEST ONPASS THEM MESSAGE IF SAFE, SOUND AND BLOW GROWING AYE BEARD.

But just as the military is famous for its red-tape, even the television news corps in times of crisis manages to maintain its bit of bureaucracy:

ABC... ROSENBAUM... WHY DID NEEDHAM CHANGE FROM ED TO EDGAR AND IS THAT PERMANENT FOR AIR OR JUST TRYING ON FOR SIZE... RICHARDS.

ABC 1410... RICHARDS... THE CHANGE IS PERMANENT. EYE FEEL THE MORE FORMAL EDGAR LENDS AN AIR OF CREDENCE AND AUTHORITY SOMEWHAT LACKING IN THE MORE FAMILIAR ED, AND GOD KNOWS EYE WANT TO BE REGARDED AS AYE MAN WITH CREDENCE AND AUTHORITY. IF YOU HAVE RESERVATIONS OR FEEL STRONGLY ABOUT MY CONTINUING WITH ED PLEASE LET ME KNOW.

PEACE... EDGAR.

ABC SAIGON... NEEDHAM... EDGAR USE ANY NAME YOU LIKE STOP WE JUST DONT WANT TO INTRO YOU AS ED AND SIGN YOU OFF AS EDGAR. PEACE... RICHARDS.

And there are the inevitable apologies:

IT IS REPORTED THAT AYE WOMAN HOTEL OWNER IN UY PROVINCE CAPITAL SOUTH OF SAIGON FOUND HERSELF TRAPPED IN HER OWN HOTEL BETWEEN OPPOSING FORCES. BULLETIN CRIS-CROSSED THE STREET IN FRONT OF THE HOTEL. THE WOMAN COULDN'T GET OUT, FOR TWO DAYS WITHOUT FOOD OR WATER SHE STAYED HOLED UP INSIDE, THEN IN DESPAIR AND WITH INSPIRATION SHE MADE HER BREAK TO SAFETY. THE WOMAN COUNTED ON BASIC MALE INSTINCTS, SHE STRIPPED OFF HER CLOTHES AND BOLTED NAKED ACROSS THE STREET. NO FIRE CAME FROM EITHER GROUP OF SURPRISED SOLDIERS. SOUTH VIETNAM LADY GODIVA IS NOW REPORTED SAFE AND CLOTHED... BRANNIGAN... SAIGON.

Even in Vietnam they can't resist telling the home office about the picture story that goes away:

WALTER TROY SPENCER
FOCUS ON

FINANCE

Television stocks show bigger jump than S&P industrials

During April, television stocks dramatically improved the upswing begun the month before after a half year of slump. The Television index of selected stocks climbed an over-all average of 9.1%—4.1% greater than the Standard & Poor Industrial average increase for the recovering market.

Programming stocks showed the greatest gain, up 12.8%, closely followed by purely television stocks, up 11.0%.

Even the poorest performer—television with other major interests—went up almost 7.2%.

ABC rebounded 12% during the month, as television network President Elton H. Rule told the annual affiliates meeting in Chicago that ABC is attempting to tighten spending, reduce the number of series changes from season to season and cut down the number of specials next year. There also were rumors on Wall Street that the $75 million debenture issue that ABC postponed because of falling stock price, will now be dropped altogether because recovering advertising expenditures are increasing ABC's credit enough that it will be able to get capital without diluting stock.

CBS went up 14%, also apparently upon the basis of optimism for increased broadcast-advertising revenue.

Cablevision was up 17%, as it reported record earnings for 1967. Net profit was up 9%, with earnings going from $2.09 a share in 1966 to $2.29 a share last year. Metropolitan was up 3%, as the company's earnings for 1967 set a record. It reported a 50% interest in a San Francisco computer service company, Bird Chairmen Hazard E. Reeves said this would enable the company to establish a telephone-connected computerized-property-listing service. Reeves stockholders voted to authorize creation of a new class of 100,000 shares of no-par preferred stock.

Continuing the theme, Sunflower shot up 18%, as it too reported record gross sales and earnings last year. Net income for 1967 was $1.05 a share compared to 96 cents a share in 1966. Wometco climbed 11%, as it reported a gain in its income for 1967. Earnings were $1.27 a share last year compared to $1.21 a share in 1966. The Miami-based company also announced a revision in its plans for purchase of a majority share in Commonwealth Theaters of Puerto Rico. Instead of trading stock for a 51% interest in the 22-theater chain, Wometco will pay a flat $6 a share for it.

Following the general rise of the television stocks, CATV issues were up an average of 9.3%. Teleprompter registered the largest gain, up 17% as it reported record earnings and revenues for last year. Revenues climbed slightly under 2%, but earnings jumped more than 30%, to $1.19 a share from 96 cents a share in 1966.

Among the television-with-other major-interest stocks, Avco gained 8% on reports that it is attempting to buy 20th Century-Fox. The rumored offer is $5 in Avco stock and cash for each Fox share, but the film company reportedly is holding out. Avco's aerostructures division landed a $575 million order to provide airplane wings for the new Lockheed 1011 air bus, and Avco President James R. Kerr told the company's annual stockholders meeting that some of the firm's military-related business could become even more profitable when the Vietnam war ends. Avco also completed acquisition of control of the Carte Blanche Corp., credit-card firm, for $16 million.

Boston Herald-Traveler stock was one of the few to fall. It was off 11% despite a report of substantial increased earnings for the first two months of this year. Earnings before taxes for the period amounted to $178,000, up almost $700,000 over the same 1967 period, when it suffered a $525,000 loss. Fuqua was up 6% as it reported substantial increases in net income last year. Per-share earnings increased 58% in 1967, up to $3.81 a share from $2.11 a share in 1966. Meanwhile the Atlanta-based conglomerate dropped plans to attempt purchase of the Bank of Trust Life Insurance Co. of Atlanta and began preliminary discussions to acquire the Central Bank & Trust Co. of Denver. Also were rumors that Fuqua is negotiating to hire E. D. Keina, vice president and group executive of Avco, as its new president.

General Tire was up 7% as its Aerojet-General division received a $90.1 million contract extension from the federal government for work on nuclear-propulsion. The rise came despite a report of slightly decreased net earnings on increased sales and pretax income in the first three months of fiscal 1968. Earnings for the period ended Feb. 29 were 19 cents a share, compared to 52 cents a share for the same quarter of 1967.

Gulf & Western was up 40%, in a general gain by major conglomerates on the recovering market. It

Continued on page 17
The Television stock index
A monthly summary of market movement in the shares of 68 companies associated with television.

<table>
<thead>
<tr>
<th>Television</th>
<th>Exchange</th>
<th>Closing April 11</th>
<th>Closing March 13</th>
<th>Change from March 13 %</th>
<th>1968 High</th>
<th>1968 Low</th>
<th>Approx. Shares Outs. (000)</th>
<th>Total Market Capitalization (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC</td>
<td>N</td>
<td>551</td>
<td>494</td>
<td>+ 6</td>
<td>+12</td>
<td>69</td>
<td>44</td>
<td>4,682</td>
</tr>
<tr>
<td>CBS</td>
<td>N</td>
<td>531</td>
<td>474</td>
<td>+ 6%</td>
<td>+14</td>
<td>55</td>
<td>41</td>
<td>23,300</td>
</tr>
<tr>
<td>Capital Cities</td>
<td>N</td>
<td>58</td>
<td>48</td>
<td>+ 6%</td>
<td>+14</td>
<td>60</td>
<td>44</td>
<td>3,746</td>
</tr>
<tr>
<td>Corinthian</td>
<td>N</td>
<td>264</td>
<td>233</td>
<td>+ 5%</td>
<td>+7</td>
<td>49</td>
<td>41</td>
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<tr>
<td>Cox</td>
<td>N</td>
<td>514</td>
<td>474</td>
<td>+ 5%</td>
<td>+7</td>
<td>54</td>
<td>44</td>
<td>2,867</td>
</tr>
<tr>
<td>Cross Telecasting</td>
<td>O</td>
<td>28</td>
<td>24</td>
<td>+ 2%</td>
<td>+32</td>
<td>28</td>
<td>24</td>
<td>2,989</td>
</tr>
<tr>
<td>Metromedia</td>
<td>N</td>
<td>61</td>
<td>52</td>
<td>+ 9%</td>
<td>+17</td>
<td>61</td>
<td>48</td>
<td>2,294</td>
</tr>
<tr>
<td>Reeves Broadcasting</td>
<td>A</td>
<td>112</td>
<td>111</td>
<td>+ 4%</td>
<td>+3</td>
<td>15</td>
<td>10</td>
<td>1,809</td>
</tr>
<tr>
<td>Scripps-Howard</td>
<td>O</td>
<td>25</td>
<td>24</td>
<td>+ 5%</td>
<td>+2</td>
<td>29</td>
<td>24</td>
<td>66,700</td>
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<tr>
<td>Sondering</td>
<td>O</td>
<td>30</td>
<td>25</td>
<td>+ 5%</td>
<td>+18</td>
<td>34</td>
<td>24</td>
<td>800</td>
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<tr>
<td>Taft</td>
<td>N</td>
<td>334</td>
<td>334</td>
<td>+ 1%</td>
<td>+2</td>
<td>44</td>
<td>30</td>
<td>3,302</td>
</tr>
<tr>
<td>Wanamaker</td>
<td>N</td>
<td>211</td>
<td>195</td>
<td>+ 5%</td>
<td>+14</td>
<td>24</td>
<td>18</td>
<td>3,839</td>
</tr>
</tbody>
</table>

Total 51,572 $2,356,500

Television with other major interests

| Anoco | A | 8% | 8% | - 6% | - 4 | 13 | 8 | 10,100 |
| Echostar | O | 4% | 4% | - 3% | - 1 | 11 | 8 | 6,417 |
| H&B American | A | 11% | 11% | - 1% | + 4 | 6 | 10 | 2,637 |
| Teleprompter | A | 31% | 26% | + 5% | +17 | 40 | 24 | 6,694 |
| Viloa | A | 15% | 13% | + 3% | +11 | 13 | 13 | 1,330 |

Total 6,807 $95,300

Programing

| Columbia Pictures | N | 311 | 284 | + 9% | +11 | 34 | 24 | 11,075 |
| Disney | N | 307 | 307 | + 9% | +10 | 24 | 17 | 2,106 |
| Filmways | A | 22% | 18% | + 3% | +25 | 25 | 17 | 865 |
| Four-Star International | O | 5% | 5% | + 6% | +10 | 10 | 5 | 600 |
| MCA | N | 71% | 67% | + 3% | +6 | 81 | 59 | 1,131 |
| MGM | N | 43% | 43% | + 3% | +26 | 20 | 19 | 3,061 |
| Screen Gems | A | 17% | 24% | + 7% | +17 | 33 | 23 | 1,310 |
| Trans-Lux | O | 23% | 23% | + 3% | +13 | 28 | 23 | 2,962 |
| Warner Bros. | O | 36% | 36% | + 1% | +16 | 40 | 30 | 4,180 |
| Warner Bros. | O | 26% | 26% | + 1% | +16 | 40 | 30 | 4,180 |

Total 74,101 $3,099,800

Service

| John Blair | O | 23% | 21% | + 2% | +11 | 20 | 20 | 1,080 |
| Comsat | N | 56% | 49% | + 7% | +15 | 78 | 41 | 10,600 |
| Duane Ream | N | 3% | 3% | + 1% | +2 | 41 | 31 | 1,994 |
| Foote, Cone & Belding | O | 14% | 13% | + 1% | +6 | 21 | 14 | 2,146 |
| General Atlase | O | 14% | 13% | + 1% | +9 | 23 | 10 | 1,000 |
| Gray Advertising | O | 15% | 15% | + 1% | +9 | 20 | 12 | 2,001 |
| MP Cartronics | O | 11% | 11% | - 1% | +2 | 15 | 11 | 1,516 |
| Movestore | O | 12% | 11% | + 1% | +2 | 18 | 14 | 1,087 |
| Nieslan | O | 28% | 28% | - 1% | - 1 | 40 | 27 | 5,130 |
| Ogilvy & Mather | O | 14% | 14% | + 1% | +2 | 18 | 14 | 1,087 |
| Paper, Koenig, Loes | O | 4% | 5% | - 7% | -16 | 9 | 5 | 791 |

Total 25,943 $899,100

Manufacturing

| Admiral | N | 23 | 19% | + 1% | +18 | 25 | 17 | 5,062 |
| Ampex | N | 31% | 29% | + 1% | +5 | 37 | 27 | 9,565 |
| General Electric | N | 6% | 6% | + 1% | +1 | 6 | 10 | 81,068 |
| Magnavox | N | 50 | 44 | + 6% | +14 | 51 | 37 | 15,410 |
| Sanyo | N | 9% | 8% | + 1% | +9 | 35 | 25 | 4,195 |
| Motorsola | N | 228 | 195 | - 1% | -18 | 132 | 97 | 6,117 |
| National Video | O | 19% | 20 | - 1% | -4 | 25 | 17 | 2,781 |
| RCA | N | 53 | 41 | + 6% | +12 | 54 | 45 | 62,465 |
| Reeves Industries | O | 4% | 6% | + 1% | -1 | 8 | 5 | 3,227 |
| Westinghouse | O | 75% | 65% | + 10% | +15 | 76 | 66 | 37,571 |
| Zenith Radio | N | 65% | 59% | + 5% | +6 | 66 | 51 | 18,849 |

Total 305,681 $22,770,800

Grand Total 504,006 $30,703,300

Television average

| Standard & Poor Industrial Average | 105.37 | 97.70 | +7.76 | +8 | 106,15 | 85.31 | 3,072,300 |

Data compiled by Roth, Gerard & Co.

N-New York Stock Exchange
A-American Stock Exchange
O-Over the counter
FOCUS ON FINANCE
from page 15
also dropped plans to acquire Security
ity and Security
Connecticut Life Insurance Co., and Security
Connecticut Life Insurance Co., both of Hartford, but announced
agreement in principle to acquire
Brown Co., a paper-products con-
for $90 million in securities. Gull & Western already owns about
23% of Brown.
LIN Broadcasting was up 18% as it purchased WJZ Hackensack, N. J., a 5 kw, 24-hour-a-day AM
radio station serving the New York metropolitan area. Price was an-
nounced as over $5 million.
Time Inc. was up 10% and it announced termination of plans to buy the Newark (N. J.) News. Official reason given for cessation of merger talks was an inability to agree on contract terms. Value of Time stock involved in the pro-
posed purchase increased about $4 million from the time an agree-
ment in principle on the merger was announced Feb. 14.
Among the programming stocks MCA was up 16% as its directors
authorized a three-for-two split of common stock subject to share-
holder approval June 4.
MGM was up 13% as it reported record revenue and earnings for the first fiscal 28 weeks. Earnings for the period ended March 11 were up to $1.60 a share from $1.36 a share the year before. MGM
President Robert H. O'Brien predicted earnings for the year ending Aug. 31 would be the highest in the company's history.
Trans-Lux rocketed up 36% as it reported record sales and in-
come. Earnings for 1967 were up 20%, to 93 cents a share from 72
cents a share in 1966.
Twentieth Century-Fox climbed 10% as it showed a 23% increase in its net earnings for 1967. That
made net earnings the highest since the film company was sepa-
rated from its theater operations in 1952. Earnings for the year were $2.44 a share, compared to $2.14 a share
in 1966.
Wrather Corp. was the only pro-
graming stock to decline during the month. It dropped 13% even
though its annual report showed a common-stock cash dividend of 20
cents a share, payable May 15.
Foote, Cone & Belding went up 6% even though its annual report showed income off substantially
last year, down to 71 cents a share (including an extraordinary item of 9 cents a share lost in value of assets because of the British pound devaluation). Income the year before was $1.36 a share.
Grey Advertising was up 15% although it reported 1967 earnings
down on increased billings. Income was $1.01 a share last year, com-
pared to $1.50 a share in 1966.
Movielab plummeted 21% as it reported its earnings down substan-
tially last year on increased net
sales. Earnings for 1967 were 73
cents a share, compared to the 1966 record of 93 cents a share.
Ogilvy & Mather rose 29% as it reported its most successful year in 1967, with billings and operating
income up, although earnings were
down to $1.25 a share from $1.32 a share in 1966. It also was hit by de-
valuation of the pound sterling.
Papert, Koenig, Lois fell 16% as it issued its report for the first quar-
ter of fiscal 1968, showing net in-
come down to 10 cents a share from
11 cents a share in the same 1967 period. The advertising agency
also announced that no divid-
dend would be declared for the quarter.
Manufacturing stocks increased
an average of 9.3%. In general the
trend was credited to optimism for another record year of color-
television set sales combined with better balanced inventories.
Admiral gained 18% despite an annual report that termed 1967
disappointing, with earnings fall-
ing to a loss of 74 cents a share from a profit of $1.96 a share in
1966.
General Electric was up 6% with its annual report showing new
highs in sales and earnings last year. Income was $1.01 a share,
compared to $3.75 a share in 1966.
Magnavox went up 11% as it reported record sales and earnings for the first quarter. Income jumped 50% to 66 cents a share from 44 cents a share in 1967.
Motorola was up 18% although it reported last year's sales off 8% and earnings down 43%, to $3.08 a share from $5.40 a share in 1966.
RCA, parent company of NBC, had a 19% gain as it showed record
high earnings for the first quarter.
Per-share income increased 5%, up three cents, to 60 cents a share from the same period in 1967.
Zenith rose 10%, as it reported high sales last year, but a slight drop in earnings. Income for the year was $2.18 a share compared to $2.31 a share in 1966. END

Put the middle of the mitten... in the palm of your hand

**WILX-TV**

**1. More efficient distribution of circulation.**

**2. Dominates southern half of circulation. (Lansing and south)**

**3. Puts more advertising pressure where it's needed most.**

**4. Gets you more complete coverage with less overlap.**

WILX-TV
1048 Michigan National Tower
Lansing, Michigan 48933

ARBOR
LANSING
BATTLE CREEK
ANN ARBOR
JACKSON

LANSING
BATTLE CREEK
ANN ARBOR
JACKSON

MAY 1968
17
Later this month, on the 27th to be exact, ABC News will unveil some radical changes in its regular evening TV newscast. Sheehan, vice president in charge of television news, the man responsible for these departures, says the network is out to develop its own look, feel, approach. "To the average viewer, all three of us look alike. We want to make this program as different from the competition as *Newsweek* is from *Time* or *Look* is from *Life." To do this, ABC News is reducing the amount of secondary hard news it will recite ("a hangover from radio days that seems to plague all of television news") and is increasing the amount of commentary and back-of-the-book type features it would normally run. In a rough sense, Sheehan says, this would mean that if *The Evening News* with Bob Young is now on the average two-thirds hard news and one-third features those fractions would be reversed to one-third hard news and two-thirds features and commentary. That's an average. On a big news day, the entire program might be hard news. Because the program will present all shades of opinion ("more biting commentary by qualified people on staff and outside") Sheehan thinks that over a period of time "we'll have answered the demands of fairness." Sheehan is not a convert or a refugee from the newspaper business. He began in broadcasting as a newscaster for WOR Hartford, Conn. He then served as news director for WJR Detroit for eight years, then moved to London as ABC's bureau chief. Five years later he returned to the states and to his present position. Sheehan lives with his wife and five children in Demarest, N. J. His leisure time activities include skiing, some occasional flying (he has a pilot's license) and a good deal of reading (which he calls "an occupational disease").
ALAN R. NOVAK. At 35 the academic credentials are all in place, the real world of law, from corporate, court and congressional angles, has had its day, the Marines have had their years and political activity has left him with nothing more confining than a broad Democratic brand. It remains to be seen what influence the young man with remarkable credits will have on the communications industry. As executive director of the President's Task Force on Telecommunications, Novak's hands are on the controls of the most extensive government study ever undertaken in this field. Recommendations of the unit regarding spectrum management and global communications will bear directly on TV's future.

Novak got a BA in economics from Yale (summa cum laude, Phi Beta Kappa as a junior), joined the Marines (captain), went to Oxford (Marshall scholar), took a law degree at Yale (cum laude, Law Journal editor), clerked for Justice Potter Stewart, campaigned for the Johnson-Humphrey ticket (Midwest coordina-

tor), lawyered in New York as an associate of Cravath Swaine and Moore and returned to Washington as Senator Edward Kennedy's legislative assistant. In 1965 he moved to the State Department as special assistant to Under Secretary Eugene Rostow. Rostow, task force chairman, give him his current assignment. Novak describes the essence of what he's doing now (and what he might like to do in the future in another area) as "building an interface between the world of technology—the industrial society—and the immense mass of unfilled social needs." What about the underprivi-

leged of the world, he asks. "They don't know what a telecommunications system could do for them. And this doesn't just apply to communications." Novak doesn't think a change of administrations would make much difference to the effect of the study he's now guiding. Any President, he says, is going to need a better handle on the future of communications, Novak ex-

pects to complete the project on time—before the end of August.

GOAR MESTRE. He was one of several hundred thousand Cubans who felt obliged to leave their island homel-

land when Castro came down out of the hills in 1959. Unlike most in that mass exodus, however, Mestre was a man of some consequence in Cuban cultural life for he had pioneered in radio and television in Havana and with his CMQ network. He resembled nearly everyone else in his hasty withdraw-

al (it's said he could have stayed on but chose not to) in that he was nearly without funds. Mestre sold his 20% interest in WAPA-TV San Juan to Screen Gems and looked about for things to do. He found them. Last month, delegates attending the National Association of Broadcasters convention in Chicago could find him at the equipment exhibits ("beautiful but expensive") shopping around. What had happened was that Mestre had gotten into the program contract-

ing business first in Peru, then in Argentina, then in Venezuela, then in Colombia (with a small interest in a production company). "I've had to hustle in the past eight years," he says with a smile, explaining that Goar Mestre Associates is consolidating and will concentrate on Argentina (his contract with Venezuela ended last fall although he maintains an equity interest in the production company there; he has just sold his interest in Peru's program firm). "There's more business to be gotten out of Argentina than from all the other countries combined. In Buenos Aires alone, a city of 7 million people, there are 1.5 million TV homes. We only started in the interior a couple of years ago but al-

ready there are another 1 million TV homes." Mestre was born in Santi-

ago de Cuba, the son of a pharmacist, and educated at Yale. He went to Buenos Aires to work for Union Carbide, married a local girl, then re-

turned to Cuba where he got into package goods distribution, formed an advertising agency, then bought into CMQ, ultimately gaining controlling inter-

est. Approximately 68% of Mestre's program schedule is local and live on tape in Argentina and so his costs are high, but so are his ratings, he says. Income, too, can be rewarding. Under government legislation, stations are limited to selling 18 minutes per hour. But, says Mestre, "we do only 14"—three minutes within each half-hour segment and four minutes at each sta-

tion break.

MAY 1968 19
First Again!

- Best for General Excellence of News Presentation
- Best Regular Local News Program
- Best Regular Local Sports Show
- Best Regular Local Farm Show

THE WWJ STATIONS
One of England's greatest mystery story writers wrote a fascinating novel almost two decades ago in which her fictional detective, while hospitalized, turned his talents to unraveling a historic murder—the alleged killing of the two young princes by Richard III. In the course of his research, the detective discovered that some historical "facts" which everyone accepted as facts and which were so recorded in virtually all history books, were in reality not facts at all. An untrue or inaccurate description of an event or person had slipped into the literature at some point, by accident or design, and by dint of repetition had become accepted as fact by everyone. At the first discovery of this phenomenon, the detective referred to it as another "Tonypandy" and recalled the following events. There was a strike in 1910 in Tonypandy, a mining town in the Rhondda Valley in South Wales, and a riot appeared to be developing. According to the account circulated at the time, Winston Churchill, then home secret-

tary, sent troops to suppress the strike and, in the course of this action, some Welsh miners were shot. And South Wales has never forgotten the martyrs of Tonypandy.

According to the detective, however, the truth was quite different. There had in fact been some local riots. Churchill did send troops at the request of the local chief constable, but he was so concerned about the possibility of bloodshed that he withheld the troops and substituted some London policemen armed solely with rolled-up raincoats. The rioters were brought under control by the unarmed police with no more serious injuries than a bloody nose or two.

Our fictional detective indicated that "the point is that every single man who was there knows that the story is nonsense and yet it has never been contradicted. It will never be overtaken now. It is a completely untrue story grown to legend while the men who knew it to be untrue looked on and said nothing."

The social sciences are replete with examples of Tonypandyism. Economics is no exception, and the antitrust field is probably more subject to the conversion of nonfacts to facts by reiteration than any other branch of economics, for the economics profession is the recipient of more "help" from members of other professions in this area than probably any other. Sometimes the initial error is created by inadvertence, sometimes by deliberate deception, sometimes by simple misunderstanding of the facts or lack of awareness of changes over time in these facts. But no matter what the origin, the hallmark of this kind of phenomenon is the widespread acceptance of a nonfact simply because it has been widely repeated.

The television industry has recently experienced a prime example of Tonypandyism. The charge has been made in recent years that the television networks' pricing practices involved the granting of volume discounts that permitted large advertisers to make prime-time purchases on the networks on

How big agencies are countering the surge of the smalls...

There is a new kind of Madison Avenue man who has traded in his corporate anonymity for loud ties and new-wave film technique.

He approaches commercial production as a film-maker, not a pitchman. Until recent times, he and his friends sought out those cheeky small agencies, while the bigger shops with billings in the hundreds of millions maintained their reputations for being lumbering, monolithic, crusty organizations.

Lately, however, the fellow in the dapper suit with the dapper imagination has infiltrated the large agency. He seems to be part of a renewed emphasis on creativity, evidenced by a rash of creative types who have been appointed to the presidencies of big agencies: Victor Bloede, who recently stepped in as president of Benton & Bowles, worked his way up through the creative ranks. Steve Frankfurth, art-director-turned-agency-president, was appointed by Young & Rubicam not long ago. Paul...

...with creativity

by Caroline Meyer

*Staff Writer for Television* May 1968
Foley, board chairman and new chief executive officer of McCann-Erickson, was a creative man, as was Richard Bowman, who was just chosen to head Marschalk. The large agencies have been put on the defensive by those hot, creative, smaller shops. If ever the big agencies have had to face the problems of overorganization and eliminate the impediment of bureaucracy, it's now. They've seen some real competition from agencies that offer half the resources and none of the auxiliary services that the big shops provide.

Many people who are attracted to the advertising business these days would not be comfortable in the usual corporate environment. The problem of the big agencies is to maintain a creative climate that will appeal to talented people, to simplify systems to keep from tripping over themselves, and yet to have the kind of business operation that can handle sizable accounts and billings.

One solution seems to be structural. Many large agencies have been re-evaluating their organizations, and the trend has been away from the stratification of large departments and toward small, independent units. In some agencies the creative unit is the building-block of the system. It functions usually as a creative team— including artists, copywriters, producers — and works on a cross-section of accounts. Other agencies find their groups work best if each deals with only one account. Such accounts or brand groups have the advantage of being saturated in and involved with only one client. Such groups often include research people, media people and other noncreative personnel. At many agencies, the small units are still subordinated in varying degrees to larger departments, with team members reporting to an art department or a media department. The ratio of allegiance owed the group and the department differs from agency to agency.

Bernard Kahn is executive vice president in charge of creative services at Grey Advertising. As he sees it: “The agencies are looking for new solutions in structuring their creative operations. They are, properly, being experimental.” Kahn says Grey has simplified the creative-review process by putting 15 responsible people in charge of 15 creative units. He says artists and writers “respond to creative management for the over-all quality of their creative product, but not for day-to-day management.”

Departments were eliminated and groups set up a year ago. The system has been in “test market,” as Kahn puts it, and the agency is now pleased with the results.

Dancer-Fitzgerald-Sample has taken a further step and eliminated the creative director. D-F-S developed a system a little over a year ago that included 11 creative groups. Each has a group head, but there is no centralized authority lording it over all the groups. Fred Leighty, executive vice president at the agency, explains: “We don’t have an over-all creative director. We don’t have layers of authority within the creative department. We don’t let organization get in the way.”

Steve Frankfurt is part of the new creative leadership in the industry. Before he became president of Young & Rubicam, his creative career included copy, art and television production. Y&R billed about $100 million last year and is the third largest agency in broadcast billings. Yet it is a shop with a creative image. As Frankfurt puts it: “For me the creative department is 285 Madison” — the agency’s New York address.

The product group, Y&R’s basic operating unit, takes responsibility for the success or failure of a product. Unlike the creative groups at other agencies, the product group includes account executives, media people, research people—not just creative services. Frankfurt claims that the set-up encourages a sense of camaraderie. “You always find three and four people comin’ into one office,” he says.

Almost everyone agrees that television has been a major influence on the decentralization process taking place in the large agencies.

“Television probably requires a team spirit more than print. The extra team effort needed by television helped produce these creative enclaves,” says Vic Bloede, new president at Benton & Bowles.

Grey’s Kahn makes a similar observation: “It’s interesting that nothing like this ever happened before television. I think the interrelationship of words and visuals and sound and the production values in television are so tight that if the industry just started with the television medium, the industry would be set up with all creative units. It wouldn’t conceive of it any other way.”

Agencies have discovered that job distinctions tend to break down in a group system—to creative advantage. There was a time when all ideas were expected to come from copywriters and were handed down a creative assembly line for execution. And often a fragile idea was executed, in a very different sense, as communications broke down along the line. One advertising executive compares communications between departments to the various echelons of an army command. Dancer’s Leighty sums up the disappointment: “It is a tragedy when a great idea is sold to a client, and it doesn’t come out the way it was supposed to come out.”

No longer are there clear chains... continued on page 54
WHY BUY GOLF?

By WALTER TROY SPENCER

One of the more famous stories of early broadcast advertising concerns the president of a major corporation who was presented a campaign that included a large block of radio time on Saturday afternoon.

"Are you mad?" he spluttered. "Who would hear it? Everyone's out playing polo."

To some observers it might appear a similar situation has grown on weekends in recent years in the form of televised golf. Golf matches are a flourishing advertising source for the networks, yet surveys show audiences are relatively low and costs-per-thousand viewers are high, even in comparison with other sports shows.

Does this indicate poor business judgment on the part of buyers for some of the nation's biggest advertisers? Are executives buying golf programs simply because they like golf and assume everyone else does, in the same way that our storied company president assumed the whole nation played polo on Saturday afternoon because all of his friends did?

There is a minority voice that suspects this may be true, including the senior vice president of one major advertising agency:

"Looking at the dismal efficiencies of some of these shows I have to feel that the only reason people in advertising are buying golf is that so many people in advertising play golf. It's like the man who says 'I only advertise in the magazines I read.'"

But this opinion is swamped by the almost unanimous answer of network executives, agency media planners and company officials who give nearly identical reasons why golf is a particularly attractive and specialized buy for certain types of advertising. In fact, argue many of the golf enthusiasts, it represents one of the last of the truly selective buys left in television.

Perhaps the most realistic assessment of the situation is that of
Rodney Erickson, vice president in charge of television and radio programing at Kenyon & Eckhardt: “I think originally it may have been an emotional decision on the part of advertisers. Predominantly they are almost the exact profile of the man who watches golf—older, better educated, higher income, in a managerial position and with a lack of sports ability to do anything but play golf. But once we were stuck with buying golf, we started looking for rationalizations, and, by gosh, we found there were some very good reasons to consider it an intelligent buy.”

The disadvantages of buying golf are readily apparent: It is extremely low circulation programing. Even the most popular of the golf shows, CBS’s coverage of the Masters Tournament, reaches an audience of fewer than 5 million. Some network golf telecasts are seen by fewer than 2 million.

A recent Nielsen study of the 1966-67 season’s golf programing shows a number of other apparently damning factors: The cost for a minute of advertising—running anywhere from $10,000 to $50,000—produced a cost-per-thousand viewers as high as $13.22 (for ABC’s British Open) and an average CPM of $7.11. That’s 12.4% higher than professional football time, 21.5% higher than buying regular-season baseball, and 36% higher than professional soccer.

The disparity in the CPM for adult men—presumably the prime market for sports programing—is even wider: $8.13 for golf, as against $6.83 for pro football, $6.55 for in-season baseball and $6.08 for soccer.

During the season studied by Nielsen, there were more golf shows than anything else except regular sports series and football, yet on the average golf had a lower viewership than anything else (a 19 share and 6 rating against a 38 share and 13 rating for the top-watched football).

Why buy golf? The statistics also show the one reason cited by all supporters of golf programing: demographics. The golf viewer is older, better educated and has a

Continued on page 59
Any way to slice up spot more evenly?

I suppose the trouble with small markets is that they’re small,” mused the advertising agency media planner, unconsciously echoing Gertrude Stein. “Sure, all markets are important, but some are less so. Unless the product is truly unusual, the less important markets tend to be the smaller ones. It’s tough, but that’s the way it is—the small get hit first and I guess the big get bigger.”

The big are getting bigger and the small are barely holding their own. Those two clichés just about sum up a decidedly tender situation in spot television today: the continuing concentration of national and regional advertising dollars in the largest markets (one through about 30) and the resulting loss in terms of share of dollars in the other markets.

Although this is not a shattering new discovery (see Television, January 1968) it deserves further exploration because the trend, according to knowledgeable sources, accelerated in the past year. At issue is not simply the future of the small market (for purposes of this discussion nearly all markets below the top 30 can be considered small) but the future of spot television as a national advertising medium.

To repeat the known official data: According to the FCC, the top 10 markets in 1966, the last reported year, received nearly half of the money national and regional advertisers spent in spot; in 1958 those markets accounted for only 42% of the total. In 1958 all markets below the top 30 split up over 36% of the spot dollar; in 1966, those same markets must divide among themselves 27.6%, a considerable share decline, of the total spot investment. It is thought that when the FCC finally completes its financial reports for 1967 later this year that the trend will be even more pronounced.

In the face of this trend, markets below the top 30 or 50 have to ask themselves some hard questions:

- Is the small market really less efficient, in terms of media costs, than the large market?
- Is the small market a less rewarding place to sell in than the large?

Continued on page 56
"And the winner is...

ERIC SEVAREID
Winner of a George Foster Peabody Award for Radio, Television News Analysis and Commentary.

"The news analysis and commentary of Eric Sevareid are marked by a rich background of knowledge, philosophical detachment, analysis rather than advocacy, recognition of the intelligence of his listening and viewing public, and a superior command of language..."

THE ED SULLIVAN SHOW
Winner of a George Foster Peabody Special Award.

"With extraordinary showmanship, unerring instinct, and the newspaperman's sense of timeliness, Ed Sullivan for 20 years on Sunday evenings has sought quality in presenting a broad spectrum of entertainment..."
CBS PLAYHOUSE
Winner of a George Foster Peabody Award for Television Entertainment.

"Exploring admirable themes and maintaining a high level of purpose and achievement, CBS Playhouse is a major stronghold of original television drama."

THE CHILDREN'S FILM FESTIVAL
Winner of a George Foster Peabody Award for Television Youth or Children's Programs.

"Selected from the best films from abroad, 'The Children's Film Festival' was a series of award-winning motion pictures for young viewers which provided a brilliant panorama of customs and attitudes of different lands."

THE OPPORTUNITY LINE
(WBBM-TV CBS Owned)
Winner of a George Foster Peabody Award for Television Public Service.

"Television's obligation to serve pressing human needs is fulfilled brilliantly by 'The Opportunity Line.' Recognizing that jobs and employment offer the best ladder from poverty to a full life, this series informs viewers of chances for employment in their community. As a result, job interviews and appointments are arranged, and thousands have found jobs which have changed the course of their lives..."

...CBS"

(where the real winner is the audience)
NETWORK PRICES
from page 27
much more favorable terms than were available to small advertisers. A number of anticompetitive economic consequences were held to flow from these practices.

These charges were made under the most augst auspices and undoubtedly are regarded as proven in many observers' eyes. Yet the truth is that, at the time of the charges and since, no such discriminating pattern existed in the prime-time prices charged by the networks. The critics of the network pricing practices were simply unaware of fundamental changes that had taken place in the actual methods by which the TV networks charged for their services. Volume discounts had indeed played an important role in the early days of network television, but they began to lose their importance during the 1950's and had largely been eliminated as an important factor in the pricing structures of networks during the early 1960's. The critics had fallen into one of the most common pitfalls in economic research; they limited their analyses to what appeared in published price lists without ever determining whether all transactions in the market place were covered by these price lists or indeed whether the price lists bore any relationship to prices actually charged. In other words, analysis of formal documents took the place of empirical research.

Procter & Gamble-Clorox

The first of the current round of references to the television networks' pricing practices appeared in the Federal Trade Commission decision in the Procter & Gamble-Clorox merger case, issued on Nov. 23, 1963. In that decision the FTC ruled against the merger, largely on the grounds of the presumed advantages that an already dominant Clorox would have against other liquid bleach firms if it were absorbed by a company as large as Procter & Gamble. The

first and most specifically indictable of these presumed advantages was the substantial cost saving "in advertising and sales promotion, especially in television advertising," although, it might be noted, this consideration had not played an important role in the FCC's hearings. The decision went on:

The maximum annual volume discounts available to the largest advertisers amount to 25-30% for network television advertising, yet, in addition, the discount rates available for local "spot" television advertising favor the large advertisers. In 1957, Clorox spent $1,500,000 on television advertising of all kinds on all networks. While complete discount rates are not included in the record, it is virtually certain that an expenditure of this size spread over all networks and stations did not entitle Clorox to discounts of any substance. For example, a $3,000,000 expenditure on NBC or CBS nighttime is required for the maximum discount available. The record shows that Purex, in time bought in behalf of its complete line of products, received a 6% percent discount on an expenditure of $1,100,000, and a 1%-1/2% discount on an expenditure of $2,400,000. This was possible because Purex, unlike Clorox, is a multiproduct firm, and hence the advertiser can combine all of his advertising for all of his products to the advantage of the volume discount, which is then applied to the advertising for each large advertiser. It appears that Procter in its advertising is entitled to, and receives, the maximum volume discounts available in television advertising and no doubt in other media as well. With Clorox now a part of the Procter line, for the same amount of money Clorox spent on network television advertising prior to the merger, at least 33 1/2% more network television advertising can now be obtained.5

Turner—"Conglomerate Mergers"

This conclusion was picked up by Donald Turner, soon to be appointed to head the Antitrust Division of the Justice Department, in his now celebrated Harvard Law Review article on "Conglomerate Mergers." At one point, Turner discussed his view that the attainment of promotional economies via a conglomerate merger ought not to be grounds for disallowance of such mergers but that such economies, unlike production and distribution economies, ought not to be allowed as a defense. He went on to add:

This is not [to] say, however, that the courts excluding per se, are not likely to examine carefully the economic advantages which the merger has brought as a defense is entirely clear. I remain seriously troubled by the problem of drafting appropriate lines, such as the line between "true" and "false" monopolies on the one hand and distributional economies that are really promotional on the other. Perhaps these problems could be minimized by a limiting discriminatory treatment to economies in expenditures that are "clearly" promotional, wholly or in all but a small part. The advertising economies put forward in the Procter & Gamble case would appear to fall in that category (quite apart from the fact that they may well have been strictly private economies resting on discriminatory quantity discounts).

A footnote appended to this parenthetical statement indicates that "maximum discounts were 'at least' 33 1/2%." It seems doubtful that these could be cost-justified.6

Journal Articles

After these two initial but somewhat peripheral evaluations of television network pricing practices, there appeared in the Yale Law Journal a veritable blockbuster of an article devoted to a discussion of alleged discrimination in the pricing of network advertising, co-authored by a professor of law at Columbia University and an attorney later to serve with the FCC and the Hart subcommittee.7

The essence of the article's conclusions about network discounts can be given in one sentence:

The networks' rate structures immediately raise antitrust questions because certain discounts seem to be analytically indistinguishable from practices regarded as anticompetitive. The most important feature of such rate structures is that they grant the advertisers dollar (or unit) volume of purchase of network time during a year (or other period) is very large. The systematic pricing discrimination inherent in volume discounts of this type, unless there are cost considerations which fully justify the discriminatory treatment, are thought usually to present a likelihood of injury to competition in two important respects. First, network volume discounts which substantially favor the largest advertisers may give them a decisive advantage over their smaller competitors. Second, network discounts may . . . handi-
cap the small operators in network television, "spot" advertising, independent program producers, and other media.8

A second analysis of network dis-

...
count structures appeared almost simultaneously in the Columbia Law Review in November 1965, in the form of a lengthy unsigned note which covered much of the same ground as the Yale Law Journal article.

General Foods-S.O.S.

Bridging the publication of these articles was the General Foods-S.O.S. merger case before the FTC, in which an examiner in 1961 and the full commission on March 18, 1966, held the merger illegal, largely on the basis of the presumed greater efficiency with which the S.O.S. advertising budget could be used on network television when the discounts granted to General Foods, a large network advertiser, became available to S.O.S.

Other Discussion of the Issue

By now the documentation seemed authoritative enough and detailed enough so that the conclusions began to appear in secondary sources. Perhaps as a consequence of this proliferation of the same charges, discussions of television network pricing and other practices were included in hearings held by two congressional committees. The first of these was the Diegel subcommittee (Subcommittee No. 6 of the Select Committee on Small Business, House of Representatives) which held hearings between February and July of 1966 on a variety of subjects dealing with matters under the jurisdiction of the Federal Communications Commission. It was at these hearings that ABC announced its discontinuance of time discounts (CBS had announced this decision some months earlier), and NBC announced its first steps in the same direction.

Later in 1966, the Hart subcommittee held hearings specifically aimed at questions of possible discrimination between large and small advertisers in television network practices. Among the subjects raised were problems of possible price discrimination and of advertiser access to network programs. Some allegations were made on these and other scores, although most related to earlier periods and to relatively narrow events. The networks testified and presented considerable data to refute the charges with regard to current or recent experience. Some of these data are analyzed below.

Prices Paid by Advertisers

It should be noted that none of the original analyses from which the charges against the networks derived was based on data relating to prices advertisers actually paid for television network time. All are based on prices in published network time rate cards. However, anyone who knew anything about network pricing practices was aware that, during the years in question, network rate cards had little to do with the actual prices that networks employed, both because they did not include a charge for programs and because an entirely different pricing procedure, totally unrelated to rate cards at all, was becoming an increasingly important, indeed dominant, form of selling.

At first, as the criticisms of network pricing practices grew, the present writer assumed that the critics would ultimately become aware of how unrelated to reality their criticisms were. Later, it became obvious that the industry would have to do the educating itself, and, partly in consequence, I undertook a detailed analysis of the actual price and audience characteristics of the evening programs on the CBS television network during a three-month period in each of the last two completed broadcast seasons. In both seasons CBS was still operating under the published rate-card discount structure that had been subjected to so much attack.

As the industry in fact knew to be the case, an examination of average prices paid for evening time by advertisers of each size in the first quarter of 1965, midway in the 1964-65 broadcast season, indicated that larger advertisers on the CBS network paid higher prices per commercial minute than smaller advertisers. A similar examination of prices paid during the fourth quarter of 1965, early in the 1965-66 season, showed a similar relationship but with much less variation among advertisers classified by size.

If we rank all evening advertisers on the CBS television network in the first quarter of 1965 in volume of evening spending, and examine their average outlay per commercial minute, we find that, in fact, average advertiser expenditures per commercial minute declined with the size of the advertiser (see Fig. 1). Thus, the two groups of largest advertisers had average per-minute outlays of $42,000 and $44,000, respectively, while the next group in size spent only $35,000 per minute, and successively smaller groups spent $32,000, $39,000, and $27,000. In other words, the average price per commercial minute paid by large advertisers was considerably lower than that paid by small advertisers. A similar ranking of advertisers in the fourth quarter of 1965 shows a comparable but much more modest and irregular decline in price per minute. While the two groups of largest advertisers paid $41,000 and $42,000 per minute, the next two groups paid $39,000 and $38,000, and the seventh and eighth groups paid $35,000 and $38,000 per minute.

In testimony before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, Don Durgin, president of the NBC television network, presented chart and audience data for every evening advertiser on NBC in the month of March 1966. The advertisers in the two groups of largest advertisers each purchased between 96 and 155 evening commercial minutes during the first quarter. The advertisers in the group of smallest sponsors each purchased between one and five commercial minutes during the quarter. The 10 largest advertisers each purchased between 96 and 155 evening minutes in the fourth quarter; the seven smallest advertisers each purchased four minutes during the quarter.

Fig. 1. A is the group of largest advertisers; F (for first quarter, 1965) and J (for fourth quarter, 1965) are the groups of smallest advertisers.

The implications of the data presented here are not in all respects clear. For example, the largest advertisers are not necessarily the most successful advertisers. It is also true that the larger advertisers are, on average, the ones with the most established networks and the best known network personalities. It is also true that the large advertisers are, on average, the ones with the most established networks and the best known network personalities.
NETWORK PRICES

midway in the 1965-66 broadcast season. NBC was still operating under its traditional discount structure that month. We have grouped the data in the same manner as we did the data for CBS, and we arrive at the same conclusions we did for CBS. (Fig. 2). Large advertisers

Average outlay per evening minute for all evening advertisers, ranked by evening outlays on NBC, (March 1966)

Fig. 2. A is the group of largest advertisers; I is the group of smallest advertisers. Rates tended to pay somewhat more per commercial minute than did small advertisers, although the differences were in general quite small.

In a similar vein, Gene Accas, network relations vice-president of Leo Burnett Co., one of the nation's largest advertising agencies, made a detailed analysis of a large sample of evening participation purchases on two unnamed television networks. For one network the size of individual purchases ranged between 12 minutes and 65 minutes; on the other network, the range was six minutes to 43 minutes.

Again grouping the data and ranking by size of purchase, we can see how Accas reached his conclusion that "there is no apparent effect of budget size on . . . the price paid per commercial minute in a package." Thus, for the first network, the range of price per minute was small ($29,000-$32,000), the second ranking and fourth ranking groups had average costs per minute that were almost identical, and the group with the highest cost per minute turned out to be the group buying the largest packages (Fig. 3, at right).

Similarly, for the second network, the three groups of packages ranged from an average price per minute of $29,000 to an average price of $28,000, with the lowest price associated with the group of smallest purchases.

This positive or neutral relationship between size of advertiser or advertising budget and price paid per unit of time is the reverse of the relationship assumed by the FTC in the Procter & Gamble-Clorox merger decision and in the General Foods-S.O.S. decision, by the articles in the Yale and Columbia Law Reviews, and by Turner. How could so many illustrious authorities go so far wrong in describing the manner in which the television networks price their units of sale? The answer is that these critics lacked information on the way in which networks price their services and, in particular, of the development of a separate pricing structure for what are called "participating minutes" or simply "participations." To explain adequately the way in which the industry's pricing had changed over time until it reached its present form would require more space than can be devoted to it in this article. Nevertheless, a brief, though necessarily oversimplified, review of this history will be useful.

Changes in Program Sponsorship

There are two separate but related changes that have affected the form and structure of prices paid by advertisers on the television networks. The first change deals with methods of program sponsorship, the second, with the discount structure itself.

In earlier days in the history of television, a substantial fraction of evening time periods was sponsored by advertisers who themselves supplied the programs to be carried. Such sales, then, comprised sale of time only, with the program purchased directly by an advertiser from an independent (i.e., nonnet- work) program producer. This form of sponsorship arrangement had been quite common in radio networks and had been carried over into television. Thus, almost a decade ago, in the last quarter of 1959, advertisers supplied more than 11 evening hours of programming per week on CBS, or about 45% of the total evening schedule.

For all three networks, advertisers supplied 26% of all evening entertainment hours in November 1959, but it had been 36% in November 1957. Nearly all of the remainder of the networks' evening schedules were accounted for by so-called conventional, or time-plus-program sponsorships, under which an advertiser contracted for a half-hour or more of network time for an extended period and, in addition, paid the network a program price for the right to sponsor the program provided by the network during the time period. In such cases, the network acquired the license to exhibit the program from an independent program producer or, in some instances, produced the program itself with network staff. For reasons of time were traditionally quoted in published rate cards which indicated gross time rates or charges for each individual affiliate for various broad segments of the day (e.g., evening, daytime, late afternoon) and for various lengths of time (i.e., half-hour, hour, etc.). The now-famous discounts to be applied to these gross time rates were also detailed in these rate cards. Under such circumstances, that is, with a large fraction of purchases in the form of time-only purchases and with the bulk of the remaining purchases made in large blocks by advertisers, a separation between time rates and program prices had substantive meaning: for a time-only purchase always was a serious alternative to a purchase from a network of both time and program. For these reasons pointed out below, advertisers have ceased to make time-only purchases.

The discount structure always

...
applied only to the time portion of any purchase. Program charges, on the other hand, were traditionally paid by the advertiser without applicable discounts. If a combined time and program charge, based on rate-card rates for the time segment and full program costs for the program segment, proved to be too high for the audience generated by a particular program, the program obviously could not be sold without a reduction in total price. At CBS, if such a reduction were made, it was normally charged against program revenues, and the time revenues were booked at full rate-card prices, although this practice was not invariably followed at the other networks. The time discounts continued to be formally applicable to the time component of these prices through the fall of 1966.

For many reasons—including the rising cost of programming, the change from live programs to film, and the increasing length of programs, all of which increased the cost, and hence the risk, of supplying programs—advertisers began to shift from supplying their own programs to purchasing sponsorship in network-supplied programs. By November 1961, only 80% of evening entertainment hours on all three networks combined was supplied by the advertisers, and currently at CBS only 6% of evening time is advertiser supported.

As the proportion of network sales covering both time and program rose, the distinction between time rates and program prices began to become irrelevant for many purposes, and, indeed, advertisers increasingly were quoted a single price for both time and program.

Toward the end of the 1950's, a third form of sponsorship known as “participating minutes” began to appear. “Under this form of sponsorship the advertiser pays a single price, covering both time and program charges, for a minute of time in a particular program (in which the advertiser presents his commercial message). The advertiser may purchase as little as one minute for a single week.” On CBS, the fraction of evening sales accounted for by participations rose from less than 5% in 1950 to about 65% in the 1965-66 broadcast season. Although problems of definition make comparisons difficult, a measure of the growth of participations at all three networks combined is the fact that the percentage of commercial minutes sold in network evening programs with only full time was 16% in the fall of 1955, and in the fall of 1966.

The primary reason for the growth in participations is simple. Advertisers decided that they wished to reduce the risks involved in sponsoring one or a limited number of programs. They learned they could do this by spreading their commercial messages across many programs because the potential variability in audience size averaged across many programs is much smaller than the variability in audience size of individual programs.

The relevance here of the growth in participations minutes is that, because of their origin, they were not subject to the traditional time discounts at any of the networks. Participations began at the three networks at various times and under various circumstances, but in general they were associated with small-audience shows that could not be sold at rate-card prices plus program costs. Attempts were begun to sell such shows at low time-and-program prices and in very small units, and it was found that this combination permitted a more complete sale of these shows than low prices alone. Because of the low-price, small-unit, and minimum continuity character of these sales, it was deemed equitable from the outset to sell them on a flat no-discount basis. And so, almost inadvertently, a new sales form was born.

Over time, the desire of advertisers for minute purchases, as a way of increasing flexibility, and expanding “reach,” grew stronger, and the fraction of evening time offered in minute form increased until it is today clearly the preferred form of sponsorship. Prices for such minutes are usually finely adjusted to the estimated value of the particular size and type of audience generated by the given program, and these prices can change quite frequently in response to changes in general market conditions and in audience characteristics of the given program. [For next season's asking prices, see page 22—Ed.]

Changes in Discounts

... the times when the changes in the form of sponsorship came changes in the discount structure which similarly shifted in the direction of more closely articulating the net prices charged for various units of sale with the value of these units as determined by the market place. The major changes in this structure over the last two decades are briefly summarized here.

After a short period in which the only discount was based on frequency, the two important discounts which were part of the discount structure for most of the period since the inception of the CBS television network were introduced in 1949. One was a function of the number of weekly station-hours used by an advertiser and was designed to foster usage by advertisers of longer affiliate line-ups. The other was granted to year-round advertisers and was designed to encourage sponsorship in off seasons.

Minor changes and additions to the structure were made during the 1950's, but in 1960 it underwent its first major overhaul in over a decade. In essence, discounts themselves were revised to reflect some of the variations in audience size over the course of the year and the course of the various networks.

Finally, in 1966 all discounts were abolished and time was sold at the same price to all advertisers. However, varying net prices for time were quoted for different times of the day and different seasons of the year in accordance with viewing patterns and patterns of advertising demand.

The new time rate structure, then, represented the end of a long period of development in the structure in network rates and discounts. It retained the concept that prices should closely reflect inherent value to the advertiser and, toward this goal, attempted to articulate as closely as possible the pricing structure of time with the variations in total audience and in “quality” of audience available to advertisers.

But, as we have already observed, time-only sales, to which

22 Such charges were equal to or, in most cases, smaller than actual out-of-pocket program costs to the networks.
23 As indicated above, the traditional discount structure in effect in 1966 is described in Rate Card 17, effective September 1966.
24 Television Program Production, Procurement, and Syndication . . . p. 15.
25 Statement of Thomas H. Dawson (see n. 20 above), p. 2.
26 Id., p. 5.
28 Except for a modest 2.5% discount for advertisers committing themselves in advance to a full year's sponsorship. This discount is available to all advertisers regardless of the form of sponsorship.
29 ABC has since adopted similar pricing structures.
The moment you begin to radiate 5 million watts of UHF...

Madison Avenue gets the picture

RCA has a new transmitter-antenna combination with the kind of radiated power that reaches Madison Avenue. We call it Omni-Max (maximum UHF in all directions). Put it on-air, and you get five million watts of effective radiated power. On Madison Avenue that means coverage, and coverage means sales.

And there's more than just that. You protect your investment. You cover the outlying towns before somebody else does. Nobody can "outpower" you.

The new UHF transmitter is RCA's TTU-110A. It delivers 110 kilowatts of output power. The new UHF antenna is the Polygon. It is a high gain antenna. It will radiate five megawatts. In short, with this maximum power allowed by the FCC, you have the means to take over the territory. And you hold it!

Call your RCA Field Man. Tell him you'd like to turn on Madison Avenue. He'll show you how five million watts of ERP UHF can reach the people who buy the time. Isn't that the kind of performance you really want? RCA Broadcast and Television Equipment, Building 15-5, Camden, N.J. 08102

The RCA Omni-Max system is the most powerful UHF antenna-transmitter combination you can buy. The transmitter is RCA's TTU-110A, featuring diplexed amplifiers with efficient vapor-cooled klystrons. Ready for remote control. Combine it with the new Polygon five-sided Zee-Panel antenna, which features uniform pattern, excellent circularity for super-gain UHF.
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The rates were most directly applicable, have in recent years accounted for only a small fraction of total evening sales. The overwhelming bulk of network sales involved the sale of both time and program. Such sales were divided between conventional purchases, still formally subject to time discounts, and participating purchases, not so subject. Since time discounts were abolished in 1964, when Rate Card 17 was established, it was decided to drop the formal distinction between these two types of sales and henceforth to quote and sell all available programs as, in effect, participations. Accordingly, starting at the same time, price lists were developed which indicated the suggested prices per commercial minute for all unsold evening time on the CBS network. Each program was priced in appropriate relation to its audience size and character in each of three seasons of the year. The same continuity discount that was applied to time sales was also made to these purchases.

The price lists were made widely available to the trade. The prices indicated on these lists are offered to all advertisers, regardless of size. If these prices are not validated in the market place, bargaining of contracts, extensions, and new prices is established. At intervals, new lists are to be prepared reflecting both general market changes and changes in the market's evaluation of individual programs.

Network Prices and Audience Size

To return now to our analysis of why smaller advertisers did not in fact pay higher prices per minute than larger advertisers, it should be clear that this relationship existed because network prices had begun to reflect audience sizes, among other things, and because of the development of a separate nondiscounted pricing structure for participating minutes. To describe this relationship, we present an analysis of prices and audience sizes for one quarter in the 1964-65 broadcast season and one in the 1965-66 season, the last two completed broad-
cast seasons at the time this article was being written.

In the 1964-65 season, CBS was in an early stage of the transition from a sales structure based on program sponsorships to one based largely on participations; in the first quarter of 1965, roughly 25% of evening sales were made in participating form. In this stage at CBS, as at the other networks, programs obtaining smaller audiences tended to be sold in smaller segments and at lower prices. Smaller advertisers, of course, could purchase sponsorships in such programs at the same prices as larger advertisers and, in fact, made their purchases predominantly in this fashion. In other words, larger advertisers paid higher prices per minute because they tended to purchase sponsorship of entire programs and because they selected those which they expected to have larger audiences (see Fig. 1).

Average audience per evening minute for advertisers ranked by evening outlays on CBS, (First and fourth quarters, 1965)

<table>
<thead>
<tr>
<th>Group</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter 1965</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>---------</td>
</tr>
<tr>
<td>Fourth Quarter 1965</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>---------</td>
</tr>
</tbody>
</table>

Fig. 4. A is the group of largest advertisers; F is the group of smallest advertisers.

In the 1965-66 season, CBS had progressed farther down the path toward a predominantly participation sales form. In the fourth quarter of 1965, roughly 50% of evening sales were made in participating form. During this stage, many popular programs (programs with larger audiences) were also sold on a participating-minute basis. Smaller advertisers continued to make the bulk of their purchases in programs sold on a participating basis. Larger advertisers also began to buy larger quantities of participating minutes; they continued to purchase conventional sponsorships, but to a lesser extent than in preceding seasons. By this time there was less of an over-all difference in size of audience achieved and prices paid by large and small advertisers, although smaller advertisers still tended to pay lower prices (Fig. 4).

In the 1965-66 season, NBC was even farther than CBS down the path toward the dominance of the participation sales method. Accordingly, there was even less difference among advertisers on NBC, ranked by size, in average audience per minute (see Fig. 5).

Average audience per evening minute for advertisers ranked by evening outlays on NBC, (March 1966)

<table>
<thead>
<tr>
<th>Group</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>Millions</th>
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<tr>
<td>12</td>
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<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>---------</td>
</tr>
</tbody>
</table>

Fig. 5. A is the group of largest advertisers; F is the group of smallest advertisers.

All of the original attacks on alleged network discrimination depict this discrimination in terms of variations in price paid per unit of time. It is obvious that these charges were invalid. Even more important, these charges were actually irrelevant, since it is clear that advertisers in recent years were not buying units of time but, rather, audiences of various sizes and characteristics. If the charge of discrimination against large advertisers were to have any meaning, it must be in terms of audience values, rather than units of time.

\[25\] Amusingly, this view was put forward by the attorneys for General Foods, in their hearing before the FTC, and they were rebuffed in an interview by the attorneys for S.O.S. The General Foods attorneys had argued that the costs of network advertising to S.O.S. (after the merger) were no lower than the costs to Brillo, where related to audience sizes and, therefore, that the existence of time discounts on some purchases was irrelevant. In a long footnote, the FTC decision stated:

"Respondent seeks to buttress the impact of the television discounts available to S.O.S. after the acquisition by contending that as a matter of fact Brillo was more efficient in its television advertising and that its television costs were lower than those of the respondent. The respondent's Brief on Appeal, pp. 49-51). We reject this argument on its facts and on its logic. Respondent's calculations of relative costs and efficiency are based on Nielsen's estimates of actual viewers after the program has been contracted, paid for and shown. Thus, if the program attracted more viewers than originally estimated, respondent would equate the resulting lower per viewer cost with greater efficiency. What respondent is in fact equating with efficiency is the popularity of a program originally anticipated and therefore not paid for. We do not believe that this is a fair method of determining costs and efficiency of advertising. If the figures relied upon by respondent show more influence, they demonstrate that for the programs selected by respondent for its cost/efficiency calculation, S.O.S. spent far more for advertising after the merger than Brillo and its commercials reached many more viewers than S.O.S. was able to reach 700,000 viewers by spending $1,999,500 on the pro-
Indeed, at a very late stage in the discussion and after some critics became at least partially aware of the inaccuracy of the initial charges, that is, that large advertisers paid less per unit of time, a few critics did in fact shift their attack to argue that large advertisers paid less per unit of audience.

This new line of attack is open to fundamental challenge on the ground that there is no precise way to define the unit of sale, once time is no longer conceived of as the commodity being sold. This challenge is especially important if any one were seriously contemplating legislation or other control mechanisms akin to the Robinson-Patman Act.

The basic problem, of course, is the difficulty of measuring the unit whose cost to various purchasers we are supposed to equate. If we employ the superficial but widely used audience measure of the number of homes reached during the average minute of a program as our unit of sale, we are faced with the fact that there are in television widely differing market prices per unit of audience for different types of programs. For example, at the extreme, daytime prices per unit of audience run about half of evening prices and prices for NFL football per unit of audience run roughly double the level of evening prices. Yet advertisers freely choose among these alternatives; some choose one and some another; and still others choose to divide their outlays among two or more of these alternatives. Obviously, then, there are values other than simple numbers of homes reached which affect the price that advertisers are willing to pay.

One such value clearly relates to the particular demographic characteristics of the people watching the program, with some advertisers valuing men over women, or young people over older ones, etc. A second presumably relates to the environment provided for the advertiser's commercial—with, for example, programs carrying star talent perhaps creating more effectiveness than others, or comedy programs having different effectiveness in action programs, etc. There may well be many other values. But these are such complex and, in some cases, intangible and unmeasurable attributes of the commodity the networks sell that it is difficult to see how any process other than that of bargaining in the actual market place could yield a measure of the inherent value of each program. Without such a measure, it would be impossible to determine whether equivalent prices are being charged on all network sales. But if we accept the measure provided by the market place, then, by definition, all sales are made at equivalent prices! In brief, the problem is that networks simply do not sell homogeneous products whose prices to different purchasers can be directly compared.

However, even if we accept the crude but not totally unrealistic measure of cost per thousand, that is, cost per thousand homes reached per commercial minute, as our measure of price, we find no evidence of any discriminatory pattern in network prices during the years under attack. In earlier periods, when participation represented a minority of total purchases, cost per commercial minute and audience per commercial minute tended to decline as size of advertiser declined. As a consequence, one tended to offset the other, and the ratio of the former to the latter (which ratio is the cost per thousand homes per commercial minute) turned out to be fairly stable for the various sizes of advertisers (Fig. 6 and 7).

In more recent periods, when participations had increased to half or more of total purchases, the differences among advertisers of different sizes with regard to cost per minute and audience per minute were much smaller. Under these circumstances, too, there was no consistent relationship between cost per thousand and size of advertiser (Fig. 6).

Thus, if we examine the CBS data for the first quarter of 1965, we find that the range of cost per thousand for the six groups of advertisers was only from $3.13 to $3.88; the highest group average was only 13% above the lowest group average. The group with the highest cost per thousand ($3.88) was the second group; that is, that comprising the 10 advertisers ranked 10th to 20th in terms of size. Indeed, the fourth and fifth groups had costs per thousand that were quite close to the group comprising the largest advertisers ($3.55 and $3.60 vs. $3.56).

In the fourth quarter, cost per thousand once again proved to be quite stable. The highest average cost per thousand, in fact, was experienced by the second group of advertisers; and the lowest, by the smallest advertisers. But in general there was no relationship between size of advertiser and cost per thousand.

Similarly, examination of NBC's record for March 1966 shows no relationship between size of advertiser and cost per thousand. The highest group average was only 17% above the lowest, and the group with the highest cost per thousand was about midway between the largest and smallest advertisers. In fact, five of the six

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54 We have performed two statistical tests on the relationship between size of evening advertiser and measured cost per thousand in the first quarter of 1965 on CBS and cost per evening minute per thousand homes. One test was a rank correlation; the other was linear correlation. In both tests, at a 20% confidence limit (and below), the conclusion was that there was no statistically significant correlation between advertiser size and cost per thousand. We also examined the same advertiser in terms of total expenditures on the CBS television network (rather than evening expenditures alone) and found a relationship quite similar to that shown in Fig. 6.

55 The two largest evening advertisers on the networks were Procter & Gamble and General Foods. Procter & Gamble had an average cost per thousand for evening programs of $3.25; General Foods had a cost per thousand of $3.51. Procter & Gamble had the second largest advertiser (out of total 61) had lower costs per thousand than $3.25; and 17 had lower than $3.51.
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groups with lowest cost per thousand were the five comprising the smallest advertisers!

Without repeating the same analysis for Accas's samples of package purchases, let us simply quote his conclusion: "There is no apparent effect of budget size on the performance (of the package) in cost per thousand and delivered homes."

Conventional and Participating Purchases

As we indicated earlier, a primary reason for the pricing pattern that we have found was the development of a dual pricing structure on the television networks. The first system of prices was applicable to programs sold on a conventional basis. The second system, of course, was that developed for the sale of participating minutes. It was the interrelationship between these two pricing systems that largely created the over-all pattern of nondiscrimination.

To analyze this interrelationship, the present writer examined the details of evening sales in the same quarters of the last two completed broadcast seasons of the CBS network, to which I have previously referred. Both were seasons when the network was operating under the old rate-card structure. However, the proportion of total sales accounted for by participations was much greater in the later quarter.

If we first look at conventional sales in the first quarter of 1965—that group of sales to which time discounts did apply—we find that cost per thousand for the three groups of largest advertisers varied inversely with size of advertiser (Table 1 and Fig. 8). However, the average outlay per minute showed no obvious relationship to size of advertiser; it ranged between $43,300 and $17,200 for the first three groups of advertisers, with the second group having the highest average ($47,200) and the first and third groups somewhat lower outlays ($43,300 and $41,200). 37

36 Accas, op. cit., p. 76.

37 In this discussion, we eliminate the three groups of smallest advertisers, in which only three companies made conventional purchases and which accounted for much less than 1% of total evening purchases. However, if they were included, the conclusions in the text would be unchanged.

CBS's two largest evening advertisers, Procter & Gamble and General Foods, had average outlays per minute not much different from the highest cost per thousand ($3.82) of any of the six groups of advertisers. The relationship, then, in the first quarter of 1965 between size of advertiser and total outlays per minute or cost per thousand was a function of the separate relationships that have been established for each of the two pricing methods and the relative amounts of expenditure that advertisers of various sizes placed in conventional sponsorships and in participating minutes. The fraction of outlays of the 20 largest advertisers accounted for by conventional purchases was in excess of 84% (Fig. 9, pg. 45). Accordingly, the average over-all cost per thousand to such advertisers was largely determined by the cost per thousand of their conventional purchases. The third group made 42% of their purchases in conventional form, so their over-all cost per thousand was affected by both their cost per thousand on conventional purchases and the cost per thousand on participations. The final three groups of smaller advertisers made three-fourths or more of their purchases in participations, and, therefore, their over-all

<table>
<thead>
<tr>
<th>Groups of Advertisers*</th>
<th>Numbers of Participations</th>
<th>Average Outlay per Commercial Minute ($ Thousands)</th>
<th>Average Audience per Commercial Minute (Millions)</th>
<th>Average Cost per Thousand Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Purchases</td>
<td>A</td>
<td>9</td>
<td>43.3</td>
<td>12.3</td>
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<td></td>
<td>B</td>
<td>9</td>
<td>47.2</td>
<td>11.9</td>
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<td>44.2</td>
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<tr>
<td></td>
<td>D</td>
<td>1</td>
<td>33.7</td>
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</tr>
<tr>
<td></td>
<td>E</td>
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<td>10</td>
<td>31.4</td>
<td>9.0</td>
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<td></td>
<td>F</td>
<td>9</td>
<td>29.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>48</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* All evening advertisers on the CBS television network, ranked from largest (A) to smallest (F) in groups of ten except for Group F which has thirteen advertisers. Size measured by evening outlays on the CBS television network during the first quarter of 1965. For the advertisers that brought in their own programs, an estimate of their direct payments for programs is included.

After deduction of discounts but before deduction of commissions.

Average cost per thousand of conventional purchases and purchases of participating minutes for advertisers ranked by evening outlays on CBS. (First quarter, 1965)

When we turn to sales of participating minutes (Table 1), we find that there was no relationship at all between size of advertiser and any aspect of participating minutes—average cost per minute, average audience per minute, and average cost per thousand. Indeed, the group of largest advertisers paid the highest average price per minute ($32,200), obtained the next-to-lowest audience per minute (8.7 million), and suffered the
David Frost talks with the next President of the United States.

That young lion of international television has done it again. This time in the first of four Group W syndicated specials. In a year sure to be remembered as the-year-that-was, David Frost has secured an exclusive television conversation with our next President. Whoever that may be.

In "The Next President?", the first of the series "David Frost Presents," David talks with Hubert Humphrey, Robert Kennedy, Eugene McCarthy, Richard Nixon, Ronald Reagan, Nelson Rockefeller, Harold Stassen, and George Wallace. One of these men, in all probability, will be our next President.

Being well aware that politicians will posture as experts on any issue raised, David has craftily channeled the conversations onto the one topic on which all of his guests can speak with authority. Themselves.

Their thoughts about life in general and their own lives in particular. What episode in their lives they would rewrite, if they could. Whom they most admire. And whether or not they recognize the picture of themselves as presented by the press.

Their replies to these and other questions have proved so intriguing that the first special entitled "The Next President?" originally planned for 60 minutes, has been extended to 90 minutes.

Write or call for details on the "David Frost Presents" package of four specials. The only limit to the subject matter of the other three now in production will be David's boundless imagination.
Freberg's satire helps put Jeno's on grocer's shelves

Television's answer to Aristophanes and Swift has emerged in the form of Stan Freberg, creative consultant and professional malcontent. His loathing for the bulk of television commercials has resulted in this bizarre commercial for Jeno's Pizza Rolls. A clear parody of the current campaign for Lark cigarettes, this spot was designed to usher Jeno's Pizza Rolls into national distribution.

Jeno Paulucci, (described by Freberg as "the inventor of the pizza roll—a dubious honor. He's right up there with Edison and Alexander Graham Bell.") has been in the food business in the Midwest for 17 years. Early in 1967, Paulucci decided to build national distribution for his Italian food products and to introduce two new products, a conventional frozen pizza and his own Pizza Roll hors d'oeuvre.

Prior to that decision, Paulucci spent 20 years building the Chun King Corp. to where he sold it to Reynolds Tobacco for $94 million. He was impressed with Freberg's work for Chun King's Chinese food products and credits Freberg with much of that company's success.

When Paulucci turned his attention to Northland Foods Inc., whose products include Jeno's Pizza and pizza rolls, he again sought Freberg's talents.

"We wanted national distribution overnight," says Paulucci, so he hired Freberg and bought network time for his spots. The commercial was to serve two purposes: to get the food trade interested and to register a brand awareness with the public.

This spot, called "The Ballroom," says next to nothing about the product itself, but draws attention to the Jeno name. Paulucci feels television is the medium best suited to this end: "We are doing a little bit more of the educational sell through the medium of print."

Paulucci is pleased with the results. "The Ballroom" was first aired early last fall and now just about every major market has Jeno's products. (One exception: New York City. But that's next.)

Jeno's agency is MacManus, John & Adams, which handles the print campaign, but stays pretty much out of Freberg's way on the commercials. Freberg's contract

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FOCUS ON COMMERCIALS

1) Fade in on a very elegant party. A chorus and orchestra off-camera sing to the tune of the 'William Tell Overture' (theme-song of radio and TV's Lone Ranger): "Have a Piz, Have a Piz, Have a Pizza Roll. . . ."

2) Camera pans along the guests holding up Pizza Roll packages. Chorus: "Up till now you couldn't take a hot hors d'oeuvre without a qualm. It was something you discreetly dropped into a potted palm. Suddenly the Jeno's Pizza Roll is here to save the day. . . ."

3) A waiter pushes in a cart with the sign, "Show us your PIZZA ROLL pack!" a clear take-off on the Lark truck. Chorus: "Appetizers now at last are edible, that's why we say: Have a Piz, Have a Piz, Have a Pizza Roll. . . ."

4) A shot of a man lighting a cigarette from a nondescript, red pack. Man with cigarette: "I'd like to talk to you people about that music you're using."

5) The Lone Ranger and Tonto step into the shot. Lone Ranger to man with cigarette: "That's funny. I've been meaning to speak to YOU people about the same thing." Tonto: "Have a Pizza Roll, Kemosaby?"

6) Chorus resumes: "Now that Jeno's Pizza Rolls are here, you'll have no fear. . . ."
gives him complete artistic control. The client is given the choice of taking or rejecting Freberg's work, but no one can legally tamper with it. "I am very much of a loner. I can't get along with the various creative people I have hired from time to time," Freberg explains. "I am not a creative team. I just hate that word 'team.'"

Freberg in the past has struggled with agencies over the creative function, but both MacManus, John & Adams and Freberg claim a good working relationship on this account. As for the advertiser, he must be satisfied with himself, says Freberg. "The client is the last man to ask. He is biased going in." Of Paulucci, he says: "I don't tell him how many mushroom to put into a mushroom pizza, and he doesn't tell me wouldn't the Green Hornet be funnier than the Lone Ranger."

In rejecting conventional television advertising, Freberg has rejected certain advertising tools, such as the storyboard. He calls them misleading and has substituted "a live, human storyboard"—a brief enactment for the client of what Freberg has in mind. "They have to trust me," he explains. The fact that Freberg's reputation rides on his every commercial is a client's only guarantee.

Freberg has also discarded much market research for "a grain of perception. The problems of selling are far less complicated than most agencies make them out to be, he maintains. "Simplicity is dazzling." Freberg adds, "It confounds most agency people."

"The Ballroom" was not a cheap commercial. With 52 people in the cast—including Jay Silverheels, the original "Tonto"—the residuals are bound to mount up. Paulucci estimates the total cost at $75,000, but adds that the commercial was "one of the best investments I ever made." Paulucci wants his campaign to have impact, because "we don't have the dollars to spend in huge television commercial campaigns."

Freberg is currently planning his next commercial for Paulucci. He has pulled Busby Berkeley, famed Hollywood choreographer of the thirties out of retirement and plans a two-minute extravaganza complete with chorus line. Paulucci figures this "Freberg Follies" will set him back more than $100,000.

In addition to heading up Jeno's Paulucci is chairman of the board of R. J. Reynolds Foods. Needless to say, Jeno is not a Reynolds brand. 

There is no best way to present ideas to the client by Granger Tripp

A frequently asked question in the field of television commercials is this: "What's the best way to present a TV commercial idea to a client or review board?"

The simple answer is: "There isn't any."

Only the commercial itself can really convey its total effect: its own unique combination of picture, motion, words, music, sound and optical effects. Presenting a completed commercial in lieu of storyboard or script is not unheard of, but it's mighty unusual, and for obvious reasons.

The need to find a shortcut, an economical way to communicate what a finished TV commercial would be like, presented early commercial makers with a new problem. A printed advertisement could be quite easily imagined from a fairly rough layout. With television, all was different. The list of presentation devices has become as long as your arm, but none is totally satisfactory.

The ideal university, it is said, would consist of a great educator on one end of a log and a student on the other. The ideal way to present a commercial would consist of its creator on one side of a table and the client on the other. Let the one describe his idea and the other understand it: nothing more.

The difficulty is, of course, that neither could be sure the idea had been properly understood.

So, let's put it down with a written treatment or synopsis. Many good commercials have been sold in this manner. It leaves to the producer great freedom of action. It allows the writer to work with existing materials, much in the manner of a documentary movie. Fruitless argument and discussion can be avoided, and frequently a superior result can be obtained.

Here again the difficulty is that communication may not be complete. What seemed perfectly obvious to both, may not be so obvious after all. Simple scenes that seemed vital to the client and could easily have been made may be found missing.

Next up the scale is the shooting script, a common way to discuss commercials. Among people experienced in production, it is brief, convenient, explicit.

But the script, too, has disadvantages. Frequently the audio gets more attention than the video, with all that attention comes an inevitable tendency to add just a few more words, and on paper the limitations of time are not apparent.

To give the video its due, it may help to ask everyone present to fold his script vertically and talk only at the left-hand side of the page for a first reading. Even so, it is well to beware of the amazing flexibility of the English language. A simple statement in the video column may conjure up totally different pictures in the minds of different people.

To solve such problems of understanding, early commercial makers have found the motion-picture industry for the storyboard: a simple combination of words and sketches long used in the creation of animated films.

The storyboard helps everyone see in pictorial form selected scenes from the proposed commercial. It helps overcome possible misunderstandings, and may well reveal to the scriptwriter problems he had not anticipated in his own thinking. It brings with it the talents of the TV art director, who may make vital contributions. It helps eliminate misunderstandings when the approved commercial is submitted to a film studio for bids.

One problem with the storyboard is that it may limit the producer to exactly the scenes and angles that are drawn. Arriving on location, he may find unanticipated trouble or unexpected opportunities. This drawback vanishes if the client maintains a flexible attitude toward his finished production. But if he brings his copy of the storyboard to the screening room, and demands to see exactly the scene he approved, he eliminates much of the creative potential of a good commercial maker.

Another problem is that the storyboard cannot, of itself, control the amount of time each person spends looking at any given picture. The artist will try conscientiously to give each scene a proportionate number of frames. But he cannot force each reader (if that's the word for a peruser of storyboards) to move his attention forward, frame by frame, in the time each scene will be on screen.

The next step is a big one: We turn out the lights! If an ordinary

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of command or tidy job definitions. Everyone is personally and emotionally involved. "It's a flexible attitude," says Frankfurt. "If somebody does something well, he will find a way to do it here. Some of the best copy here comes out of art directors."

Kahn says the copy-chief concept has been wiped out at Grey. Two of its new creative directors are art directors; two are television producers.

Some agencies have found that it is not enough to group certain people together on paper and call periodic meetings. Geography is important to the creative atmosphere. "It wasn't until we moved these people together physically that they really had a sense of being an integrated group," Kahn explains.

Group plan
McCann-Erickson recently developed a group system and found that it was a healthy move that would serve its creative people and its clients. Chip Posey, vice chairman of the board and former copywriter himself, believes the system checks the tendency toward an inbreeding of the imagination and the development of an agency style. When writers work with writers and artists work with artists, Posey explains, a uniformity of product results. "Writers and artists are always going to be more true to their craft than their agency," he claims. But in a group situation there is a greater absorption with the account, if not loyalty. The advertising is more likely to be suited to the product than to the taste of a writer and his peers.

Jeremy Gury, senior vice president at Ted Bates, also worries about an agency style that neglects a client's needs, and he sees too much centralization as the threat. He calls it the "be-like-me-or-die theory" when a uniformity of style is engendered by one very strong man. "There is a curse of bigness, of course, if there is too much centralization," Gury says. "I can become the world's greatest bottleneck."

An executive at a large agency—one without any particular reputation for creativity—claims: "We have more individual freedom here than at Doyle Dane Bernbach"—an agency with a particular reputation for creativity. "Each client has its own suit of clothes," he says of his agency. "There aren't one or two men putting their imprimatur on the product."

The organization of agencies into groups also seems to encourage a certain amount of intramural competition among groups. A business that attracts competitive personalities to begin with, the agency thrives when these teams are all working for excellence. Leighty explains what happens at Dancer: "They each would like to be considered the strongest creative group within the agency. And that's healthy."

Many large agencies claim that the biggest barriers to creativity are grounded in the demands made by clients. Some advertisers feel that a large agency is prestigious, or that only a large shop can offer the fringe benefits such as a good media department, sales promotion and research experts. A client may demand bigness of an agency; he may suspect a smaller shop of being inferior. While every agency's goal is a big client and big billings, some of those big clients want an organization at their agency that will match their own complex management, disregarding any considerations of efficiency.

Invisible ads
Everyone admits that in some agencies things got out of hand a few years ago. Big marketing-oriented agencies, "turned out very expensive advertising that was invisible," says Frankfurt.

"I worked for a very large agency that seriously considered a name change to 'marketing agency'," says Gury of Bates. But everyone swims with the tide. "That same agency now has a creative man as president."

Many small agencies established by creative conviction might surprise their founders today with the personality they have developed. Gury explains: "The client has to do with changing the agency than the agency's own organic growth does."

Everybody's favorite example is Papert, Koenig, Lois, and how the character of that small, creative shop changed with the acquisition of a Procter & Gamble account, an advertiser known for no-nonsense advertising.

It only makes sense. An advertiser with a sprawling organization and sophisticated needs that include research and promotion, is going to increase the red-tape threat. "We must start with the large agency and why the creative man would prefer a small agency," Gury explains. "When you have a brand that spends in the neighborhood of $15 million, you're going to get a lot more tedium in terms of approval because there are a lot more people worried about it. A degree of immediacy, of personal effectiveness, is lost when you are dealing with a blue-chip business."

Gury relates how he began in the business writing ad copy for MGM. An ad ran one day and the next day he could look out his window and see the line at Radio City Music Hall—instant research. "Today it may be six or eight months before what gets on the air gets a response," he says.

Organization charts
As BB&B's Bloede understands it: "We are a business in which titles are very important. We are a business with, compared to most, a fairly low-security promise. You have to make up for that with two things: money and titles." The former says Bloede wants an important contact at the agency.

Richard Tully, president of Foote, Cone & Belding, feels that trade comment in the last few years has corrected a bad situation to some extent: "As a client's organization becomes more complex, there is a tendency for the client to want an organization at the agency to match."

"The result, he says, is unnecessary personnel and an inefficiently used staff. "I personally think there has been some easing of this in the last few years." Tully says. "Some clients have become sensitive to it and have tried to avoid that sort of thing."

As for the various auxiliary marketing services, it is apparent that most agencies would drop them if they had their druthers. The large agency claims its clients demand them. To what degree these other activities inhibit creativity depends upon how they are handled. Leighty says of his agency: "We believe in creativity on the sales promotion end. It demands much creativity as advertising that, McCann's Posey believes, services properly used, these offensive functions can complement the expanding you
use the information to feed the imagination of writers rather than measure and grade their work, as a big agency you can have some advantage over a small one."

Without the vast informational resources of the large agency, says Kuhn, the small shop must "play hunches." He elaborates: "We are more likely to have the right point of view going in. With the right point of view going in we can afford to be adventurous in execution.

FC&B, the seventh largest agency in broadcast billings, combats the disadvantages of size by running several, nearly autonomous offices in different cities rather than a closely knit organization. Its largest offices are New York and Chicago, both totaling about 500 people. Tully, FC&B president, says: "This, of course, means that the management can be in close touch with the people on its staff to maximize the creative atmosphere."

**Parkinson's Law Extended**

Dick Rich, with the strangely combined titles of treasurer and creative director at Wells, Rich, Greene, explains that agency's sudden and spectacular success. He claims that it has fewer writers and artists per-million-dollars of billings and that each person is responsible for a large portion of the agency's total productivity. "I guess it's an extension of Parkinson's Law," Rich says. "But in most agencies I've worked for, 10% of the people did 90% of the work."

Y&R—older, larger and with bigger management problems—operates on the same theory. It try to employ only the 10% that do the 90% of the work. President Frankfurk says Y&R is not as big as it seems. With billings over $400 million he says, the agency has relatively few accounts. "The accounts that we do have get an awful lot of personal attention. It has to at some time pass me to get out of here," he adds.

Many agencies anticipate some real changes now that new creative leadership has been moved in. It is suspected that all the new copywriter-presidents are part of an imitative movement in these big agencies. If anything characterizes the successful, small, creative shops, it's the fact that their founding fathers are largely out of art or copy. "A small agency has a management that is creatively oriented," says Posey. "The kind of attitude I am talking about is reflected in money matters, as well. It might be a little easier to get money for a creative writer or an art director."

Creative leadership is certainly not new to most of the big agencies, but there is something cyclical about it. The new presidents signal the end of the hiatus when creativity was relegated to the lower orders.

One executive filling a top creative post at a large agency suggests that to a large degree, the new presidents are mere press agents. He believes that large agencies do not really feel threatened by the small creative shops. The big, old-time advertisers are loyal. At the very most such a client might recognize an appeal in the product of a small shop, but he would probably take the idea back to his big agency and ask for a similar campaign, rather than move his business. "I don't believe the small agencies are really business competitors of the big agencies," he asserts. "We are in competition with the small agency for the consumer's attention, not necessarily for U. S. Tire's attention."

Gury of Bates also suggests that something rings false in the trend toward creative leadership: "It is a kind of window trimming one does in the atmosphere provided by the emergence of the so-called hot, creative shop. I don't have to be the top executive officer to get what I want." He calls it "status-seeking in the current creative climate."

This is not to say that top management's interest in the creative climate is never genuine. Everyone concedes that an open management attitude is a fundamental condition for a creative operation. Even the stodgiest of agencies must make occasional creative noises.

"Management attitude is unquestionably the most important thing," McCann's Posey believes. Speaking of his agency's creative people: "They feel support, recognition and reward. And in many cases they have a voice in top management."

"The advertising grapevine is one of the busiest in the world, as well as it should be since advertising is a communications industry. Business was soft last year. Indeed, it takes no great intuition for the average copywriter in a large agency to look around him at the empty desks and draw his own conclusions. Agencies have been trimming expenses and much of the cutting has been in the creative department, a fact not easy to reconcile with the new emphasis on creativity."

It's true, according to one creative director, that the creative departments were the hardest hit, but with good reason. The creative departments were the most inflated. Getting rid of dead weight, he says, will not lessen the new emphasis on creativity.

Many creative executives claim the shortage of talented people has always been the biggest obstacle. Big agencies can tap greater pools of financial and human resources, but it is more difficult to weed out unproductive people than in a tightly run small shop. The small agency has the advantage of not only efficiency, but spirit.

Creativity today is a business necessity. It's ironic that such a thing needs to be asserted about the advertising industry. But it wasn't always a necessity. McCann's Posey sums up: "A big agency must try to recapture the collaborative spirit that almost any personal service agency has when it starts."
Market size is not sole or major criterion in determining what to buy

SMALL MARKET TV
from page 33

Are people in the larger markets more responsive to advertising, to new products, to change? Do they have greater basic needs, more disposable income, than their counterparts in the smaller cities? In spot television, does the axiom that has come down from the newspaper field still hold—the smaller the market, the less efficient?

Isn't the American more and more tending to group in the larger areas (see the growth of Los Angeles) and isn't it true that even the biggest markets will ultimately meet and recombine into a concept commonly known as Megalopolis? (Under this concept, four of the top-10 markets, accounting for 22.5% of total spot revenue in 1966, would be just one huge marketing area. If you bought those four—New York City, Boston, Philadelphia and Washington—and got that percent of the country and possibly 75% of that corridor running north and south, you probably wouldn't think too much about New Haven or Manchester.)

If the replies to all of the above questions are unequivocal yes answers, then the small and even medium-sized markets are indeed in trouble.

Equivocal answers

But there is no unequivocal answer to those questions. Even the people who are paid to think about them—the agency media planners and analysts—equivocate and disagree among themselves. Are the smaller markets less efficient buys than the larger ones?

"The smaller the market the higher the cost of delivered audience," says Frank J. Gromer Jr., vice president and director of marketing services, Foote, Cone & Belding.

"Not necessarily," says Marvin Antonowksy, vice president and director, media research, J. Walter Thompson. "That was absolutely true five or six years ago, but nowadays there are as many exceptions as the rule."

Not only are there contradictions, there are second thoughts. An executive at a top advertising agency stated flatly in an interview that the top-10 markets offer better cost efficiencies than the next 40. Several days later, he called to withdraw that statement and to withdraw any implication that large markets are more efficient on a cost-per-thousand basis than small ones.

But all analysts and planners today are agreed on one crucial point: Merely market size is no longer the major or sole criterion in determining what will be bought. Such gross figures as television homes or net weekly quarter-hour circulation are considered old hat, the obvious and increasingly uninteresting things that are known about a market. Indeed, most agency media strategists advise station managements to drop their efforts to prove that they're really in the top 75 by one yardstick, by another in the top 53.

Marketing criteria

Says Joseph Ostrow, vice president in charge of media planning, Young & Rubicam: "The business of ordering the top 50 is no longer around, except in terms of marketing performance, in terms of client sales. An agency today might buy markets one through 30 as ranked by size and then skip all the way to 89. A market that might be 45th in size might be 102d in terms of sales. Clients are more discerning in selecting markets. They're not just taking gross statistics."

Says Justin T. Gerstle, vice president in charge of media information and analysis, Ted Bates & Co.: "Strategy is made up on a brand-by-brand basis, not by mere size."

Says Jules Fine, vice president and media director, Ogilvy & Mather: "As a starting point, size to us means size of our product's marketplace. This could very well mean Atlanta is the largest market in the country, or Denver is."

"There's got to be a marketing reason to use a market and if markets are selected for marketing reasons then sales come into play and a market ranking is no longer simply a function of TV homes," says JWT's Antonowksy.

"Some time ago we used to consider almost exclusively the size of the market," says FC&B's Gromer. "Now, as we've all gotten smarter, we've arranged market lists in terms of sales potential or volume or a combination of those things."

But if size is no longer as important as it once was, why the growing trend toward concentrating national-spot-television dollars in the larger markets? Media analysts respond in various ways.

Ogilvy & Mather's Fine says that historically what's happened is that a market could be considered large if it was within the top 50 and small if it was below that. Today, he notes, the top 25 are large and even markets 25 to 50 are "feeling the squeeze."

Although Fine sees forces working in the opposite direction—government strategy can force huge changes (see Huntsville, Ala., or the whole of Texas)—interest is generally forced back to the large urban areas because of "the cost of doing business and the need to have a loud voice" to meet and surpass the competition.

An important point about a truly large market, he says, is that the return on the risk is greater and so it is much more attractive to a mass package-goods manufacturer. To illustrate, if one market represents 10% of the population it is much easier and cheaper to concentrate sales efforts there for a maximum return than to disperse efforts over 10 markets, each of which might represent 1% of the country.

Big market receptive

Then there are "emotional things," says Fine, favoring a large market buy, such as that buyers for chain stores are thought to be located in the central cities. "And there's a feeling right or wrong, that the more urban markets are more receptive to new products."

Justin Gerstle of Ted Bates believes that money goes where more sales can be made and so "with some deviations" market lists (by size or by client need or potential) have resemblances, at least within the top 30. The exception would be a market list for a snail killer or some other special product.

Although "the trend isn't apparent at this agency," says FC&B's Gromer, "if it is happening, I would speculate that the little guy is the first to go just to reduce increased costs. I would also speculate that the growth of CATV into the smaller markets has meant that the national advertiser is getting more coverage in the smaller area—he's now picking up the small market with large-market buy."

JWT's Antonowksy believes the trend away from smaller mar-
Candy is dandy
but salacity breeds mendacity
by Gerald Gardner

I had been aware for some time that television, in addition to joining the Dodge Rebellion, has been drafted into the Sexual Revolution.

From the blue lines of The Tonight Show to the cleavage of moon maidens on Star Trek, sex is coming to the small screen and vice versa.

But despite these displays of restrained salacity, I was totally unprepared to learn in Daily Variety that the film version of Terry Southern's mock-pornographic novel "Candy," will be sold to television.

"Candy," you'll remember, is the engaging story of a warmhearted, innocent girl who is ravished by a gardener, violated by a doctor, attacked by her uncle, assaulted by her father, seduced by a gurll and bedded by a hunch-backed dwarf. She survives, of course, a tribute to clean living.

But how could such a book become a film suitable for television? "The eroticism in the novel will be merely suggested in the film," says the producer.

"It's actually a family picture," says the studio head.

"I've added several new characters," says the screen writer.

Well, perhaps it will be innocuous enough for my off-white living room and my wide-eyed 7-year-old son. But if that's the case, it occurred to me there are a great many other books, heretofore taboo for TV, that could be brought to the tube.

I immediately phoned my agent.

"Irving, I'd like you to acquire the rights to 'Fanny Hill' for a TV situation comedy."

"You must be crazy," said Irving, trying to win me over with flattery.

"Fanny Hill" on television?

"I intend that the eroticism in the novel will be merely suggested in the show," I said loftily.

"After that stuff begins to wear off, does it leave you with a headache?" said Irving.

"Irving, I'm thinking very clearly. This will be a real family show. In the pilot episode, Fanny's teenage brother is upset because somebody stole his surfboard."

"Fanny Hill has no teenage brother."

"I've added a few characters. She also has an Eve-Arden-type mother and an Eddy-Mayhuff-type father. And a big Swedish maid named Helga."

"I've got another call," said Irving.

"Fanny lives in a small New England town like Danbury, Conn., and each week she has a funny little human problem."

"I'm late for an appointment," said Irving.

"I've already got 18 episodes sketched out, Fanny Hill refuses to pay a parking ticket, Fanny Hill enters a slogan contest for a breakfast cereal. Fanny Hill offers to entertain the sick kids at the hospital—"

"Just who do you see in the role?"

"Gale Storm, or maybe Donna Reed. Now, will you check the rights, Irving?"

"Okay, okay. But believe me, you can't draw sweet waists from a fowl well. Now I've got to run. I'm due at the network to discuss a new variety show based on a literary classic."

"What classic?"

"Dante's Inferno."

MAY 1968 57
Says Fine of Ogilvy & Mather: "As an arithmetic problem, on a
pure cost-per-thousand basis, it's
clear spot is more efficient. If it's a
question of whether spot is better
than a prime-time minute in a pro-
gram then a generality I'd have
to say that a commercial in a pro-
gram is qualitatively much more
efficient than being adjacent to an-
other spot in local TV."

Even then, Fine thinks that in the
second half of last year network
distress prices were cheaper than
spot.

In any case, the OKM media
executive believes that one of the
problems facing spot is its greatest
virtue—its selectiveness. "One of the
problems of working with
marketing lists of local TV as opposed
to a network line-up is that you
naturally tend to be more selective
when you're allowed to be selective
as in spot. Thus, he says, few
media planners will recommend
the 192-station network line-up on
a market-by-market basis. Why 192?
Why those particular markets?
Buyers tend to pick and choose.

Fine thinks that spot could be a
national medium as is network but
not at present. If there were a
market for small-lot programs
then spot might be able to match
network's in-program advantage,
he says, but apparently the small
markets can't afford the program-
ing that would generate that sort
of advertiser support.

JWT's Antonowsky agrees that
from a pure circulation standpoint
spot would look a lot more efficient
on paper than network (although,
and this is stressed by all media
analysts, the reverse is true of
daytime). But there are other things
about a network buy to con-
sider, he says, "like what's the val-
ue of an island or independent
position as opposed to back,
what's the value of six as opposed
to 12 spots an hour?"

Says Antonowsky: "If your busi-
ness is all over you tend to look to
the national media and they tend
to be more merchandiseable."

In a similar vein, V&R's Joe
Ostrow says: "By and large, the
national advertiser likes network
because he's a national advertiser."

Ostrow, however, is perfectly
willing to concede that a network
buy has its drawbacks, that some
network shows do poorly in the
small markets, that some programs
have absolutely no appeal in the
South, for instance, that West
Coast viewing patterns differ
markedly from the rest of the na-
tion (below the norm), that
daylight on the West Coast is "a
disaster area." In those situations
spot is brought in to compensate.

Uniform approach

National advertisers could use
spot as a national medium, says
Ostrow, "but they've got a lot more
for them using network as a
base. Uniformity, for instance. The
advertiser can tell his sales force
that at 10:30 p.m. Tuesday his
commercial will be seen on CBS."

Frank Gromer of FCB thinks
that even spot's cost efficiency argu-
ment might be a thing of the past.
In tough times, such as the latter
half of last year, the CPM of a
network spot fell considerably and
Gromer thinks that as more and
more network programs are sold
on an opportunistic scatter-plan
basis at distress prices the cost per
thousand of network will become
very attractive in relation to spot.

Can spot be a popular national
advertising medium? Gromer says
it costs too much and it doesn't have
the things networks give, such as
in-program positions.

This, then, is the thinking of a

cross-section of major advertising
agency analysts about the plight of the
small market. They are sympa-
thetic but they are also realistic.
"By definition," as one of them
says, "a small market is of less
interest."

Is there anything to be said
about, or done about, the so-called
small market? Some agency media
planners see a way out, and that
way out will come when clients
know exactly where their sales
originate. Despite Nielsen's retail
index data, despite the newer serv-
dices of Brand Rating Index and
Time-Life's warehouse withdrawal
information systems, trying to trace
sales to a given area is still a fairly
conjectural matter.

But as such sales data become
more refined, more specific to a
given area, it will be possible to
allocate media dollars to ever more
refined, specific areas.

Sales district vs. market

As things stand now, a small
market could be a high potential
area for an advertiser but because
sales are reported on a fairly wide
district basis the present market is
never properly seen. For instance,
there might be 12 television mar-
kets in the Cincinnati sales dis-
trict but the media planner might tend
to recommend the top five markets
if that gave him a reasonably high
percentage of the area. If it were a
fact that sales potential for his prod-
uct would be highest in a market he
didn't think about, that fact is
currently lost to him. All he has is
a huge area-wide sales report.

But once the sale can be report-
ed back to the client relatively
quickly and economically on a
more accurate and refined basis,
then the small and medium mar-
kets may once again get their prop-
er share of the national spot dollar.

The other thing markets can do
is emphasize their peculiarities, the
ways they differ from the town
across the river or that city upstate.
Nearly all media planners and an-
alysts want to hear about hard-
water areas, heavy coffee-drinking
regions, a high incidence of dish-
washer homes. It makes their jobs
easier.

The small market might indeed
have been wiped out by the large
market. But technology will pre-
vail and it would seem that com-
puterized sales data will ensure
that advertising expenditures per
market remain equitable simply
because advertising must follow,
ever more closely and accurately,
sales and sales potential. 

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**Your Blair Man Knows...**

**CHECKING OUR CHEMISTRY** prompts another
industry investment in the Wheeling area. Air Products & Chemicals, Inc. of Al-
lenton, Pa., announced construction of a
multi-million dollar oxygen and nitrogen
capacity at Nitram, 8 miles south of
WTRF-TV's transmitter. The new plant
will be built between PPG's Industrial
Chemical Division and the Maboy Chem-
ical Company and will feed tonnage
quantity of gas by pipeline to both
firms. Scheduled for completion late this
year, construction payrolls will pour into
the market and it's anticipated that op-
erational payrolls will approach a million
dollars a year when the plant is under-
way. More and more money pouring
into the packet of the WTRF-TV audi-
ence. Is your advertising reaching the
rich, Wheeling-Stevensville TV Market?

**BLAIR TELEVISION**

Representative for

**WTRF-TV**

Color Channel 7 • NBC
Wheeling, West Virginia
WHY BUY GOLF?
from page 31
higher income. Michael Presbrey, head of sports sales at NBC, calls him "the country-club type."

In golf-tournament viewing (which is higher and only slightly more select than golf series viewing) 14% of the viewers were adult men, 31% adult women, thus virtually eliminating any youthful audience. And of the men, 75% of that audience was over the age of 35.

In education, 28% of the tournament viewers had some college education, higher than any other kind of sports telecasting except, strangely, horse racing, and predictably, college football.

In household income, 27% of the tournament viewers were in the upper (over $10,000 a year) income bracket—higher than any other sports category, including college football (by 2%). In addition, further studies showed that women tended to view more golf than any other sports programming except the World Series. (Do women apparently identify with golf, since they play it, but don't play football or basketball?)

Viewer's profile
The image of the tournament golf viewer as an affluent upper-middle class suburbanite is further born out by figures that showed percentage of golf viewers living in "P" or suburban population areas, higher than that of any other sports programming, and 37% of the viewing households contained three or four members, above the national average for that size in distribution of all TV households.

So what do these statistics mean in terms of buying advertising?
"It means it's the place to go if you're seeking influence-thinking people," says Kenyon & Eckhardt's Erickson. "These people don't watch much television. About the only other place you can get them is with the movies. But there you're also paying for a lot of waste with women and teen-agers. With golf you're getting what you want for an out-of-pocket cost of $15,000 to $20,000 a minute, against the movies where you're paying $50,000 an hour."

What kind of advertiser wants to single out this sort of audience?

A glance at the roster of golf sponsors quickly breaks it down into two major groups: purveyors of high-ticket items such as automobiles, particularly expensive ones, and manufacturers or service firms seeking to influence decision makers (such as airlines hoping to capture the business of traveling executives).

Thus among the advertisers there are Chrysler (NBC's Bob Hope Tournament), Buick (NBC's Buick Open), Lincoln-Mercury (NBC's Big Three Golf Tournament) and Ford (CBS Golf Classic).

Airlines include TWA (NBC's Big Three Golf Tournament and Andy Williams' Tournament), CBS's Golf Classic), American (NBC's Astrojet Golf Classic), United (NBC's World Series of Golf and Hawaiian Open Tournament) and Eastern Airlines on the Sports Network Inc.

Insurance companies are among the major golf advertisers: National Association of Insurance Agents (NBC's Golf Classic), Hartford Insurance Group (also ABC's Golf Classic), as well as NBC's World Series of Golf, Continental Insurance Group (CBS Golf Classic), John Hancock (also CBS Golf Classic) and Travelers Insurance Co. (CBS Masters Tournament—that insurance company's only major television buy).

Large corporations form another major advertising block as they make sales pitches for specific divisions, or the institutional image: Eastman Kodak (ABC's Golf Classic), AT&T (Golf Classic), Rockwell Manufacturing (NBC's Big Three Tournament), Shell Oil Co. (Shell's Wide World of Golf on NBC), Alcoa (NBC's World Series of Golf and CBS's Golf Classic and Canadian Open Tournament), Masonite (NBC's World Series of Golf), The 3-M Co. (NBC's Hawaiian Open), Motorola (CBS Golf Classic).

Advertising representatives for firms in each of these categories confirm that they are acutely aware of the demographics in making their golf buys:

"It is nothing more mysterious than that the golf audience seems to be the upper income, highly interested and receptive executive who represents the potential air traveler," says Eugene Accas, vice president of Leo Burnett, agency

<table>
<thead>
<tr>
<th>Network TV golf</th>
<th>Cost per thousand households</th>
<th>Cost-per-thousand men</th>
<th>Cost-per-thousand households</th>
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<td>Average households</td>
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<td>Colonial National</td>
<td>Tr.</td>
<td>23,000</td>
<td>6.0</td>
<td>3,300,000</td>
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<td>Memphis Open</td>
<td>ABC</td>
<td>23,000</td>
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<tr>
<td>US Open</td>
<td>ABC</td>
<td>23,000</td>
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<td>US Women's Open</td>
<td>ABC</td>
<td>23,000</td>
<td>6.0</td>
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<tr>
<td>British Open</td>
<td>ABC</td>
<td>23,000</td>
<td>6.0</td>
<td>3,300,000</td>
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<td>3,120,000</td>
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<tr>
<td>PGA Championship</td>
<td>ABC</td>
<td>23,000</td>
<td>6.0</td>
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<td>3,120,000</td>
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<td>American Golf</td>
<td>Classic</td>
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<td>US Men's Amateur</td>
<td>ABC</td>
<td>23,000</td>
<td>6.0</td>
<td>3,300,000</td>
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<td>Andy Williams</td>
<td>Tr.</td>
<td>23,000</td>
<td>6.0</td>
<td>3,300,000</td>
<td>6.85</td>
<td>3,120,000</td>
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<tr>
<td>Big 3 Golf Tr.</td>
<td>NBC</td>
<td>23,000</td>
<td>6.0</td>
<td>3,300,000</td>
<td>6.85</td>
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</tr>
<tr>
<td>World Series of Golf</td>
<td>NBC</td>
<td>23,000</td>
<td>6.0</td>
<td>3,300,000</td>
<td>6.85</td>
<td>3,120,000</td>
</tr>
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</table>

Average cost-per-thousand households $ 7.41
Average cost-per-thousand men $ 8.43

Source: NTI Reports

MAY 1966 59
WHY BUY GOLF?
from page 59
for United Air Lines.

"We forget about cost-per-thousand homes when we buy golf," says Robert Fenton, director of broadcasting for LaRoche, McCaffrey and McCall, agency for The Hartford Insurance Group. "We use golf as part of an overall sports programming campaign to get the image of a young, aggressive company for Hartford."

While the higher-priced automobile manufacturers use golf to directly sell their cars to the well-heeled viewers (as do Lincoln-Mercury, Chrysler and Buick), Ford, with its car sales pitch geared to a lower-priced, more youthful audience, uses golf not to sell its cars but to appeal to the corporate buying powers of executives: Its golf advertising concentrates on truck and fleet sales.

This reach for the decision makers is apparent throughout the golf advertising of the large corporations.

John F. Ball, vice president and director of television programming for J. Walter Thompson, agency for Eastman Kodak, points out that the huge photographic supply company's golf advertising is for its industrial products and business copying machine departments.

It's exactly the same thing with the widely diversified 3-M Co., notes Rollo W. Hunter, vice president-broadcasting at Max Mamus, John & Adams, the 3-M agency. "If the graphic systems group and its duplicating products division wants to sell business copying machines, golf is an ideal way to meet the prospects—the executives who are making the buying decisions," he says.

E. Frank Kain, television advertising manager for AT&T, notes that "golf gives us the kind of viewer we're interested in telling about business communication," so all of the advertising there is selling hardware and business services.

While all of Alcoa's golf advertising is for products, it is for only male-oriented products, such as aluminum cans and bottle tops (as opposed to, say, aluminum foil on women's programing), according to Richard H. Depew, senior vice president for programing at Fuller & Smith & Ross, which along with Ketchum, MacLeod & Grove, handles the giant aluminum company's advertising.

"With careful picking and choosing you can make a hell of a good package with golf to reach security analysis, college placement directors and the Fortune 500-type of guys to let them know that Alcoa is doing the job and advertising it," says Depew.

There is also, to be sure, quite a bit of individual product advertising on golf shows, but it too almost always is matched to the special demographics of the golf audience.

"You don't find tobacco advertisers buying much golf because they appeal to a broad cross-section," points out NBC's Presby.

Thus you find tire manufacturers appealing to the male who cares for the family car: Firestone on the CBS Golf Classic, Goodyear with NBC's Buick Open and General Tire on ABC's Golf Galaxy.

Sherwin-Williams, the paint company, buys time on the CBS Golf Classic, "Golf provides us with the best reach on 35 and over affluent men—the people who are vitaly interested in painting and redecorating their homes," says John B. Garfield, associate director of broadcast media for Griswold-Eshleman, the Cleveland agency that handles Sherwin-Williams. All of the company's golf advertising concentrates on the interior and exterior household paints it sells.

In consumer goods, you find all the golf-advertised products male-oriented: Haggar (ABC Golf

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"Business deserves consumer confidence"

Fifty-four years ago, American business, in an effort to elevate the ethical tone of advertising and selling through self-regulation, created the first Better Business Bureau. Today 126 BBBs across the nation serve business in the public interest.

Responding with business to the current "consumerized" atmosphere, the BBBS have recently launched a national expansion program and activated their Research and Education Foundation.

Briefly, the aims are: to provide expanded service by individual Bureaus; to inform the public in the ways of better businessmanship; to provide a network of local community councils throughout the country to act as sounding boards of changing consumer attitudes and opinion; to research the findings of the Bureaus' 3½ million annual consumer contacts, and arrive at accurate statements of consumer needs and desires; to report these analyzed results to business as a basis for self-action; and, through the newly-established BBB Washington Office of National Affairs, to provide government with authentic data in matters of consumer interest.

To learn more, call the manager of your nearest BBB. Association of Better Business Bureaus International, Chrysler Building, New York, N. Y. 10017.
Galaxy) which makes slacks; Chlett, Peabody & Co. (CBS Masters Tournament) for its Arrow shirt division; General Cigar Company (NBC's Andy Williams Tournament); the Gillette Co. (also Andy Williams Tournament) for its razors and blades, and Colgate-Palmolive (CBS'S Canadian Open) for its Rapid Shave foam.

There are, of course, a couple of companies that advertise because they sell golf products: A. G. Spaulding, the sporting equipment manufacturer (on ABC'S Golf Galaxy) and Wolverine-World Wide Inc. (on the CBS Golf Classic) for its Hush-Puppy division, which is big in golf and other leisure-time shoes. About the only general consumer product you can find on any of the major network golf shows is the Beer (Miller), and it is a more exclusive premium beer appealing to an above-average audience.

**Package deals**

As important as who advertises on network golf shows is how they do it. And the major buys are marked by two prominent characteristics: Package purchase of whole golf shows by anywhere from one to four advertisers and elaborate promotion tie-ins between the television broadcast and the advertiser's product.

"Very rarely do you have one-minute buys of golf shows," says Erwin Ephron, vice president and director of media research for Pa- pert, Koenig, Lois and research advisor to the 1967 Masters Tournament. "It's generally a saturation buy of a program appealing to a very important segment of the public—indeed, the only thing you can't do in a nighttime buy anymore because it's just too expensive."

Ephron notes that buying a golf tournament is similar to buying a television special. He also points out that in its early days, National Football League programing was quite comparable to golf tournament buys, but pro football has become so popular that its sponsorship must be on a participation basis. "It's become so expensive that no advertiser can afford to do it alone," Ephron says.

"A golf advertiser doesn't want to buy one minute in ten events and be lost. He wants to buy one big one," NBC'S Presbrey says.

Thus, Chrysler is the sole sponsor of NBC'S Bob Hope Tournament: 3-M and United Airlines share NBC'S Hawaiian Open; Chlett and Peabody and Travelers Insurance split CBS'S Masters Tournament, and so on.

At the same time, says Ephron, most golf advertising piles merchandising and promotion values on top of the saturation buy. "They are seeking many other real and assumed values," he says. "It may be something as simple as a promotion tie-in like giving away golf balls." But it provides an additional link between the advertiser and the golf programing.

Presbrey says that for many advertisers televised golf provides a method for a company to promote itself to its own personnel as well as the general public. This would seem to be the case with insurance companies: the company is advertising both to the general public and its own salesmen, who are likely to be golfers.

John Purvis, sports sales coordinator for CBS Television, cites Chlett, Peabody as another firm that makes a major promotion out of its Masters Tournament buy. "An advertiser can't promote every weekly tournament," Purvis says, "but by buying one big one, it can spend time on advance planning. Its salesmen know about it as well as the customers and they can make a big thing out of it. The tie-in with the sales force gives it a chance to show its own people what the company is doing."

The advertisers reinforce this opinion. Says MacManus, John & Adams's Hunter of the 3-M account: "We want to buy as much of an event as possible and we would never buy one if it didn't heavily tie-in with our promotion programs. We're milking it for all the value it can give us."

Probably the two ultimate golf shows as far as promotion packaging are American Airlines' new Astrojet Golf Classic and the Shell Oil Co.'s Wide, Wide World of Golf, both on NBC.

Both are golf series rather than individual tournaments.

Series bring in almost 30%, smaller audiences on an average than major tournaments, with the greatest drop-off in high-income, high-education viewers. Explains Ephron: "Upper income people who watch tourneys aren't regular watchers of television or golf. But they go out of their way to watch a special match, such as the Masters."

On the other hand, notes Presbrey: "Golf series capitalize on the star value of the players' names. You get a lot of people watching because of the celebrity value of an Arnold Palmer or Gary Player or Jack Nicklaus."

At the same time, excitement doesn't seem to run near so high over a series as a tournament. "You can't get as enthusiastic about filmed golf as live," says Presbrey. "No matter how you try to cover up the winner of a filmed series, the news will get out."

But for the special interests of an American Airlines or Shell, their own series seems to meet a special advertising situation.

 Says Kenyon & Eckhardt's Erickson of the Shell account: "It is unique among golf shows because it fulfills a special need for Shell. The programs real world travelogues with an integrated message showing how Shell operates all over the world." It is believed to be the only golf show where the advertiser owns the negative rights to each program, and Shell plays them off-the-air in golf clubs around the world "many more times than they ever are on the air"—so they become something of double-duty television advertisements and promotion films.

American Airlines feels its Astrojet tournament gives it another kind of double-barreled advertising value. Says Jerry Jordan, vice president, advertising and sales promotion at the airline, "The Astrojet Classic is an attractive property to us in that it rounds out our total sports package as much more than just a golf tournament."

Says Jerry Jordan, American's advertising and sales promotion vice president: "With baseball and football stars playing, it's as much a personality show as a golf match.
COLOR Penetration

Papert, Koenig, Lois projections for May show U.S. color penetration at 27% of television homes. At current growth rates, color ownership will soon pass multiset TV ownership, now at 25%. In the Pacific, South and West Central territories, color penetration already exceeds multiset TV penetration, hinting at the national future (for multiset-TV data see April "Telestatus.")

The following local-market color-ownership figures are Papert, Koenig, Lois estimates of color-TV ownership as of May 1968. They are projections from NSI February/March 1968 sweep data, adjusted to regional growth patterns developed by Nielsen from Census and Nielsen survey data. They have also been adjusted (lowered) to include non-households.

Three markets — Akron, Ohio; Anderson, S. C., and Worcester, Mass. — are not reportable by Nielsen on a prime-time station-total-homes-reached basis, and therefore cannot be ranked. Data for these markets is included at the end of the listings.

Nielsen cautions that because NSI figures are sample-base estimates they are subject to sampling error and thus should not be regarded as exact to precise mathematical values. The PKL projections have the additional error possibility associated with forecasting.

In the June issue, TELEVISION will present a thorough analysis of the dimensions of CATV; national, state, and local market, prepared by Mr. C. A. (Ace) Kellner, of Ohio University.

WHY BUY GOLF?

from page 61

and we anticipated the show would have relatively high viewership among non-golfers. The audience could see Yogi Berra go out there and duff one the same way they do on Saturday.

With its own tourney, the airline also was able to arrange things so that the audience could see a reminder of the sponsor at almost every turn — a situation that may have given American the highest exposure for its advertising dollar, but also drew some disapproval from the critics. Jack Gould wrote in the New York Times after the March telecast that the tournament was "basically just an hour of advertising for American Airlines. Many of the participants wore hats bearing the airline's insignia. The caddies were attired in coveralls carrying the company trademark. A plane was prominently placed on the course. A vice president in charge of marketing and a stewardess distributed prizes." In addition, there were constant spot announcements for the airline. The program . . . was a mockery of what little is left of the television industry's code of self-regulation of commercialism.

On the other hand, CBS's Purvis points out that in their sophisticated bidding for favorable reception by prestige audiences, the advertisers of most of the major golf tournaments "don't use commercials to the extent the code would allow."

Most of the major golf advertisers remain loyal and apparently satisfied despite the relatively low audiences and high costs. Purvis points out that golf advertising costs have to be high because production costs are. "Golf is expensive," he notes, "because it's spread out, you need a lot of cameras and you have to use crews to string cable and set up well in advance..." Tournament coverage and filmed series are relatively comparable in costs since what is saved in the convenience of filming a series rather than covering a tournament live is lost in the fact that you have to range all over the course to cover a series, where you have to set up only on the last few holes for a tournament.

What does tend to worry the regular golf advertisers is the rapid proliferation of shows in the past three or four years. Since the 1966-67 Nielsen survey, such network coverage has been added as the Bob Hope Tournament (formerly the Palm Springs Classic), the Buick and Hawaiian Opens and the Astrojet Classic.

In addition to the big-three network shows, Sports Network Inc. carries another dozen tournaments, from the Doral Open to the Sahara
Invitational, which are distributed through almost the entire range of golf show ratings. And some local stations are copy- ing the networks and putting on their own tournaments, such as KNIT-TV Omaha. KNIT sells out advertising (last year to the Farmers Insurance Group and Western Electric Co.) for the two- and-a-half-hour coverage it gives the Saturday and Sunday finish of its annual amateur open tournament.

Most network experts and advertisers agree with Presbrey when he says: "Saturation with tournaments is affecting advertising. The rights to tournaments are becoming more expensive every year. Everyone wants to hold one and will put up big prize money for it. But the advertiser must pay more to provide some of that prize money. This is resulting in advertisers taking the big events they can pro- mote and passing by lesser events such as the Citrus Open. These smaller tournaments are the ones that will suffer."

At the same time, he points out there is a marked move to one-day (Sunday) coverage of tournaments. Sunday viewership of any given tournament seems to run anywhere from 10%, to 30%, higher than Saturday viewership. "Evidently, Sunday really is a day of rest for golfers," comments Ephron. This past year ABC cut back coverage of nine of its events from two days to one.

As the number of golf hours has grown in the past few years—from 46.4 hours in 1962 to 87.4 hours in 1966—televised tournaments with their higher-quality audiences have outstripped the series by a wide margin. Of the 46.4 hours in 1962, 25 hours were in golf series. But by 1966, the situation was more than reversed. Of the 87.4 total hours, only 35 hours were in series.

The problem with the ever increasing amount of golf coverage on television is that the number of persons watching remains about constant while the choice of programs and the cost of each one keeps going up.

Says K&E's Erickson: "The more shows you put on, the more you dilute that audience and there must be a point where you'll split the audience so thin that all our rationalizations for considering golf a good buy will no longer stand up. So far, we apparently haven't reached that point, but we don't know where golf is going to stop."

Until the growth stops or that break-off point is reached, televised golf seems to be driving the advertising messages of major advertisers right down the middle of the fair- way.
FOCUS ON COMMERCIALS
from page 53

storyboard won't do or if we have a large group, we can put each frame on a 35 mm slide and read the copy. This gives the presenter control of the timing. It forces attention to the video, and lets the audio be judged on the way it sounds, rather than the way it looks.

Unfortunately, as soon as the lights go out, everyone begins subconsciously to compare what he sees on screen with finished commercial he has seen at home or at work. He can't help it, no matter how many times the presenter reminds him: "This is only a rough idea."

And this same problem applies from here on in, as we move step by step toward a completed commercial. For example, we can put a sound track on quarter-inch tape and play that against the slides. Or, we can transfer words and pictures to 16 mm film. We can add simple opticals and camera movement for even greater verisimilitude. In a similar way, we can put the storyboard on video tape. In each case, the very resemblance to a finished commercial seems to me a drawback. Anything that looks like a commercial but really isn't cannot do the idea justice.

Nevertheless, such cineboards, as they are called, are widely used for pretesting commercial ideas. The people who do this kind of testing maintain stoutly that cineboards yield results that parallel the results you would get from finished commercials.

Another way of communicating commercial ideas is the use of super 8 movie cameras and film. Writers, art directors or producers can shoot their idea in a simple form for study or presentation. Again, the results may invite subconscious comparison with finished commercials. But movies do add the dimension of action, making it possible to show an event on the screen, and like the cineboard and slides, they focus attention on the video.

Super 8 movies have one other advantage, too: Actually putting an
idea on film, even in home movie style, may reveal to the creator of the idea, difficulties he had not foreseen in the comfort of his office. In this sense, it is a highly educational technique, and much to be recommended for beginners and experts as well.

One more step up the ladder of time and expense brings us to the so-called "test house" commercial, another device that has been gaining favor as commercials grow in importance. Here the commercial is professionally photographed, but with a minimum of crew and production cost. By taking advantage of special arrangements with the craft unions involved, by using existing sets, and available crew, substantial savings can be made.

Such commercials, of course, are used far more often for test purposes than for an initial presentation. Once again, one loses the value of full-fledged production. How great that loss may be depends in large part upon the nature of the commercial. (Some commercials even seem to benefit from simplified production, and I am sure there's a lesson there for all of us.)

One more step up the ladder and we are back at the finished commercial, hardly a practical way in which to present a new idea for the first time.

Faced with such an array of less-than-perfect presentation techniques, the commercial maker must choose one that seems appropriate to his particular situation. My own instinct is to recommend the simplest device that offers hope of success, adding elements only as they seem essential.

Clients can help their agencies by a conscientious effort to understand the limitations of presentation techniques, and agencies can help themselves by avoiding the temptation to promise "Gone With the Wind" in 60 seconds (including dealer tag, of course).

The goal is an atmosphere of mutual trust, in which the idea stands or falls on its own merits, rather than those of the presentation.
The network commodity market

The FCC: its future is in doubt

The pricing, sale and delivery of television network advertising are now conducted in probably the freest market to exist in the advertising business since the frontier publisher traded space for drinks at the Golden Nugget. The fixed rate card has disappeared. Asking prices are pegged to the anticipated circulation of individual programs. The asking prices may then be altered by negotiation. Once the packages of network minutes have been bought and aired, adjustments may be made to take account of discrepancies between expected and delivered audiences.

The process is described in current and historical detail in the first two articles of this issue, beginning, respectively, on pages 21 and 27. The articles are significant not only for what they tell of the evolution in network practices but also for what they imply of the future of station practices. If the rate card has been retired by the networks along with Milton Berle's clown suit and Jim Aubrey's expense account, what is its life expectancy in station use? Network advertising constitutes more than half of total TV business.

Nor is the evolution in network selling at an end. As full sponsorships of programs gave way to shared sponsorships and shared sponsorships to participating minutes, minutes are now being shared—by single advertisers for different products and by different advertisers in cooperative arrangements. The configurations appear to be limited only by the ingenuity of seller and buyer.

This leaves the television station at something of a disadvantage when it attempts to sell directly to a national account, which is more likely than not to be a network customer and wise in the ways of network trading. Most stations still deal from a published card which, however complicated, cannot match in flexibility the network market that is made in day-to-day negotiations among the dealers in bulk advertising.

No wonder that a good many station men—including those affiliated with the networks that give them their principal programing attractions—are beginning to think that the networks are more their rivals than their suppliers. Still, it is useless to wish for a return to the past. Even if they wanted to, the networks could not turn back the clock.

Wise station management will concentrate on fitting station operations into the network evolution. In the national marketplace stations must make themselves as easy to buy, at realistic prices, as other local media are. Locally and regionally they must exploit new sources of revenue.

The test will be for the station men to match the ingenuity of the networks.

As noted in a Washington report in the "On Location" department of this issue, the FCC has fallen victim to a general malaise that has infected government since Lyndon Johnson announced his intention to retire. The condition is characterized by periods of inactivity broken by spasms of undirected activity, and it is probably curable only by an injection of new leadership from the White House.

The FCC's case, however, may be somewhat special. If his directives are observed, President Johnson will pass on to his successor a report on how to bring the communications explosion under control. The report is due in August from a special Task Force on Telecommunications which for some time has been studying ways to improve the government's management of communications regulation.

Nobody knows what the report will recommend, but nobody expects it to suggest that things are just fine as they are. It would not be surprising if the task force proposed the creation of a new agency, perhaps a Department of Communications, to oversee the whole intricate business of parceling out spectrum space and supervising its use, not to mention regulating wired or other systems of distribution in interstate and foreign commerce.

Whatever it may recommend, the report is likely to touch off a congressional review of federal communications policy. How the FCC comes out of that will depend on the philosophical composition of the new Congress. As the Congress is now composed, the FCC could use more friends, especially in the House where an erratic but agitated Commerce Committee keeps second-guessing the FCC on matters ranging from station transfers to pay television.

The FCC itself will probably make little contribution to the dialogue about the future of communications regulation. It lacks the resources in money and manpower to do much long-range thinking on specific subjects, let alone on the general future of regulatory management. And that in itself may be a cue for the Congress to pursue.
We produce and broadcast more kid shows than any other TV station around. And we do it well. For instance, our Bozo Show has 3 clowns, a ringmaster, a 13-piece band and a live studio audience of 200 hollering kids.

There's no TV station like our TV station.
That's the plus you get with every Reeves Color Videofilm* tape-to-film transfer. It's that little extra that makes the difference. True blues, real reds, white whites, and all. Excellent color rendition and absolutely consistent quality that assures you of exact, uniform reproduction in every market. Everything that you've come to expect from Reeves.

Especially the unique Reeves crew, committed to making your job the finest. They've got 35 years experience preparing broadcast materials. They're dedicated.

Funny about these guys. Thirty-five years in the business and they're still not satisfied. They're still finding new ways to do things better.

And yet, prices and delivery schedules will surprise you. With the best tools to do the job, work gets done most efficiently.

Serendipity? That's hard to find these days. Skeptical? We've got a demo reel that'll prove our point about Reeves Color Videofilm* transfers. See it and you'll experience a little new, old-fashioned serendipity.