tract more prime time viewers, including men. That is the aim of Tom Burchill, Lifetime's president and chief executive officer, who said last Monday that the cable network will gross at least $20 million this year, is ahead of earlier projections for advertising revenue and will become profitable in 1986.

Despite the seemingly positive financial results, Lifetime intends to replace a third of its morning schedule and three-quarters of its prime time schedule in 1985, at a cost of $20 million. Burchill also announced that $5 million has been allocated next year for a marketing effort which includes an advertising campaign by Ogilvy & Mather.

Burchill, who assumed his post on April 1, said that current programing, which received a 0.6 prime time rating in the network's universe, "had a high degree of quality, but operators and advertisers asked to broaden appeal of the scheme." Shortly after he arrived, Lifetime commissioned a study from the Research Group of Seattle, which conducted 20-minute interviews of 1,000 people (including a high proportion of cable and Lifetime subscribers), who watched at least 30 minutes of TV a day.

Only 16% of the respondents indicated they watch television for "mostly information," he said, and consequently, in re-formatting" the network, an attempt will be made to make it more entertaining. That will be done, in part, through extensive use of viewer call-in shows, polling and other telephone-interaction with the audience. A good indicator of the kind of show that would be seen more of on Lifetime, he said, is its highest rated program, *Good Sex! with Dr. Ruth Westheimer*: "An entertaining host, lots of interactivity, a touch of outrageousness and information on an important topic."

Another change in the network's look, Burchill said, will be that programs will be stripped at regular time periods, instead of the "checkerboard programing of the past."

The daytime shows from 10 a.m. to 4 p.m. will still be targeted to the same women's demographic. But starting at 6 p.m., he said, programing changes will take into account the study's results, which indicated men more often control the television set during prime time. □

HBO buys piece of BET network

Pay cable programer to acquire 15% ownership of black programing service, joining Taft and TCI in minority ownership of company

HBO Chairman and Chief Executive Officer Frank Biondi announced last week that the pay TV service was acquiring a minority equity in Black Entertainment Television. No dollars will immediately change hands, however.

HBO owns transponder 17 on Galaxy I, which it leases to BET. Under the arrangement, the black-oriented programing service will stop paying the monthly lease until the accumulated amount BET would have paid equals the equity shares of BET's two other minority parties—Taft and Tele-Communications Inc. (Biondi used the word "contribution" to describe the arrangement.) BET currently is distributed over that transponder on Galaxy I and was scheduled to begin 24-hour service today, Oct. 1 (BROADCASTING, Sept. 24).

BET President Bob Johnson, who controls about 55% of the programing service, said HBO will achieve that equity in about a year. HBO, Taft and TCI will then each own about 15% of the stock.

Biondi said the move "made an awful lot of sense to us," as "most urban markets are reaching decent saturation." The move also showed Time Inc.'s commitment to minority programing, he said. (Biondi made the announcement at a luncheon address of a National Cable Television Association/National Association of Minorities in Cable business symposium in Washington last Tuesday.) Biondi said some HBO-originated programing suitable for BET might show up on the service but initially HBO's involvement would consist of the transponder and sales and marketing assistance.

In his speech, Biondi touched upon the reasons behind the slower growth this year of pay services, HBO's DBS and SMATV plans and the impact of VCR's on the cable industry.

He said 1984 saw "an abrupt change in receptivity of the public towards pay TV," and the reasons were hard to find. Biondi acknowledged the growth of VCR's but said that the little research conducted to date shows cable and VCR's are "quite complementary." But he said the time-shifting capabilities of the VCR may be obviating the consumer's need for a second and third pay service. Other possible reasons for the pay drop-off, he said, were that rental prices of movie tapes have become competitive with cable's pricing structure and that some cable operators are pricing services too high. The cable industry has also "grown up with a series of unrealistic expectations," Biondi said, and now can't deliver on all the grandiose forecasts.

Biondi was bullish on pay-per-view, but he said the key would be in identifying programing opportunities. It would be difficult to find or create an event, he said, for which one million people would be willing to pay $10 to see on a given night. Maybe sports teams or a particular rock concert or Michael Jackson, he said, would be viable, but "who can deliver Michael Jackson?"

HBO's scrambling plans "are moving ahead but are still in the formulation stage," Biondi said. HBO will begin delivery of M/A COM descramblers late this year, he said, but the other pay and basic services will need to be scrambled for HBO's plan to work. He said decoders were now about $300 but he expressed hope the cost would drop to below $100 to help make the service more viable.

HBO's position against selling to SMATV owners is "under very serious consideration." Biondi hinted that an announcement of an accommodation may come soon. HBO needs to insure that "cable operators get first crack at multiple dwelling units," he said, but the pay service "can't afford to be shut out of that [SMATV] marketplace." □