

TBI TELEVISION BUSINESS INTERNATIONAL

SEPTEMBER 1994

**KIDS TV
THINKS**

BIG



**Inside: Children's TV Focus; Balkan
Report; Channel 4's Growing Game**

A WORLD OF NEW CHOICES



A wealth of unique programming assets, together with comprehensive distribution networks, has made Turner International a world leader in the distribution of news and entertainment programming. Today, "Programming for the World" means that viewers around the globe can watch television from Turner in over 40 different languages delivered from 11 regional satellites, and broadcast on over 1300 television stations.

Turner

INTERNATIONAL

PROGRAMMING FOR THE WORLD

ATLANTA: TEL 404-827-5332 EUROPE: TEL 4471-637-6700 LATIN AMERICA: TEL 404-827-5384 ASIA: TEL 852-826-4500

TBI CONTENTS

18 COMPANIES

C4's Rich Niche

The UK's public-service broadcaster, now trying to shake off its ties with ITV, is building its share of the domestic market and playing the international field.



26 EMERGING MARKETS

Mixed Fortunes

From the ruins of Yugoslavia and the old federal broadcasting system, a diverse and vibrant tv business is emerging in the Balkan region.

33 FOCUS

Teenies To Tweens

Whether learning to read or how to apply hair-gel and mascara, kids are a priority for broadcasters and producers. Now the potential of international sales and merchandising is fueling growth around the world.



33 The Teeny Market

38 Hit The Target

44 Cartoon Worlds

50 Must Try Harder?

54 TBI Global Children's Programming Survey

60 World Price Guide

Cover: Honey I Blew Up The Kid

63 ANNIVERSARY TRIBUTE

The Children's Channel At 10

The Children's Channel, ten years old this month, was in the first wave of programmers back when cable and satellite was the next big thing in Europe. TCC and its wealthy parents are now having to come to grips with aggressive new competitors.

DEPARTMENTS

Monitor

Four New Channels For Germany	6
Anger At ABC's Roseanne Rethink	7
Scramble For Spare Danish Net	7
HK Telco In VoD Launch Talks	8
Bid To Up Australian Content	8
TV3 Founder In Sat-TV Launch	10
Europe's Pay-TV Giants Link Up	12
TVNZ Is Tops Post-Deregulation	12
Demands For Russian Private TV	14
Attempt To Avert Greek Tragedy	14
Star TV To Launch 7 Channels	16

EDITOR'S NOTE

Four Would Be Company	2
-----------------------	---

PERSPECTIVE

The Script They Never Produced	4
--------------------------------	---

COMMENT

Children Should Get More Credit	17
---------------------------------	----

DATA

Winners And Losers	78
--------------------	----

PRODUCT NEWS

Watch That Dial	80
-----------------	----

HARD TECH

The Right Kind Of Protection	84
------------------------------	----

TBI TELEVISION BUSINESS INTERNATIONAL

Publisher Paul Nicholson

Editor Rich Zahradnik

Deputy Editor Tim Westcott

Associate Editor Sarah Walker

Contributing Editors

Barry Flynn, Toby Syfret,
Jean-Luc Renaud, Chris Dziadul,
Barbara Bliss Osborn (U.S.)

Editorial Assistant Marie Beardmore

Director of Sales Sally-Anne Wise

Publishing Sales Co-ordinator

Caroline Haybyrne

European Sales Manager

Helen Stredder

Sales Representative

David Field (Australasia)

Art Editor/Business Publications

Matthew Humberstone

Designer Marie Calvert

Production Debbie Williams

Managing Director,

21st Century Publishing Nick Snow

Correspondents: **Argentina** Mike Galetto
Australia Liz Fell; **Brazil** Mac Margolis;
Canada Karen Murray; **Denmark** Thomas
Dodd; **China** Ma Yuanhe; **Finland** Eddie
Hawkins; **France** Serge Sirtzky; **Germany**
Klaus Linke, Jack Kindred; **Greece**
Stylianios Papatthanassopoulos; **Hong Kong**
Owen Hughes; **Hungary** Len Scott; **India**
Asoka Raina; **Ireland** Fergal Ringrose;
Israel Barry Chamish; **Italy** Cecilia
Zecchinelli; **Japan** Mark Schilling; **Kenya**
Kazunga Katana; **Netherlands** Dick
Versteeg; **New Zealand** Vicki Hyde;
Nigeria Titus Ogunwale; **Portugal** Eduardo
Cintra Torres; **South Africa** Dezi Rorich;
Spain Justin Webster; **Sweden** Göran
Sellgren; **Turkey** Serhan Yazar; **Serbia**
Branka Otashevich

U.K. (Editorial and Advertising)

531-533 King's Road London SW10 0TZ
Tel: (071) 352 3211
Fax: (071) 352 4883 or (071) 352 9657
Telex: 925030

Australia (Advertising)

Tel: (02) 439 4730 Fax: (02) 439 3103

TBI is published monthly except January and August, 30 issues (ISSN 0953-6841) by Television Business International, a 21st Century Publishing company. TBI is available by subscription only at an annual subscription price of £50 United Kingdom, US\$102 Europe and US\$89 USA US\$110 Outside Europe including air speed deliv-

Island Ideals

One cultural icon I've learned about while living in Britain is *Desert Island Discs*, a decades-old radio program with a simple, if compelling, format. Each week, one of the great, the good or the just sort of notable comes on the show and tells what eight records she or he would take along if stranded on a desert island. In between the cuts, the guest is interviewed about his or her life, loves and losses. While most folks here don't tune in to the show every week, most do have in their own mind the list they would provide if their life's work were finally given proper recognition and they were asked to appear.

This industry needs a similar exercise: *Desert Island Dish*. What one tv network would you have beamed down to you once stranded on that desert island? (If you've already thought you'd name the one you work for, seek help. Immediately). My choice would be Britain's Channel 4. Maybe I'm just being a selfish ex-pat; C4 always buys the two or three American series I would make time to watch every year. *Northern Exposure*, *NYPD Blue*, *Homicide*, *I'll Fly Away*. I can tune in the best of what the U.S. is producing without having to plow through the rest of the dross, and with fewer commercials. But Channel 4 is more than that, much more. Some of the channel's own productions have been magnificent. *GBH*, a comedic journey through municipal malfeasance, governmental paranoia and madness of several varieties, was the best mini series I've ever seen. And it took C4, rather than an American network, to produce *Tales of the City*. Films and documentaries of diverse range, background and authorship round out a schedule that is not duplicated anywhere. Oh sure, C4 also airs lots of horse racing during the day, too many American sitcoms and the loud, bright, annoying morning show *The Big Breakfast*. But no schedule is pure gold.

To my mind, C4 is one of the television experiments of the modern era that has worked, even with the tinkering of the 1990 Broadcasting Act. As Tim Westcott's story in this issue makes clear, public service broadcasting can combine business with pleasure; a channel can sell ads around the different, the diverse, even the difficult. C4 provides a lesson to the U.S., a blueprint even for what could be done to counter advertiser-service broadcasting with some form of public-service broadcasting. If I were in charge, I would scrap the localized, decentralized, destabilized PBS system. I would turn all those local stations into transmitters for a national network with a mission to be diverse and distinctive. And I would give that new network the right to sell advertising. Some in the PBS community are already considering ad sales; others think it a heresy. The latter haven't yet realized the current PBS circus of pledge drives and sponsorship searches is no good. Programming has to go through too many hoops to get Exxon or GE's name on it. If the new PBS were given the kind of revenue safety net that is currently C4's problem – but would be needed in a market like the U.S. – PBS could be transformed into the kind of network it should be and the U.S. needs. If not, I'll just have to stay on my desert island.



The Editor



HIT FOR KIDS



From the team which grew up with children's television, comes a catalogue designed to capture the imaginations of kids world-wide.

From animation, to pre-school, educational and children's drama programming, HIT is it for kids.



HAPPY 10TH BIRTHDAY TO THE CHILDREN'S CHANNEL

The Pump House
13/16 Jacob's Well Mews • London W1N 5PD
Tel (+44) 71 224 1717 • Fax (+44) 71 224 1719

It started out as a pleasant comedy with hit potential: *When Larry Met Barry*. Then in a sudden dark revision it became *The Knife Of Brian*. Then *Brian And John, Together Again*. And work immediately began on a sequel, *The Further Adventures Of Barry and Ted And Michael And Whoever*.

In the press accounts, the players in order of appearance were CBS, QVC, Comcast, and TCI, with TBS and Disney in off-camera cameos. The story read as one of those big-time merger melodramas involving giant media companies earnestly pursuing the agendas that would shape their destinies.

But in reality it was about a bunch of guys who run the conglomerates doing their personal thing in the name of business.

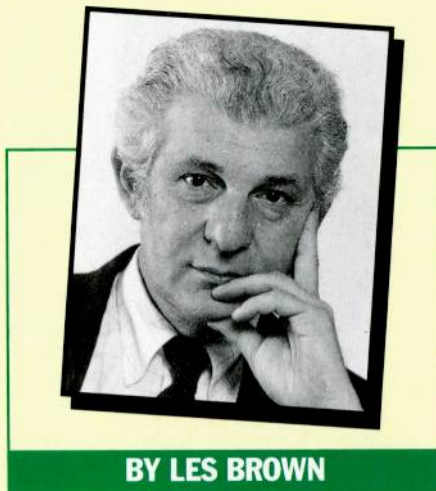
When Larry Met Barry was Laurence Tisch's attempt to merge CBS with cable shopping channel QVC and phase himself out, taking personal profits in the mega-millions while putting CBS in the hands of the renowned broadcast and movie wizard, Barry Diller. It was a good fit in both business and personal terms. Diller, who had been chairman of Paramount and 20th Century Fox, and created the Fox Network for Rupert Murdoch, wanted badly to run his own entertainment company – the bigger the better.

The news created great excitement in the tv industry until Brian Roberts of Comcast, one of the founders and major shareholders of QVC, quashed the deal. A cable zealot, he was uneasy with the mixed marriage – especially to CBS, which had long been his industry's Enemy Number One.

Roberts snatched QVC away from CBS by offering \$2.2 billion for it and days later was joined in the buyout by the powerful John Malone, who controls TCI and Liberty Media. Though Malone had originally endorsed Diller's CBS deal, he threw in with Roberts out of old loyalties. TCI and Comcast have had a special relationship in the cable industry for many years.

Eighteen months earlier, Malone and Roberts had lured Diller into the cable camp as chairman of QVC. With that as his base, he was expected to lend his

The Script They Never Produced



BY LES BROWN

special programming expertise to the benefit of cable generally.

Understandably, when the opportunity arose, Diller preferred being chairman of CBS. His betrayal of the cable gods left him out in the cold – though with an exit package of around \$100 million and enough credibility to find backing for almost any venture of his choosing, including buying a network.

With the deal's collapse, Tisch declared emphatically that CBS was not for sale. Yet most media analysts suspect that any of the networks might be available on the right terms. Speculation immediately centered on Ted Turner, who had lusted for CBS in the mid-80s, and Michael Eisner of Disney as other interested parties. Both are obsessive empire-builders.

The whole CBS/QVC episode, it seems to me, had more to do with boys

being boys than business being business. And that had seemed the case too with previous mergers.

Was buying up a shopping channel that specializes in schlock merchandise a shrewd business move – at \$44 a share in cash? It's certainly a curious one when you consider that what had caused the share prices to shoot up in the first place was not rising revenues but Diller's arrival at QVC, and the anticipation of what he might do. Without Diller the values change, perhaps drastically.

Was Viacom's huge overpayment for Paramount earlier this year driven by sound business strategy or by billionaire chairman Sumner Redstone's desire to beat the challenger (the same Diller and QVC) and add to his own escutcheon?

For that matter, was the Time Warner merger good business? The late Steve Ross, who had engineered it, fattened his personal treasury by \$193 million. But was it good for the company which became so stultified by debt that it had to take in partners to lighten the crushing load?

In the U.S. media industries, the chief honchos have a history of satisfying their own egos and making others believe it's all for the good of the company.

Ted Turner admitted as much in a recent news conference. He said: "In the beginning the thing that motivated me was that I was an adventurer... I wanted to see if I could do it." Fortunately for his company, TBS, his daredevil ploys – from creating CNN to buying the MGM library – proved immensely successful.

Brian Roberts destroyed a good business deal for reasons that were essential personal, with a maneuver that in business terms seems questionable at best.

But the merger that never happened will be thought about for a long time. Whatever becomes of CBS in years hence, people will always wonder how it would have gone if the promising *When Larry Met Barry* script had been the one produced. ■

Was buying up a shopping channel that specializes in schlock merchandise a shrewd business move – at \$44 a share in cash?

Like life, the game of **soccer** never stops.

Neither does **ESPN.**

When the World Cup is over, the best players in the world go home to start the game again. Guess where you can see them. ESPN's Latin Futbol Weekly showcases the moments in soccer that brings crowds to their feet. You'll see the best matches from Latin America on International Game of the week. And, wherever you are, you'll have a great seat to games from Brazil, England and the Netherlands, by tuning in to ESPN. It's your sports network for soccer.



ESPN®

For Information Contact:

ESPN International
605 Third Avenue
New York, NY 10158
USA
Tel 212-916-9200
Fax 212-916-9325

ESPN Asia, Ltd.
Suite 3003, Citicorp Centre
18 Whitefield Rd, Causeway Bay
Hong Kong
Tel 852-887-1199
Fax 852-887-0813

**SEE US AT MIPCOM
STAND C1.18**

MONITOR

GERMANY

New Channels Bank On Hitting Targets

**Disney, Kirch and Co aim to carve
a niche among German viewers**

The Walt Disney Company is teaming up with CLT to launch a family channel in Germany. The channel, Super RTL, was one of four new services announced in the wake of Rupert Murdoch's surprise acquisition of a 49.9% stake in ailing commercial channel Vox in July.

Super RTL, aimed at young children and parents, is scheduled to launch in January 1995. Before then, three more channels are due: Kabel 2, which will join the grouping of commercial

channels directly or indirectly under the influence of Leo Kirch and slated for the fall; Sun TV, the brainchild of Düsseldorf media entrepreneur Michael Oplesch, due in September or October; and Zap TV, an electronic tv guide modelled on the U.S. Prevue Channel, due not later than October.

After rejecting the opportunity of staying in Vox alongside Murdoch, CLT finally concluded long-running negotiations with Disney with an agreement which could see the launch of similar channels in other markets where the Luxembourg media group is active.

Although Germany boasts the biggest tv advertising market in Europe, worth DM5.1 billion (\$3.2 billion) and the largest penetration of satellite tv, Vox and other new channels have so far struggled. The latest niche players are banking on tight demographic targeting and low operating costs to ensure survival.

Super RTL will mostly be supplied by Disney product, with some programming supplied by German and European producers. The channel will be free-to-air and available to between 35 and 50% of German tv households. Like its stablemate Kabelkanal, Kabel 2 is a so-called "recycling" channel pitched at an older audience and serving as an outlet for re-runs from Pro 7 and Sat1. The annual budget of Kabel 2 is projected below DM100 million (\$62 million), with less than 40 employed.

Zap TV intends to make its pitch to the over-50 age groups through trailers of feature films and series, information on tv magazines, and announcements of program changes. Its backers, DFA, a Bonn tv news agency and Hamburg media entrepreneur Frank Otto, are optimistic, not least because of its low annual budget of only DM10 million (\$6.2 million) and only 50 employees.

Sun TV is aiming to attract the over-30's generations. Oplesch and his 46 staffers hope to lure older viewers with advice on households and health, films, music videos and series. Sun TV will have an annual budget of DM 33 million (\$20 million) and start-up costs of DM53 million (\$33 million). Shareholders include Hamburg's Eycline TV Produktion and the technical services company Mediaport in Berlin.



Chip 'n Dale: Part of the Disney product lined up for future RTL venture

by Jack Kindred — MUNICH

U.S.

ABC Ducks A Fall Sitcom Stand-Off

**Producer of no.1 show protests
move pitting it against Frasier**

Fearing that the competition might be a little tough, ABC has rearranged two nights on its 1994-5 schedule to save *Roseanne* from going head-to-head with NBC's hit sophomore series *Frasier* on Tuesdays. The move, perhaps the most high-profile last-minute swap in recent history, prompted the producer of *Home Improvement*, the show which will now be up against *Frasier*, to issue a statement saying he was "disappointed" at the decision.

ABC shifted *Roseanne* and second-year sitcom *Ellen* from Tuesday night between 9-10pm to the same time period on Wednesdays. As a result, *Home Improvement* – last season's top-rated sitcom – and lead-out *Grace Under Fire* will move to the 9-10pm block on Tuesday starting September 20.

ABC discussed the possible schedule changes as far back as May when NBC announced it would schedule *Frasier* against *Roseanne*. *Frasier* finished its first season ranked no.7 overall. *Roseanne* was no.4.

At the time, observers considered NBC's move a bold one because the network was shifting a hot new series to a spot against a proven winner. NBC paired *Frasier* with *The John Larroquette Show* which stars Larroquette – a multiple Emmy winner while on NBC's *Night Court* – as a recovering alcoholic operating a bus depot. NBC maintained *Frasier* would hold its own against *Roseanne*. ABC appears to have agreed.

After ABC made the move, *Home Improvement* executive producer Matt Williams took the issue public by releasing a statement saying his company Wind Dancer productions was "disappointed" with the decision.

"*Home Improvement* and *Frasier* are terrific shows, but unfortunately, both shows will now be forced to compete for the limited number of viewers available to watch a quality half-hour comedy at that time," Williams said in a statement.

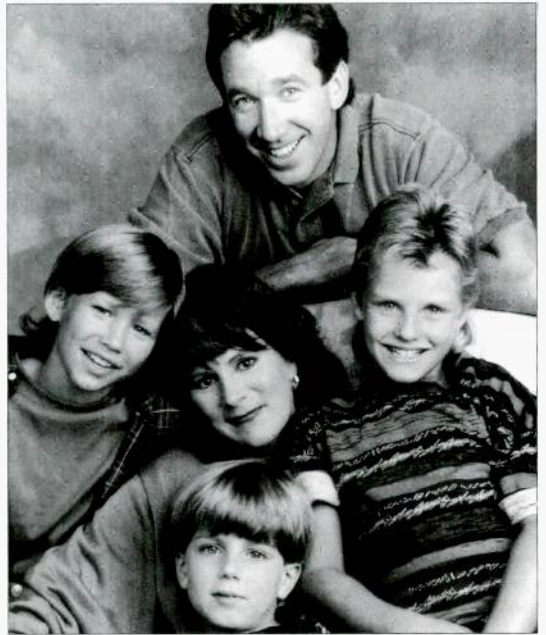
The producer also said that the move "may, unfortunately, knock us out of the no.1 spot for this upcoming year."

While most industry pundits agree with Williams' theory, history has proved that a no.1 show can move and remain top dog. During the 1974-75 tv season, CBS moved the top-ranked *All In The Family* to a new time slot for the next season, where it repeated as the no.1 show.

ABC wouldn't comment on Williams' statement. In announcing the shifts, ABC Entertainment head Ted Herbert said the network had "two extremely powerful comedy blocks" and that the realignment would "maximize the strength of these assets."

NBC said it was honored that ABC felt as strongly about *Frasier* as it did. Ironically, ABC's decision should help NBC's relationship with the producers and star of *Frasier*, who complained that the show was being treated as a sacrificial lamb when it was moved up against *Roseanne*. CBS and Fox will both stay with their previously-announced schedules.

by Richard Huff — NEW YORK



Home Improvement: Facing battle for top spot

DENMARK

Three Channels Pitch For Spare Frequency

**Danmarks Radio plan for third
national network angers rivals**

A row over Denmark's last available terrestrial broadcasting frequency has broken out between state broadcaster Danmarks Radio (DR) and commercial public service rival TV2, following DR's announcement of plans to launch a third, national terrestrial channel. TV2 and satellite channel TV3 put in counter-bids immediately after the surprise declaration by DR director-general Christian Nissen.

Stressing that the proposed second channel is presently only part of a comprehensive draft project, Nissen added: "If we are to survive the battle against the satellite channels we will have to acquire more airtime."

The most likely strategy is that DR will broadcast popular programming on its main channel and "narrow," public service-oriented fare on the other. This way the new channel will sit somewhere between DR and TV2 while remaining true to its public service remit.

CANAL PLUS CHOOSES ISRAEL

Canal Plus and Tel Aviv-based company Unicorp are lobbying the Israeli ministry of communications to issue a license to operate a satellite service in English, Hebrew and Arabic. The two companies recently signed a \$20 million contract calling for the French pay-tv operator to provide the technology and programming for a local subscription network. Canal Plus has also expressed interest in purchasing the rights to operate Israel's first home shopping channel. Foreign ownership of up to 75% is allowed. However as 75% of the board members must be Israeli, the actual day-to-day management will remain in local hands.

● Canal Plus has also formed a joint venture with local partner Austral to launch a pay-tv service in Chile next spring.

Countering a trend among West European public broadcasters, senior DR executives revealed that although they do not expect an increase in the national license fee, they will continue to do without advertising. At present, no financial model for the venture is forthcoming although Nissen does not dismiss joining up with TV2 in a joint effort. For the moment, Nissen appears intent on launching and operating the new channel using present resources.

DR is meanwhile planning to open some of its daytime hours free of charge to anyone who wants them. The Danish Association of Wildfowl Hunters, local municipal authorities, the Red Cross, various governmental bodies and a wide range of grass roots organizations and individuals have been quick to contribute programming to the service, which launches in October.

TV Open will consist of five hours on Sundays starting at 9am and one hour each afternoon. DR will not pay fees for programs it acquires. The project will be funded by license fee revenue for the next three years, employing seven full-time staff.

by Erik L Jensen — COPENHAGEN

HONG KONG

HK Telco To Launch VoD Service In Colony

But cable network challenges its right to dabble in programming

Hong Kong Telecom has begun to sign up program suppliers for its planned video-on-demand (VoD) service – despite facing stiff opposition from the Wharf-owned Cable TV which claims it has no legal right to run a programming service.

Telecom, whose exclusive right to operate the British Crown Colony's fixed-link telephony runs until 1995, has signed a memorandum of understanding with the smaller of Hong Kong's broadcasters ATV, and is holding talks with its rival TVB.

Telecom also said it was talking to the Walt Disney Company, Time Warner, Paramount, MCA and MGM/UA Communications about programming. Another interested party is Star TV, which is two-thirds-owned by Rupert Murdoch's News Corp. Although a pan-Asian satellite tv network, Star TV is looking for a Hong Kong distributor for its planned subscription channels after the breakdown of talks with Wharf's Cable TV (see separate story).

Telecom has also signed a supply agreement with Ah Mei International, one of Hong Kong's

larger Chinese-language film distributors. The head of Telecom's Multimedia Business Unit, William Lo, said the planned service will be seen in 200,000 of the colony's 1.5 million homes by the end of 1997, the year Hong Kong reverts to Chinese control. The service will be 65% Chinese and 35% English in language content.

However Cable TV insists Telecom's proposed venture is a form of pay-tv and that, under their license with the Hong Kong government, they have an exclusive right to provide pay-tv until June 1996. Allowing Telecom the chance to provide VoD "would make a mockery of the government's authority," it claimed.

The problem for Cable TV is that VoD is not expressly forbidden by Hong Kong's broadcasting legislation, which is in the process of being redrawn. Cable TV and VoD are in theory governed by two different sets of rules, and regulators are to be asked to come up with a solution likely to anger at least one party.

by Owen Hughes — HONG KONG

AUSTRALIA

Kid's Drama In Line For More Of An Airing

Aussie tv authority focuses on increasing local content

Production of children's drama is expected to receive a boost next year when the Australian Broadcasting Authority (ABA) introduces new rules to encourage local programming.

Backed by the Federal Minister, Michael Lee, the ABA has embarked on a wide-ranging review to ensure that Australian program regulation "confronts the realities of convergence and globalization."

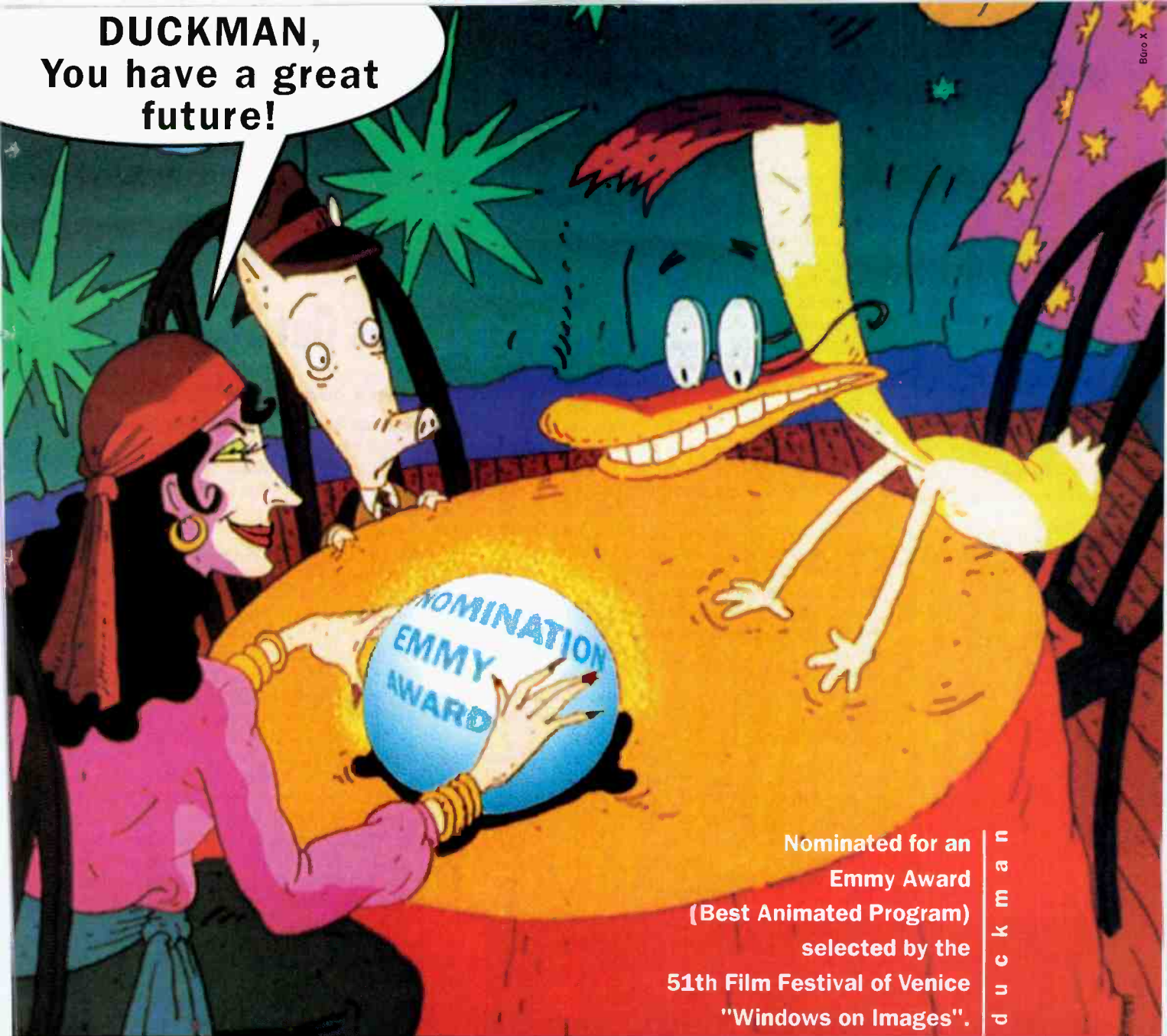
Children's drama is a key focus for this review, given that Australian-made product presently accounts for less than 1% of commercial tv schedules. This equates to each of the three networks broadcasting about 17 hours per year.

According to the ABA chairman, Brian Johns, regulation has given local drama programs "the chance to demonstrate their popularity and appeal to Australian audiences" and has helped to ensure the production community has a stake in an increasingly global industry.

Unless it mandates commercial broadcasts of quality product from independents such as the Australian Children's Television Foundation, the regulatory authority believes that local production may dwindle.

The present content rules specify both the amount and type of local programming that com-

DUCKMAN,
You have a great
future!



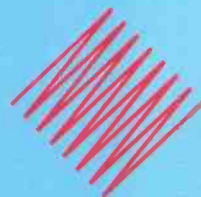
Nominated for an
Emmy Award
(Best Animated Program)
selected by the
51th Film Festival of Venice
"Windows on Images".

d u c k m a n

UFA – that's animation.

Duckman • 26 x half hour – A story about a duck who longs to be in the shadowy world of detectives but is constantly pestered by a whacky cast of characters. Original music score by Frank Zappa. • **The Itsy Bitsy Spider** • 26 x half hour – Join the brave, loveable Itsy Bitsy Spider as he spins his way out of trouble, but the exterminator is on his trail with an array of tricks! • **The Book of Nonsense** • 30 x 20 seconds – Catch the first full animation of Edward Lear's work, the father of limericks. His famous classic paintings and verse of 1846 has set the tone for over-the-edge humour. • Call us to arrange an appointment or drop in at MIPCOM '94 in Cannes, October 10th – 14th, booth G3.14, Phone +33/92 99 83 49.

UFA Film- und Fernseh-GmbH, Herrengraben 3, 20459 Hamburg, Phone +49 40/37677-170, Fax +49 40/37677-175



UFA

movies

series

mini-series

animation

documentary

sports

ANOTHER STORY

The still from a filmed version of the Indian epic *Mahabharata* published on page 21 of last month's TBI was from *Peter Brook's Mahabharata*, co-produced by Channel 4, the Brooklyn Academy of Music and les Productions du 3ème Etage, rather than the production of the same name by BR Films.

mercial operators must broadcast. Each channel, for instance, is subject to a 50% Australian transmission quota.

Mindful of the U.S. industry view that a quota acts as a de facto barrier to imports and runs counter to the spirit of several new free-trade agreements, the rationale for regulation is laced with rhetoric on encouraging and promoting national culture and identity.

In the words of the minister, Michael Lee: "It is only through Australian content requirements that we can be confident that Australian children dream Australian dreams, see Australian actors, and hear Australian voices on their film and tv screens."

As a sop to the three powerful commercial networks, Lee has signalled a reduction in their hefty license fees. By the year 2000, he hopes to see a predominantly Australian primetime schedule on the free tv channels of the national, commercial and community broadcasters.

This may be yet another Australian dream, because the commercial reality is that it is much cheaper to buy popular imported dramas such as *Melrose Place* or *Seinfeld*. The ABA discussion paper observes that the current ratio of imported to Australian drama on commercial channels is a high seven to one.

As part of the review, the regulator will also address the thorny task of defining an "Australian program" given this definition can affect the ability of producers to attract offshore investment, presales or co-production funds.

by Liz Fell — SYDNEY



Imported drama like *Melrose Place* outnumbers local fare

SCANDINAVIA

Kinnevik And Scandi Telcos Get Together

Sweden's commercial tv pioneer climbs on board pay-tv venture

Kinnevik is spearheading a new attempt to develop a specific satellite package for the Scandinavian market.

The Swedish media conglomerate has joined Nordic Satellite Distribution, the joint venture company established by state-owned Norwegian Telecom and Tele Denmark in January this year. Each has a one-third share in the venture which to date has been backed by SKr6 million (\$800,000). Two other partners, Svenska Kabel TV and Helsinki Media, declined to join the group, but the door is being left open for them to enter at a later date.

NSD has taken a total of eight transponders across two orbital positions. Four transponders are on Intelsat 702, co-located with the Norwegian Thor satellite, which will provide feeds from TV1000 and the three language variations of TV3 at one degree West. Thor already provides six channels across five transponders. The remaining four are on Sirius at one degree West; TV3 Sweden, women's channel TV6, youth channel ZTV and pay channel FilmMax.

The deal unites the Swedish and Norwegian systems which had been locked into a bitter battle over frequency usage.

Kinnevik will continue to broadcast TV3 and TV1000 over Astra for the time being. However, it is clear that once the new Nordic systems have established themselves, NSD and its partners will provide the broadcasters with a cheaper, more regional service.

"We expect TV3's penetration to DTH homes to double to one million households within three years," said Pelle Törnberg, deputy managing director at Kinnevik. NSD's aim is to become the leading distributor of tv programs to the Scandinavian DTH market. SBS-owned stations Femman (the former TV5 Nordic) and TV Norge already broadcast via satellite, as do TV4 Sweden, Norwegian TV2, FilmNet (The Complete Movie Channel), CNN, MTV, Discovery, Eurosport Nordic and The Children's Channel.

For consumers it will mean smaller and cheaper dishes particularly – in the Norwegian market where, because of the number of satellites used, most systems have been motorized.

Presently the Nethold company MultiChoice handles subscriptions for Thor, but from September this will be handed to Kinnevik subscriber management agent Viasat. Initially, for technical



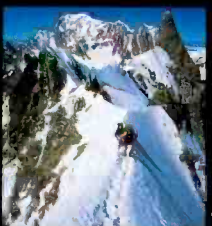
EARTH QUEST

Experience the challenges of nature
in some of the world's
greatest adventures

10x1 hour episodes – titles include;
Trekking the Alps
Challenge of Everest
Exploring Antarctica
Rafting the Grand Canyon
Exploring Tropical Australia

INTERNATIONAL BROADCAST NETWORK

• PRODUCTION • DISTRIBUTION • LICENSING



USA: 2246 Camino Ramon
San Ramon CA 94583
UK: 107 Power Road
Chiswick
USA: London W4 5PL

Tel ++1 510 866 1121 Tel: ++ 44 81 742 2002
Fax ++ 1 510 866 9262 Fax ++ 44 81 995 7871

MIPCOM STAND #G3.43

CHINA TIGHTENS DISH RULES

The official squeeze on foreign tv programming in China continues with a ruling that satellite television receivers in the southern province of Guangdong will now have to have a permit. Manufacturers, retailers and dish installers were also told they had to apply for permits by August 31, according to the terms of a public notice posted in the province. The policy mirrors pronouncements in the capital Beijing in the last nine months as China tries to control the flow of information through the licensing of satellite tv equipment. However there is a big difference between theory and practise in China. Not only are the Chinese hungry for satellite programming to augment the dry state-run channels, but many state-run enterprises profit from equipment sales.

reasons, two smart cards will be required for the scrambled channels, but later Viasat will use a single card. FilmNet is retaining its own subscriber management rights, which will in turn require a separate card again.

In Norway Norsk Telecom has bought 49% of Viasat and in Denmark Tele Danmark 49%. In Finland NSD owns Viasat. In Sweden, Viasat will continue to be wholly owned by Kinnevik.

by **Bernt Hermele** — STOCKHOLM

FRANCE

European TV Giants Sign Long-Term Pact

Canal Plus and Bertelsmann will pool resources on new channels

Two of Europe's biggest and most expansionist media companies, Canal Plus and Bertelsmann, have agreed to collaborate on technological developments relating to television or digital technology and international broadcast ventures. The two groups plan to invest FFr2 billion (\$380 million) over the next three years.

Pierre Lescure, who replaced André Rousselet as president of Canal Plus in February, signed a 30-year pact with Michael Dormann, president of Bertelsmann Entertainment, on July 21. The agreement will be reviewed every five years.

Canal Plus and Bertelsmann (via its subsidiary Ufa) are already linked as co-shareholders in Premiere, the German pay-tv channel. Premiere's subscribers (currently 800,000) will likely provide the test-bed for the introduction of digital services such as pay-per-view and video-on-demand. The terminals which are being developed by the Bertelsmann/Kirch/Deutsche Bundespost joint venture Media Service will be used, provided the ongoing European Commission enquiry does not judge the venture to be anti-competitive.

"Germany is by far the most important market in Europe for new technologies," explained Marc Tessier, in charge of development at Canal Plus, who was instrumental in the deal. "With 13 million cable and seven million satellite subscribers it has a base of 20 million customers. The terminals the Germans choose will be the standard for all the other countries, only because of economies of scale."

As well as collaborating with Canal Plus on the launch of new thematic channels, it is possible that Bertelsmann will invest in the French group's existing thematic channels in its home market and in Spain, and in the projected terrestrial channels in Poland and Turkey.

A second joint venture has been set up to



Tessier: German terminals will be European standard

secure some of the software for the partners' programming interests. The venture will primarily acquire rights to U.S. feature films, sports and other international tv product.

Although a strategic committee will implement the agreement, specific projects will be managed by Bertelsmann in German-speaking territories and Canal Plus in France and Spain.

"If I hadn't known we were going to sign this agreement with Bertelsmann, there would have been no point in me agreeing to run the Canal Plus group - because our future would already be behind us," said Lescure. "Now we are once again a top player in the digital game."

by **Serge Siritzky** — PARIS

NEW ZEALAND

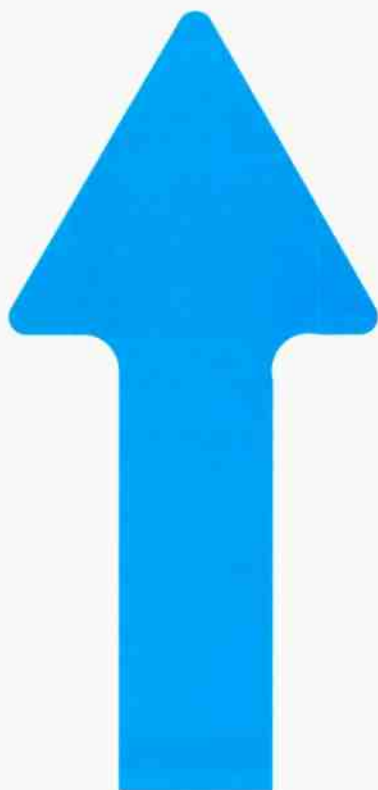
TVNZ Keeps Ahead Of Private Competition

Kiwi pubcaster faces a mounting challenge led by private rival TV3

National broadcaster Television New Zealand (TVNZ) has managed to retain a dominant share of its domestic market despite a process of deregulation which has multiplied terrestrial and cable competition.

TVNZ operates two channels which account for around 80% of viewing and announced a

TO MEET THE TOP NAMES IN TV WALK THIS WAY



(899 km)

There's only one location that attracts key decision makers from all sectors of the broadcasting industry. A place you'll find such major names as Sony Broadcast, Tektronix, Vistek, NTL, Quantel, BTS, Panasonic and Thomson among a host of others. And a place where participants from 106 countries look forward to a comprehensive programme, recognised internationally as the best platform for the latest developments and trends. Don't miss the very best TV, cable, satellite and multi-media show on earth. The Montreux International Television Symposium - 8-13 June 1995.

MONTREUX 95



UPSCALE INDIAN NET DELAYED

The relaunch of Indian state broadcaster Doordarshan's third channel has been postponed, for a second time, to October 2. The delay was blamed on a shortage of programs for the service, which will be branded as Channel 3 and will be pitched at upmarket urban viewers. Coverage has been increased to India's nine largest conurbations, with New Delhi, Bombay, Calcutta and Madras receiving a terrestrial signal and the rest reached via satellite. Transmission languages will be English and Hindi. Viewers will be offered a diet of news, business and current affairs, documentaries, dramas and a chat show on consumer-related issues.

record \$19.5 million (U.S.) after-tax profit last year. Despite fewer staff on its payroll, TVNZ's program output jumped from 2,560 hours in 1990 to 3,600 in 1993. It screened all of the 50 most popular programs and holds its privately-owned rival TV3 to 16-20% of the peak-time audience. At home, outside investments have included pay-tv station Sky, a new telephone company and, most recently, a third regional channel due to launch early in 1995. Overseas, it has joined major partners for a range of ventures including the satellite Asia Broadcast News from Singapore.

The deregulation process was launched in 1988 by the Labour government. The license fee, which had previously gone to state broadcasters, went to an independent body, New Zealand On Air, whose role is to fund local programs reflecting a national identity. TVNZ was forced to compete for advertising revenue with a new national network, TV3, and the government put up 70 local UHF frequencies for auction. Total tv ad-spend grew from \$210 million in 1990 to \$272 million last year.

TV3 had a rocky start, plunging into receivership only six months after its debut in November 1989 and losing one of its shareholders, U.S. network NBC, in 1991. However, Canadian investor CanWest Global has helped to effect a turnaround in TV3's fortunes since it came in with a 20% stake at the end of the same year. CanWest has run the network profitably for the last two years.

Aggressive program promotion and an improvement in TV3's schedule appear to have changed the mood at the channel and executives are confident that it will start making inroads into TVNZ's share of around 80% of viewing. TV3 is currently limited to around 19%. The departure of TVNZ's program director, John McCready, is likely to mean a repositioning for TVNZ's two channels.

by Paul Smith — AUCKLAND

RUSSIA

Towering Potential For Russian TV

Pressure mounts for state to sell networks by the end of the year

Muscovites will be able to receive more than 40 tv channels by the end of 1995, when the reconstruction of the Ostankino transmission tower is completed.

The tower, which will be the highest in the world at 562 meters, will carry six private channels which have received licenses over the past

two years together with the five main terrestrial channels, 20 satellite channels and some of the numerous local cable networks which have also become available. A total of 200 private tv licenses have been handed out across Russia.

The government is expected to license additional frequencies to private broadcasters in the region over the next two years, but the limited technical capacities of the tower mean that at present few Moscow viewers can receive the new channels. The exceptions are Turner Broadcasting's TV6 and CNN, which now reach about ten million viewers in the Moscow area thanks to the installation of powerful new transmitters in April.

The expansion of the country's transmitting facilities was announced at the same time that public broadcaster Ostankino (RTO) cut five hours of broadcasting a day from Channel 1 because it cannot afford to pay its bills. RTO said 80% of its budget goes to the Ministry of Communications to pay for transmission costs. Although a spokesman for Ostankino described the cuts which reduced Channel 1 from 20 to 15 hours a day on air from the beginning of July as "temporary", there seems little likelihood that full programming will be restored soon.

The black-out of RTO's daytime programming has increased the pressure on the government to privatize Channel 1, which covers 96% of Russia and still sends its signal throughout the territory of the CIS. Only 30% of its revenue is supplied by advertising. Another option would be for part of the unused airtime on Channel 1 to be handed over to private operators, as has already happened with two of the five state-owned frequencies.

Observers believe that at least one and possibly as many as four channels could be privatized by the end of the year.

by Anna Franklin — MOSCOW

GREECE

Govt Throws Lifeline To Greek Pubcaster

Increased license fee, bank loan and cutbacks to rescue ERT

Like many other public broadcasters in Europe, Hellenic Radio and Television (ERT) has been plunged into crisis by the loss of its broadcasting monopoly.

The change in ERT's fortunes has, however, been more cataclysmic than most. With scores of radio and tv stations joining a deregulatory free-for-all in the late eighties, ERT saw its share of tv viewing plunge to 11%. Its share of tv advertising

MIP'ASIA**MANY CULTURES
ONE MARKET****HONG KONG***Convention and Exhibition Centre*

1-3 December 1994

MIP'Asia is the coming together of many cultures and one industry in an irresistible new business opportunity.

With over 30 years of experience in organizing international television markets, Reed Midem Organisation now brings together world executives in an exciting market event and conference programme to put you in touch with a phenomenal growth industry.

Also with over 30 years of experience in organizing timely seminars and conferences on the television industry, NATPE International teams with Reed Midem to present a special one day conference on December 2 on "The American Experience", an overview of the television business as it has evolved in the United States.

MIP'Asia provides the perfect environment to sell programming, exchange ideas, create

new business ventures and assess your position in world television.

Running alongside the market, our comprehensive Conference Programme which begins on the afternoon of November 30 will deliver to you a better understanding of the Asian Television Market and will create an opportunity to examine Western expertise in programme financing, production, co-production, distribution, delivery, creative scheduling, channel marketing and branding, and even legislation. So, while the West can learn the unique requirements of the Asian programme industry, the East can capitalize on the experience acquired by Western countries.

MIP'Asia invites you to participate in a new world event for the television of the future.

MIP'Asia Conferences are organised in association with NATPE International.

NATPE
INTERNATIONAL

Be part of that future. Contact us today for further information.

IN UK AND AUSTRALIA FAX PETER RHODES ON (44) 0171 895 0949 (OR TELEPHONE (44) 0171 528 0086)

IN USA FAX BARNEY BERNHARD ON (212) 689 4348 (OR TELEPHONE (212) 689 4220)

IN FRANCE AND REST OF THE WORLD FAX JACQUES GIBOUT 33 (1) 44 34 44 00 (OR TELEPHONE 33 (1) 44 34 44 44)

Reed Midem Organisation, 179 Avenue Victor Hugo, 75116 Paris, France



A member of Reed Exhibition Companies

BID TO LAUNCH LAT AM DTH

A new satellite covering an area ranging from southern U.S. to Argentina is set to launch in 1996. Owned and operated by the Nahuelsat company, Nahuel 1 will transmit television signals, data and other services currently transmitted via the Anik C1 and Anik C2 birds. Its license, granted by the Argentine government in 1993, lasts until 2017 and includes a six-year extension option. A Nahuelsat spokesperson said 40% of space on the satellite has already been sold to a variety of interests, including unnamed Argentine television stations. It is hoped the launch will facilitate the development of direct-to-home tv in the region. Currently under construction, Nahuel 1 will be operational in 1997. Nahuelsat SA is owned by Deutsche Aerospace Aerospaziale and Alenio Spazio, with a \$5 million equity investment held by the IFC. Other European and South American investors are expected to buy into the company.

revenue in the first six months of 1994 was a mere 6%.

Successive changes of management and governments did not help, and ERT ran up a debt now estimated at 25 billion drachmas (\$107 million). Now the government has stepped in to throw ERT a lifeline.

The Greek Minister responsible for the media, Evangelos Venizelos, in a joint conference with the chairman of ERT, Eugen Yannakopoulos, announced that the government has decided to increase the bi-monthly license fee paid by Greek tv owners by 50%. The state broadcaster will also take a loan of \$43 million from a Greek bank in order to cover its expenses.

In return, ERT will have to follow a "survival plan" in order to sort out its problems. It will follow an austerity policy, cutting some of the expenses of its personnel, and will adopt a more market-oriented approach for its advertising and other commercial revenues.

The minister said that the increase of the license fee was necessary to cover the expenses for ERT's three channels, five radio stations, orchestras and satellite ventures. Moreover, ERT also plans to increase the quality of its program as well as its audience share.

The latest addition to the tv environment is rumored to be Greece's first pay-tv station, launched by private channel Mega and Dutch pay-tv operator Nethold, which recently opened an office in Athens. Mega Channel, one of the two leading tv stations, had a hugely successful share flotation in July, with enough demand to have sold the 3.7 million shares seven times over.

**by Stylianos Papathanassopoulos —
ATHENS**

ASIA

Star TV Takes A Punt On New Channels

**Pay channels will diversify Star's
appeal, but Hong Kong is a no-go**

Star TV is to launch seven new subscription-based channels in a handful of Asian languages over the next three years as it continues to diversify its audience base in Asia.

Chief executive Gary Davey said the pan-Asian satellite station would introduce two Mandarin-language entertainment and subscription channels, an Indian subscription channel, as well as Bahasa, Indonesian, Thai, Tagalog and Cantonese services.

The Mandarin channel, aimed at China and

Taiwan, will be evenly split between local and overseas programs. Star TV will commission shows from production houses in the two countries, splitting costs between the network and cable tv operators carrying the service.

Meanwhile, talks between Star TV and Hong Kong's

Cable TV aimed at agreeing carriage terms for the 65,000-subscriber system to carry Star's channels have ended in failure.

Discussions, which began a year and a half ago, were abruptly terminated with each side blaming the other for their inability to agree to terms enabling the cable network to carry any of Star TV's channels. While Cable TV's managing director Stephen Ng insisted he was still ready to talk to Star, the satellite channel has "pulled the plug" on any future discussions. Ng said the sticking-point was the cost of the movie channel.

According to Davey, the talks had boiled down to whether Cable TV was willing to take Star Movies, Star TV's first subscription service launched in May, although the talks had at first centered on its free-to-air channels. While claiming it had bent over backwards to accommodate Cable TV, Star TV decided it was impossible to make an agreement.

In a further twist, Davey said he had written to the Colony's Broadcasting Authority demanding that it should scrap the exclusive right of Wharf Cable, the network's owner, to carry pay-tv before its expiry date in June 1996.

- Viacom, MTV's owner, has reportedly decided to re-locate its production and uplinking facilities to Singapore. When MTV was part of the Star TV stable, until the split last April, it based itself inside the pan-Asian broadcaster's Hong Kong headquarters.

It is known estate agents were looking for a 400,000 square-foot premises for MTV in the British Crown Colony, but Viacom executives in Hong Kong appear to have opted for Singapore instead. MTV is due to begin transmission in the final quarter of 1994 from the ApStar1 satellite.

Singapore has long offered broadcasters financial inducements to re-locate there in the form of tax holidays and help with finding premises. HBO Asia and Asia Business News are already operating there.

by Owen Hughes — HONG KONG



Davey: broke off HK talks

Children Should Get More Credit

Commercial television has had one salutary effect on the lives of young parents: on weekend mornings they can sleep longer because on Saturdays and Sundays their children are baited by programmers to watch early morning tv fare exclusively targeted at them.

The growing boom in children's programming testifies to the established fact that youngsters are a grateful kind of tv consumer. Equally long-standing is the controversy over television's effects on children.

The most vocal school of cultural critics, of course, claims that television is the main cause of all pertaining evils, ranging from delinquency to analphabetism.

The worst, according to this view, comes from the combination of children's programming and tv advertising. Commercials in tv programs aimed at children, these circles say, are the basest way of manipulating the most innocent, gullible and trusting part of humankind – all in the even more base interests of profit-oriented capitalists.

Children and advertising. What are the facts?

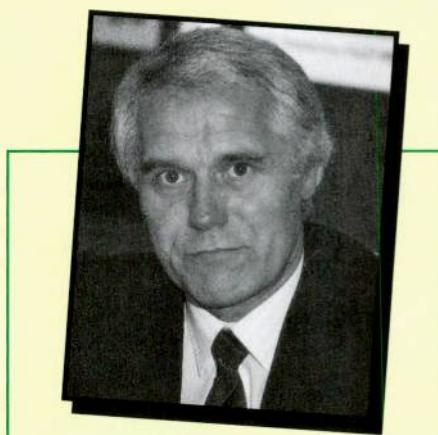
For one, getting the facts is more laborious than simply venting one's prejudices, which normally flourish on speculation and wild demagoguery. The topic of children and advertising is no exception to this rule.

Nevertheless, the fact-finding work in these ideology-burdened surroundings has been done, by serious social scientists as well as, not surprisingly, specialists of both the advertising and tv industries. It would not do to dismiss the results as obviously interest-guided and therefore not to be taken at face value. The facts speak for themselves.

Take a look at the situation in Germany. There are 7.64 million children aged between seven and 15 years. As the Munich-based Institut für Jugendforschung (IJF) found out in its Student Media Analysis (1993) they have a yearly buying power of \$10 billion.

And instead of senselessly flushing all their money down the cashier drains of tv advertisers, as the critics have it, 70% of the children put \$4.8 billion of those \$10 billion into savings accounts.

According to the IJF study, children



BY WILFRIED AHRENS

are anything but consumption-mad morons. As consumers and savers they generally behave like adults: they save consciously for more expensive items (48% for hobbies and toys) and save the rest for no express purpose.

Then take the notion that the industry has been tailoring its advertising budgets in proportion to the amount of money children can spend. Wrong. Only the toy sector could be said to do so, because it is the only one having to deal only with children. In Germany, toy makers invested \$100 million in advertising in 1992, or less than 2% of the advertising total for the year. In all other areas like soft drinks and consumer electronics it is impossible to say which age group has been addressed by advertising.

And what about the gullibility factor? Are children, as it is claimed, really the helpless, unprotected victims of the

advertising industry's suggestions, electronic and otherwise?

By no means, say the IJF researchers. Today's children, more than those of a generation ago, easily can and do spot exaggerations and incompatibilities in commercials and ads. A youth study by Bauer Verlag of Hamburg, published last year, has found out why: "Children are more exposed to advertising and therefore more critical."


And this is not a recent development which can be blamed on the advent of private television. Back in 1981, public network ARD published a voluminous report on youth and advertising that showed children did not blindly take ad messages for granted, and 67% of the children between six and 13 know unmistakably that commercials and ads are there to inform on goods and services – and to entice to buy them.

In the same year, 1981, an American study (*Television Advertising and Children – Issues, Research and Findings*) came to the conclusion that children between four and eight years of age could and did distinguish commercials from regular tv programs.

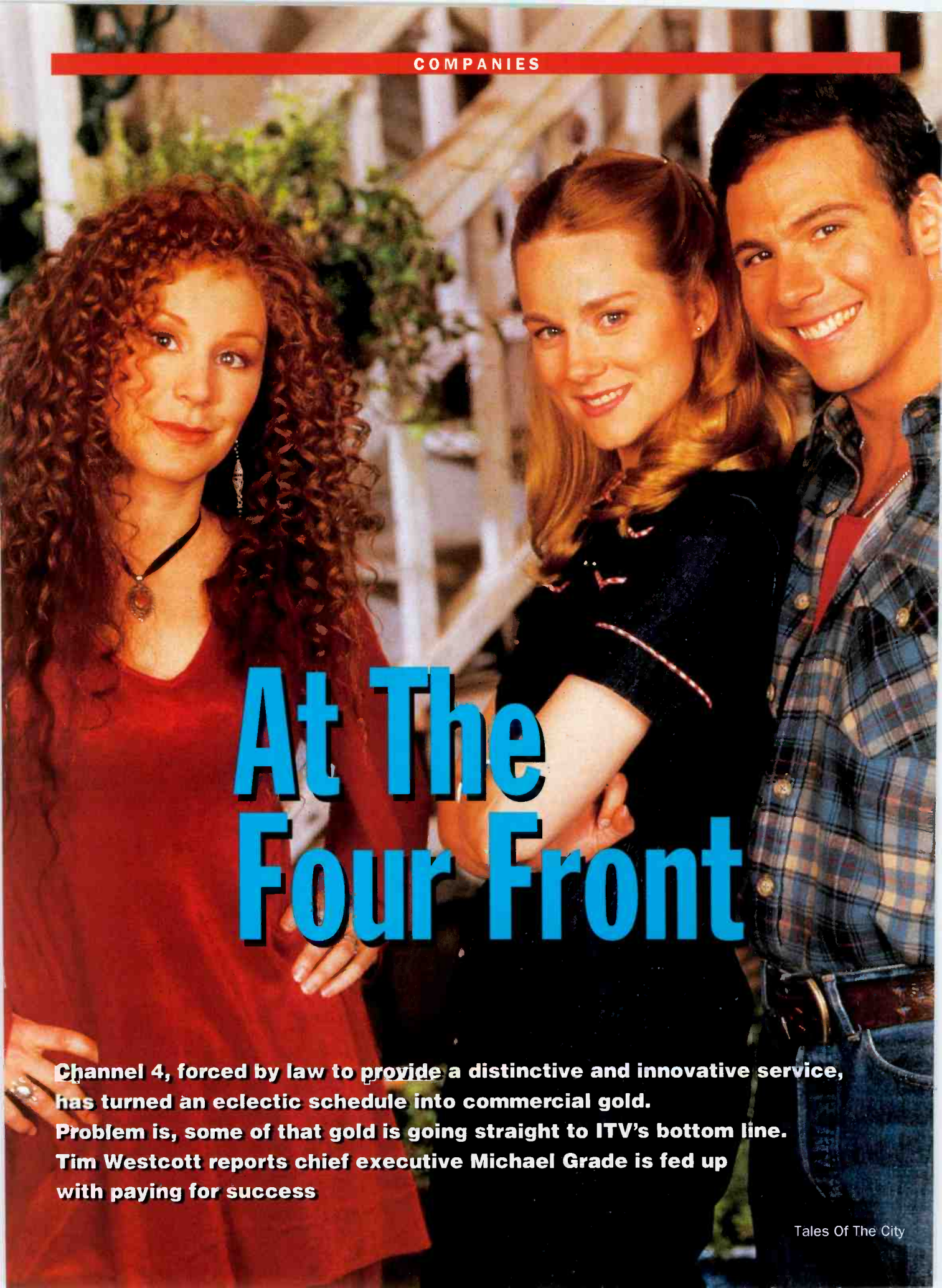
Of course, the discussion on children and tv advertising is part of the general television-is-evil debate.

But "progressive" anti-advertising and generally anti-business prejudices should have no part to play in education. In 1993, social scientists of Bielefeld University, in a study initiated by the German minister of youth affairs, formulated their ideas of a modern media education:

"In a society based on market economy, it is impossible to uphold any pedagogic antipathy towards advertising and economic affairs. As regards advertising, we need less myth-production and more rationality."

Meanwhile, let's have the children enjoy what's being put for them on the screen. If they do not like it they are apt to zap – or even to prefer the commercials. 

Are children, as it is claimed, really the helpless victims of the advertising industry's suggestions, electronic and otherwise?



At The Four Front

Channel 4, forced by law to provide a distinctive and innovative service, has turned an eclectic schedule into commercial gold. Problem is, some of that gold is going straight to ITV's bottom line. Tim Westcott reports chief executive Michael Grade is fed up with paying for success

“I couldn't have a worse relationship with them than the one I have had for the last three years. They've done us no favors. They take our money and try and screw us. I haven't had one ounce of help from ITV in any direction since I've been at the channel.”

Michael Grade, chief executive of Channel 4 since 1987, does not mince his words. After one year of total independence from ITV, relations between Channel 4 and its older commercial sibling have reached the point where any communication generally takes place through lawyers. The root of the dispute is, of course, money. But it goes much, much deeper than that.

From its creation in 1982 through to the beginning of last year, Channel 4 operated as a subsidiary of the now-defunct commercial tv regulator the Independent Broadcasting Authority. It was funded by an annual subscription levied on the ITV companies, which also handled Channel 4's advertising sales. As part of a general reshaping of the commercial tv landscape, the 1990 Broadcasting Act converted Channel 4 into a corporation from January 1, 1993 and gave it responsibility for its own ad sales.

The Corporation is a non-profitmaking public trust administered by a chairman and board of directors, who are appointed by the IBA's successor, the Independent Television Commission.

The old ITV subscription money kept the channel going though its infancy, when it technically ran at a huge loss. Audience share climbed steadily year on year from 4.8% in 1982 to 10.9% in 1992. Standing on its own two feet, however, Channel 4 did much better, raking in \$512 million from advertising and sponsorship in 1993, an improvement of 35% on the amount declared by ITV the year before, in a market which grew only 5%. This year it increased its programming budget for the first time in three years from \$285 million to \$316 million; ITV cut its network budget by 14% to \$837 million.

The 1990 act did preserve a link between ITV and Channel 4 in the shape of a “safety net” which at the time reflected the government view that Channel 4's prospects were more modest than they have turned out.

The act stipulated that if Channel 4's share of terrestrial advertising revenue rose above 14% in any calendar year, it would pay 50% of the surplus to the ITV companies. If it fell below 14%, ITV would pay the C4 Corporation up to 2% of terrestrial revenue.

In the event, C4's share of revenue

was 18.2% last year, so it had to kick back \$59 million to the ITV companies. This year it expects to pay \$78 million and forecasts that unless the safety net is scrapped, it will hand over something like \$775 million during the ten-year period of the ITV franchises, all money that would otherwise be invested in programs.

C4 wants its money back, and launched a campaign to get the act amended when it presented its annual results in June. The effects of the safety net were “perverse,” said C4, with an amount equivalent to its annual drama and film budget going “straight to the bottom line” of the bigger ITV companies. Collectively, it said, the ITV companies only expected to get \$155 million from C4 over the ten-year period.

“The funding formula was imposed on the channel,” maintained Grade. “We objected at the time. We didn't do it publicly because we had a different style of campaigning then. It's just a piece of rogue legislation.”

It is no small irony that nothing more clearly demonstrates

C4's success than the fact the safety net has become a tax on the channel. On its face, it's easy to see why the government thought the channel would need an insurance policy. Channel 4 would have to survive on ad sales while continuing to offer programming ITV didn't to audiences the big commercial network was ignoring. But the audiences C4 attracts – light television viewers – are just the people advertisers will spend money to reach. C4 has taken ad dollars from ITV and audience from ITV and

the BBC's two tv channels with an eclectic mix of original drama, documentaries aimed at minority tastes and interests, Italian soccer, a loud brash morning show and sitcoms and hour dramas acquired from the U.S.

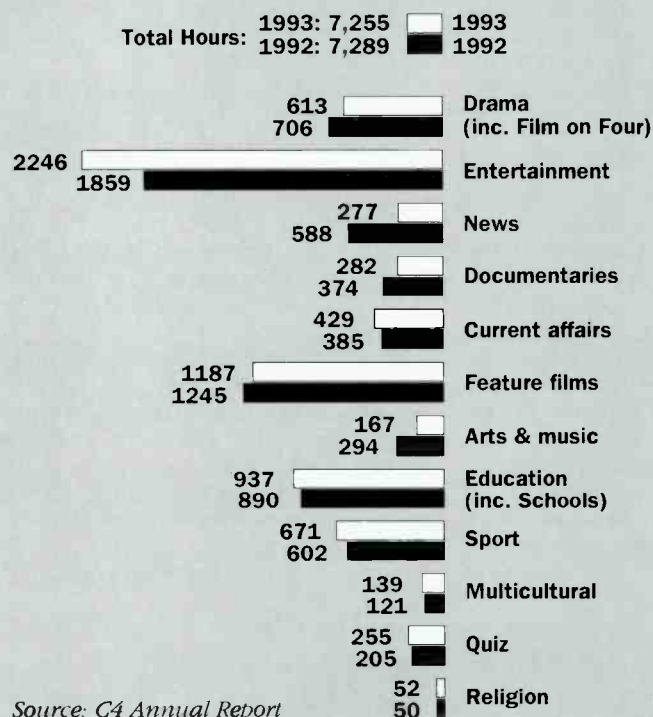
The insurance policy the government created to protect the channel is now C4's biggest problem. Grade reportedly used his annual meeting with independent producers not to explain the channel's plans for the next year but to rally them to the C4 cause: either the money goes into British programs or into dividend payments to shareholders of the ITV companies.

John Woodward, director of the independent producers' body Pact (Producers' Alliance for Cinema and Television), fully supports the campaign. (Another unique aspect of C4's set up is the requirement that it buy in a large percentage of its output from the independent production sector, which was in its infancy when the channel was created).



Grade: “Channel 4's distinctive nature is our biggest commercial asset”

Total number of hours transmitted by program range (Hours)



Source: C4 Annual Report

Last year, Woodward said, C4 did business with 533 companies, the majority receiving commissions of less than \$150,000. "That kind of spreading out of the production base, that sort of encouragement of a large number of distinctive voices... is probably what is unique about C4 and isn't replicated anywhere else in British tv."

Although all four broadcasters are now required to commission 25% of their output from independents, and two of the new ITV franchisees – Carlton and Meridian – copied the C4 "publisher" model, Woodward estimates the BBC only deals with 100 to 120 independents, and Carlton more like 30 to 40 and Meridian fewer. In addition, most of those independents are geared up to produce primetime dramas and sitcoms; C4's commissions run the gamut from its soap *Brookside* and last year's drama series *Lipstick on Your Collar* and *Tales of the City* to smaller orders for its religious, multicultural and educational strands.

In all, C4 commissioned 2,276 hours from independent producers, accounting for \$218 million – 67% of the program budget – in 1993. C4 comfortably exceeded European Union quotas, with 41% of its output coming from European

independents. In comparison, the BBC bought 1,280 hours from independents in 1993-1994, 27.5% of its terrestrial tv output, while ITV commissioned 27% of its networked programming hours in 1993 from independents.

The wide range of companies making tv programs for C4 has not always made for financial security in the indie sector, but it has undoubtedly broadened the industry base, particularly in areas like factual programming.

Pamela Hogan, head of co-production at National Geographic Television, said:

"(C4) are a great clearing-house for quality independent filmmakers. In a way they are almost our talent scout in the UK. The independents who come through Channel 4 are interesting. Even if we end up turning down the project, we're glad to know that they're out there."

Channel 4's mission, as laid out in the 1981 Broadcasting Act and its 1990 successor, is to cater for audiences not served by ITV with a menu of innovative and distinctive programming. Under its first chief executive, Jeremy Isaacs, the formulations of that official writ were transformed into a compelling service. Many of Isaacs' ideas – support for film,

the hour-long evening news program and the "real-life" soap *Brookside* – remain key features of today's schedule.

Grade was appointed when Isaacs left to head the Royal Opera House in 1987. In an interview shortly after he started, Grade outlined his vision of a channel where "creative decision-making" would be "devolved" to the commissioning editors. An "eclectic mix of experience and ingenuity and enterprise and imagination and obsession on the part of the commissioning editors" would help to create an environment which would "bring their passion and their interests to the screen."

Even so, some elements of the production community were suspicious of Grade and relations probably reached a nadir in 1991, when the existing independent producers' association, IPPA, set up a "monitoring committee" to check C4's adherence to its remit. Since then, Channel 4's steadily increasing audience share and now its dependence on ad sales revenue have continually revived the question of whether C4's remit can survive harsh commercial reality.

Grade is in no doubt. "Our belief is that the distinctive nature of Channel 4 is our biggest commercial asset. The success of the channel is not due to any change of programming policy. That's how we believe that we will see our way through the decade."

The success of C4's advertising sales operation has completely confounded predictions that its policy of giving a free hand to programmers would not be bought into by advertisers and agencies.

Robert Ditcham, broadcast director at buying agency Initiative Media, said an audience which is attractive to advertisers is "inherent" in the remit. "Channel 4 does have a unique proposition in that its remit is to appeal to everyone some of the time, so it tends to have smaller audiences of people that generally speaking are quite difficult to reach."

The list of the UK's 30 top-rated pro-

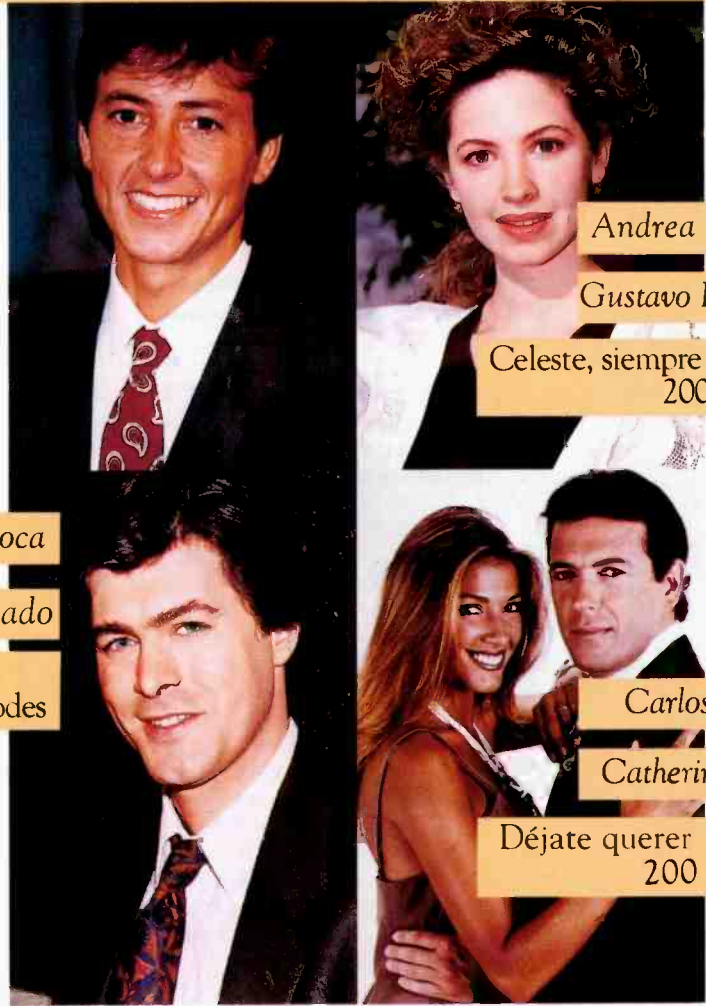
Program Payments By C4 (number of companies)

	£ 0-100,000	100,000-250,000	250,000-500,000	500,000-1m	over 1m	Total
1991	470	102	43	25	28	668
1992	473	98	46	20	27	664
1993	332	105	43	25	28	533

Source: C4 Annual Report

N o v e l a s

RATTO/BBDO



Andrea del Boca

Gustavo Bermúdez

Celeste, siempre Celeste
200 episodes

Andrea del Boca

Gabriel Corrado

Perla negra
200 episodes

Carlos Mata

Catherine Fulop

Déjate querer
200 episodes

Though you may hate us for this,
we' re going to tell you how these three soap operas end:

YOU' LL GET RICH.

*t*he most widely seen soap operas in Argentina. Featuring top level stars, well known and best sold in the most important markets. With the quality production that characterizes Raúl Lecouana and TELEFE, leading TV channel in ratings. Three passionate and different stories, with only one thing in common: guaranteed success.

TELEFE
internacional

Big Niche Player

Channel 4's demand for distinctive programming gives it a major role to play on the international market. By Tim Westcott

Channel 4 has a presence in the international market that belies its position as a niche UK service. There are sound financial reasons for this. "We are interested in stretching our program budget as far as possible," said Colin Leventhal, director of acquisition. "It's inevitable we can't afford to do everything our commissioning editors want. The more money we can bring in through sales and co-productions, the more we are able to achieve." In addition, the acquisition of programs enables more money to be concentrated in UK production, which Leventhal calls "the lynchpin of what we do."

Last year, he said, co-productions added \$39 million to C4's budget and international sales contributed a further \$17 million. Turnover and profitability for Channel Four International, which started trading on July 1, 1993, were both up 80% in the outfit's first 12 months.

The channel now aims to consolidate its transatlantic links after setting up an office in New York early this year. "We felt our business was sufficiently mature to be able to deal directly," said Leventhal. "(There is also the) spin-off advantage of developing the business of finding co-productions with U.S. partners."

Rather than being limited to its public service counterparts in other countries, C4 sells "across the board" to most of the commercial stations in Europe, Asia and Australia, according to Frances Berwick, program sales manager. "Certain broadcasters come to C4 for certain types of program such as adult animation." So far, only the big three U.S. networks have not bought any C4 product, but Berwick is hopeful that one of them will buy the format for the game show *Don't Forget Your Toothbrush*, which has already sold to France, Germany, Spain, Holland, Denmark, Sweden and Australia.

Berwick said of the 1,800 hours of programming on the books, the best sellers, in terms of territories, have been the mini-series *Traffik* and *A Very British Coup*, *Orchestra!* (co-produced with Showtime) and *Spaceship Earth*. Rights to feature films financed by Channel 4 – the roster includes *Howard's End*, *The Crying Game*, *Naked*, *Raining Stones* and most recently *Four Weddings and a Funeral* – revert to C4 International after around two years. The only category which is unrepresented in the C4 back catalog is sports.

Any programs not **Four Weddings: box office earner**

distributed by C4 either go through the producer or three "approved distributors." Jane Balfour Films deals with the majority of C4's current affairs output, including the *Dispatches* and *Fronline* strands; NBD TV represents pop and rock music and some of its youth output; Pavilion handles educational programs. From this year, a fourth distributor, Double Exposure, is handling schools programming.

C4 has a long-standing deal to represent Australia's own minority channel Special Broadcasting Service (SBS), which is also a regular buyer, and keeps close contact with the Franco-German cultural channel Arte, which has adopted the C4 idea of running themed evenings of programs. Other like-minded channels it deals with regularly include PBS and Bravo in the U.S., France's Canal Plus and Germany's Premiere.

The main area of co-production is documentaries, where C4 has, said Leventhal, aimed to develop long-term strategic relationships. "There are relatively few people in the world who would produce or co-produce the sort of programs we do. You can number them on virtually one hand – National Geographic, A&E, Discovery, The Learning Channel, ABC Australia and Canal Plus. These people tend to get to know their opposite numbers here extremely well and get a pretty good idea of what they want."

Andrew Brann, head of co-production and acquisition, said C4 is trying to turn links with one partner into a strategic alliance. "The advantage we have is that we're commissioning from a third party, which puts other broadcasters into a position of equality. But we're so editorially-driven that we're not going to take anything we don't want just for reciprocity."

The documentary area also makes it easier for each partner to accommodate inevitable editorial differences by making different versions for national markets. *Naked Sport*, a co-production with Showtime, aired as a series in the UK but as a single two-hour special in the U.S. Jay Larkin, Showtime's vice president of original programs, explained C4 "know exactly what's right for their network and they don't come to us with anything that's not right for us." However, creative differences arise – U.S. programs are faster paced – so it's often "a matter of agreeing to disagree."

In the drama area, C4 has worked with PBS and HBO in the U.S. and is the UK partner in the European Co-Production Association (ECA), which funded major C4 series *The Manageress* and *The Gravy Train* – though its continued participation is in doubt.

Last year, 1,308 hours of U.S.-made programs aired on Channel 4, up from 992 the year before. Sitcoms like *Cheers*, *Roseanne* and *Home Improvement* have become mainstays of the C4 evening schedule, and the channel recently bought the UK rights to hospital series *ER* and Fox's *The Five Mrs Buchanans*.

"Originally, one of our objectives was to show to a UK audience the best film and tv programs from around the world," said Leventhal. "At the time, U.S. comedy was not regarded as capable of attracting a substantial audience."

The channel also experimented – less successfully – with French and German soaps and with Latino telenovelas.



Leventhal: UK is "the lynchpin"



Don't Forget: hot format



PARAGON INTERNATIONAL PRESENTS


**LAMB CHOP'S
PLAY-ALONG!**



85 completed episodes
Two one-hour specials in production



PARAGON ENTERTAINMENT CORPORATION

119 Spadina Avenue, Suite 900, Toronto, Canada M5V 2L1

Telephone: (416) 977-2929 Fax: (416) 977-0489

grams in 1993 published by measurement service Barb does not give much of an idea of C4's strengths. Feature films occupy the top six positions, with episodes of *Lipstick on Your Collar* (5.5 million viewers) and *Brookside* (5.3 million) the highest C4 shows. Further down the list are comedy series *Desmond's* and *Drop the Dead Donkey*, game shows *The Crystal Maze* and *Countdown*, two *Cutting Edge* documentaries, athletics and horse racing.

"What you're looking for when you buy C4 is a very specific target," said Chris Locke, head of tv buying at The Media Centre. *Channel 4 News* delivers upscale adults, while the raucous morning show *The Big Breakfast* pulls in housewives and the 16-34 age group. "We're looking for the style of programming that best fits the product. You tend to buy huge weights on C4 because it's almost a support to ITV. If you have a normal campaign, let's say you give ITV 75% of your cash, C4 20% and maybe satellite 5%."

The key to C4's sales performance was its decision to divide sales into six regions of the UK. All ITV airtime is sold regionally, so C4's sale has fitted in better with advertisers' strategies. Locke believes the regional sell contributed between \$62 million and \$76 million to C4's revenue last year.

But though C4 is now effectively taking advertising revenue from ITV's pocket, the two channels are still umbilically linked by the funding safety-net. If successful in cutting the link, Grade said C4 will double its investment in British feature film production from its present level of \$16 million a year. Other areas to benefit will be children's programs, drama and documentaries.

At \$930,000 an hour, dramas are the most expensive of C4's activities. According to Colin Leventhal, director of acquisition, C4 aims to commission at least one new drama series each quarter. "Our objective is to up the number as much as we can. We would also like to try (to make) around 13 episodes a series rather than the four to six that we do at the moment. That is the way the channel is branded... by having a high level of original production."

Unless the act is revised, Channel 4 will have to wait until at least 1997 for the government to review the safety net clause. And not surprisingly, ITV has responded angrily to what it sees as C4's special pleading.

"I believe a deal is a deal," said Leslie Hill, chairman of the ITV Council. "The fact is, there was an upside and a down-

side for the benefit of ITV and C4 because nobody knew exactly what was going to happen. To start un-picking one part of the Broadcasting Act is monstrous."

Hill warned that ITV companies forced into the red if the C4 payments were ended could press to have their franchise payments lowered. The ITV companies' legal obligation to provide local services could also be threatened.

"Collectively, the ITV companies are paying \$543 million to the government - money that would otherwise be invested in growing the business both in the UK and internationally. The idea somehow that this is a windfall for ITV is complete nonsense."

Another problem with C4's campaign, at least according to former London Weekend Television chief executive Greg Dyke, is that the financial success Grade has so loudly proclaimed could attract the unwanted attentions of the government. "If you call this money Channel 4's profit, add on what goes into the Channel 4 reserve fund, suddenly you have a company worth at least £1 billion to £1.5 billion, should the government choose to privatize it," Dyke warned in a speech last month. "And there are those in government already talking about it."

Despite the raised hackles on each side, Hill said ITV is "perfectly prepared"


to work with C4 where appropriate, citing a recent visit he made to the Department of Trade and Industry with Grade to discuss Rupert Murdoch's dominance of the pay-tv market. "I think it's in all of our best interests to work together where possible in the interests of the commercial system overall."

The view is shared by advertisers, whose interest is in seeing viewing on the non-commercial BBC channels minimized. Locke regards satellite tv, which took over \$150 million in advertising last year, as a greater threat to both C4 and ITV. The Broadcasting Act still requires C4 and ITV to promote each other's programming, but the amount demanded is so minute - 30 seconds a day in peak-time and 30 seconds in off-peak - that it is almost invisible, and both channels have stopped exchanging schedules to enable complementary scheduling.

Grade, however, is not in a conciliatory mood. ITV "could not have been more competitive, could not have been more aggressive. But that's fine." Instead, he is promoting what he calls "a gently developing alliance" with the public service BBC. "We felt that there was a lot more we could do with the BBC to help save costs, get more money on the screen... We would co-produce movies, drama series... there are lots of things we could do together."

The two broadcasters have already collaborated in a simultaneous radio and tv broadcast of the Derek Jarman film *Blue* and will, later this year, jointly transmit the last two tv plays written by the late Dennis Potter. Although both were one-offs, the BBC was given government blessing to extend its commercial activities when its Charter was renewed this year, and Grade hopes to persuade the BBC that Channel 4 is a more suitable partner than BSkyB, with which the pubcaster has bid for numerous rights to sports and U.S. imports in recent years.

As Woodward observed, the fundamental tenet that publicly-licensed broadcasters (including ITV) did not compete for revenue ended with the legislation passed in 1990. Now ITV and Channel 4 are competing head-on, with satellite tv "scooping out of the same pot." For all the talk of cable and satellite, the real revolution within British broadcasting has taken place within the four terrestrial stations.

"We're all going to lose share," said Grade, looking ahead to the end of the decade. "The trick, in a fragmenting market, is not to lose share quicker than your competition." 



Hill: "It's in our interests to work together"



THE 35TH MONTE CARLO TELEVISION FESTIVAL

President : H.S.H. Prince Albert of Monaco

Monte Carlo means...

...Prestige

February 9-16, 1995,
the 35th Monte Carlo Television Festival
presents the coveted Gold Nymph awards
for the best in television.

...Business

February 13-16, 1995,
the 17th Monte Carlo Television Market
is a unique meeting place for international
television executives.

Monte Carlo means Television!

For more information, call

MONACO

TEL. (33) 93 30 49 44

FAX (33) 93 50 70 14

PARIS

TEL. (33) 1 45 62 31 00

FAX (33) 1 45 63 44 31

U.S.A.

TEL. (201) 869 4022

FAX (201) 869 4335

Peace Gives TV A Chance

The former components of Yugoslavia's federal broadcasting system are now making their own way as independent entities, at very different speeds, finds Chris Dziadul. Tim Westcott, introducing our focus, finds out that Croatia and Slovenia are keen to strengthen international links

Civil war and the disintegration of the state are problems that mercifully few broadcasters have to deal with. Yugoslavia's transformation from one of the fastest-growing eastern European economies into a crisis zone was rapid, and the war is still rendering normal life impossible in Bosnia and the blockaded Serbia and Montenegro.

Although broadcasting and program production pale into insignificance compared to the problems still overhanging the region, two of the countries born from the demise of Yugoslavia – Croatia and Slovenia – are building on the foundations of peace to revive domestic production and links with the outside world.

Croatian TV (HRT) hardly missed one of the tv markets despite the war, says Marijan Oresnik, head of international relations. "We've been in the market for more than 30 years. We know all these people, a lot of our partners are personal friends."

HRT, however, was forced to close its third channel as a result of \$30 million of war damage to its transmitter network. It lost cameramen and technical staff, and had to suspend production of drama – one of its strong points in JRT days. As a consequence, the level of acquired programming has increased from the pre-war level of 25-30%.

One category of programming – news and current affairs – increased in importance as viewers followed the progress of the war and Croatia's recognition by

the international community. The presence of foreign news organizations also meant HRT's facilities were in use round-the-clock.

Current co-productions include a documentary about two Croatian-born New Zealand women made for TVNZ with the independent Top Shelf and *Franz Joseph's Land*, a documentary which is being filmed in the Istria region by Austrian tv.

Although HRT dabbled with barter – acquiring daytime soaps from Procter & Gamble and *Beverley Hills* through this means – Oresnik says this form of program funding will probably be phased out by 1995.

Neighbouring Slovenia enjoyed a much less turbulent transition to statehood. RTV Slovenija is the national broadcaster and like HRT it has attended most of the international markets at Cannes and Monte Carlo since independence.

The proportion of imported programming is running at just over 60% of output, although it produces drama, entertainment, youth, documentary and sports

programs itself. Programs are rarely acquired through barter, according to Boris Bergant, deputy director-general of RTV. Co-production links have been maintained with broadcasters in Austria,



Italy, Germany and Hungary since pre-war days.

RTV is one of the ten partners in the Fringe Federation, a Eureka-backed group which funds drama productions by small national broadcasters. RTV was the main partner in the 6 x 30-minute children's drama series *Moonacre*, which was mostly filmed in Slovenia last year.

Croatia



Croatia's television market is still dominated by the national broadcaster Hrvatska Televizija (HRT). Private operations are limited to local coverage of the capital Zagreb and provincial towns Osijek, Split and Sibnek, but the new telecommunications act going through parliament this fall is ultimately expected to introduce a new national commercial network.

HRT is relaunching the third channel this October it was forced to close after its transmission network was badly damaged in the war. Coverage will be limited to 60% of the country.

HRT's two main channels are both available nationally, the first (HRT1) showing mostly in-house productions while the second (HRT2) offers viewers a mixture of foreign films and series. Only the former carries news, however, and this has recently been reduced to one main bulletin a day.

HRT also acquires programs from a number of independent local production companies (including Studio 5, K-36

While the latter does not carry commercials, advertising on HRT's two terrestrial channels provides the broadcaster with around 20% of its total income. The lion's share (75%) is nevertheless obtained from receiver license fees which currently cost households \$4.80 a month, with program sales supplying the remainder.

HRT's strong position in Croatian broadcasting contrasts sharply with that of local terrestrial stations found in several towns including Osijek (TV Slavonia), Split (TV Marjan) and Sibnek (TV Sibnek). However, it faces a certain amount of competition from OTV (Youth Television) in the capital, Zagreb.

Conceived by a group of young people in the city in 1988, the latter launched a full service in late 1991 and currently transmits up to 16 hours of movies, documentaries, talk shows, music and cultural programs daily. Around 70% of its output is produced in-house, with the most popular programs being the talk shows *2 at 9* and *Danger-*

He nevertheless adds that while the station "has a very good rating in Zagreb", it remains "a long way from competing with a very strong institution supported by the state." This could change once OTV is privatized this summer, however, and if it is awarded a license by the authorities.

Kuzele believes that if OTV is granted legal status it will be required to broadcast 24 hours a day and allot 20% of its airtime to news and information. Although this would probably have to be supplied by HRT (despite OTV having agreements with Worldnet and Deutsche Welle), "it would not be a problem because news programming is the most expensive to produce."

He also feels that although there is possibly room for up to three more stations in Zagreb alone, competition will be tough and local services may have to join up as networks to syndicate programs (such an agreement already exists between OTV and TV Slavonia).

Whether they can go on to create ser-



Jurisc and Guberovic) and belongs to an organization of regional European broadcasters named Circom which occasionally undertakes co-productions. Furthermore, it operates a satellite service which beams six hours of programming each evening via Eutelsat to several hundred thousand expatriates living throughout western Europe.

ous Liaisons.

According to Branko Kuzele, OTV's program co-ordinator, the service is currently available within a 60km (37.5 mile) radius of Zagreb and reaches both "a third of the population of Croatia and almost 90% of the decision-makers." More importantly, and unlike HRT, "it is totally commercial."

vices capable of competing with HRT, however, remains to be seen. Anna Marja Majnaric, a media executive at McCann Erickson in Zagreb, feels that with local station's ad revenue still negligible compared to that of HRT (\$13 million in 1993), prospects for commercially viable alternatives to the state broadcaster are hard to assess.

Serbia, Bosnia and Macedonia



Serbia, which along with Montenegro, Kosovo and Vojvodina now constitutes the Federal Republic of Yugoslavia, has a surprisingly large number of independent television services. Although most are under constant pressure from the authorities, several including NTV Studio B and TV Politika continue to provide a platform for alternative political views.

Publicly-owned Radio Television Serbia (RTS), which came into being following the integration of services in Belgrade, Pristine and Novi Sad in 1991, is nevertheless still the dominant broadcaster in the country. Rigidly controlled by the government, it receives funding from receiver license fees collected through electricity bills and offers viewers five national channels.

In neighbouring Montenegro, a service funded by the state and receiver

license fees has been operating since 1974, while those available in the Kosovo and Vojvodina regions are provided directly by RTS.

The former Yugoslav republic of Macedonia meanwhile boasts an altogether more relaxed television industry, with at least 15 private stations including TV Tera Bitola, TV Teko, TV Sky Kanal and especially TV A1 (which is based in the capital, Skopje) now competing with publicly-owned Macedonian Television.

Although such diversity is clearly impossible in war-ravaged Bosnia and Herzegovina, Sarajevo-based RTV (BIH), which at one time operated two channels and reached 80% of the territory's 600,000 homes, has remained on air throughout the conflict.

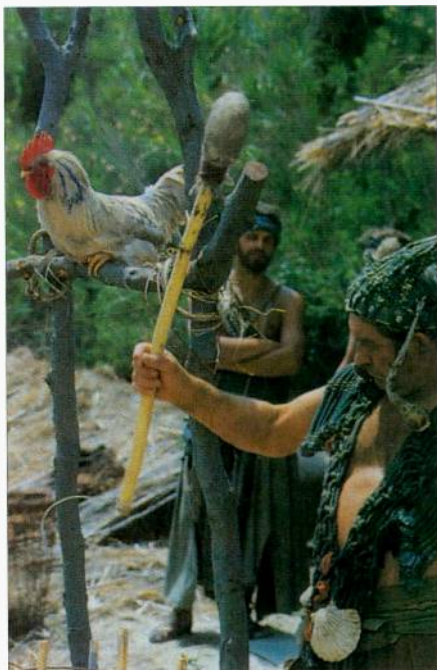
According to Zoran Udovicic, the station's head of development, it currently broadcasts ten hours of mixed program-

ming daily and operates news exchange schemes with CNN, ABC, Rai and ZDF.

While local services are also found in Tuzla, Zenica and Konic, RTV (BIH) is likely to once more form a national service (within the proposed Muslim/Croat confederation) once the war comes to an end. Indeed, it already has plans to instal two satellite transmitters (one for an EBU exchange and the other for broadcasting) and would ideally like to operate a federal channel and a second based on cantonal lines.

Prospects for the industry in the federal republic of Yugoslavia, Macedonia and Bosnia and Herzegovina after the war ends (and sanctions are lifted in the former's case) remain mixed, however, with most observers agreeing Serbia's relatively mature advertising market should give the country a distinct edge over the others.

Slovenia



Brave new world: RTV's drama Waitapu

The peace and prosperity enjoyed by Slovenia since securing independence in 1991 have enabled it to develop one of the most diverse television industries in south-east Europe. Although still dominated by the public broadcaster RTV Slovenija, it now also includes several local channels, a large cable and satellite sector and two regional, privately-owned broadcasters (MMTV and Kanal A) which may soon offer national services.

MMTV was launched in April at a cost of \$2.3 million and currently broadcasts 28 hours of mostly entertainment-based programming weekly. Available in around a third of the country, it is wholly-owned by the media entrepreneur Marjan Meglic, whose other interests include Gama MM (a radio station which covers most of central Slovenia) and Meglic Telecom.

Although MMTV has been awarded a 10-year license and Meglic feels there should be "no problems in going national" later this year, he may be tempted by the interest currently being shown in the

Slovenian market by Central European Media Enterprises (CME), the investment unit backed by U.S. and Canadian interests. CME may also offer financial assistance to Kanal A, Slovenia's first privately-owned broadcaster. Launched shortly after the country won independence in 1991, it is backed by Vladimir Polic and covers around 35% of Slovenia and up to a third of neighboring Croatia.

While Kanal A concedes it has recently seen a drop in ad revenues, its director of programming Branko Cakarmis alleges that this is largely due to unfair competition from RTV and may result in the channel taking the public broadcaster to court. He adds, however, that Kanal A "is not afraid of competition" and will be able to reach up to 60% of the population if granted a license for two more transmitters this year.

This should put Kanal A in a stronger position than MMTV providing it can resolve its financial difficulties. Besides being longer established, the service has agreements with a number of foreign companies including Reuters, WTN, CMT

International Film and Programme Market for TV, Video, Cable and Satellite

screen SUCCESS

10th - 14th October 1994

Palais des Festivals, Cannes, France

MIPCOM

Welcome to the World of Television Business. **Five intensive days of deals and negotiations** when the top executives of the TV, Film, Video, Cable and Satellite Industry **join forces to buy, sell and make new contacts.**

Five intensive days when 85 countries, 1,485 international buyers, 648 TV stations, 1,537 production and distribution companies **come together to shape the industry for the year to come.**

Join the key players and participate to the full. And with them, **profile your company in the MIPCOM Preview, Guide and Daily News.** It's the most effective way of presenting your product in an international marketplace.

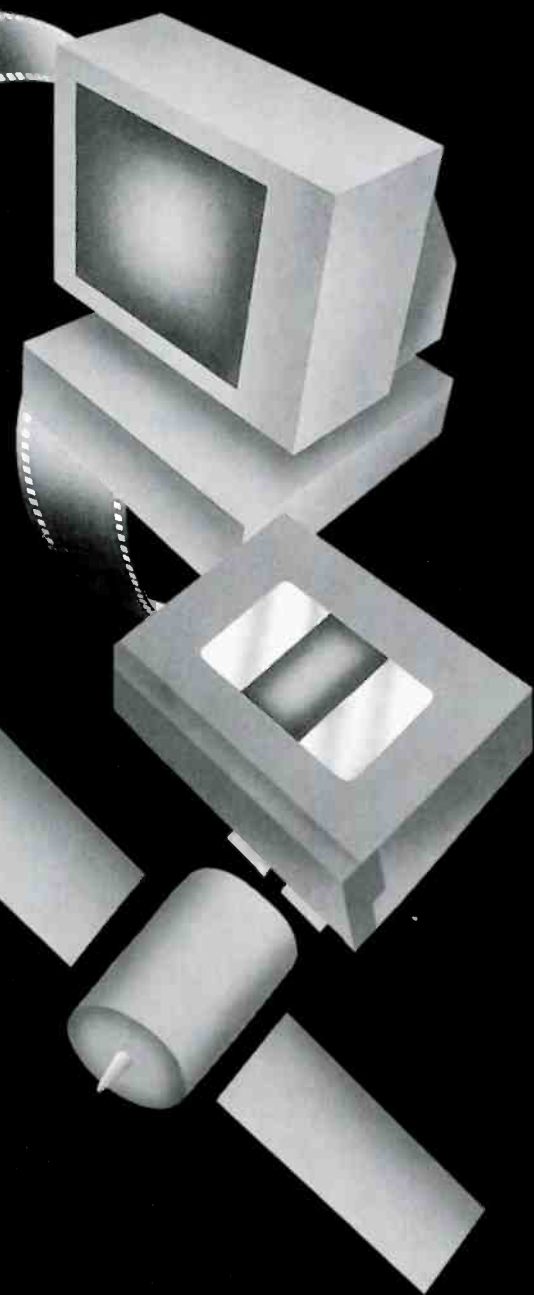
So call today and **ensure that your programming has a slot in a world future.**

And be on screen for commercial success!

For further information please contact:
Peter Rhodes, Reed Midem Organisation Ltd,
Metropolis House, 22 Percy Street, London W1P 9RF (U.K.)
on TEL 0171 528 0086 or FAX 0171 895 0949

REED MIDEM ORGANISATION

 A member of Reed Exhibition Companies



THE WORLD ALLIANCE OF



TELEVISION FOR CHILDREN

WELCOME TO WATCH

WATCH
believes in affirmative and supportive uses of
high-quality television for young people

WATCH
is an extensive global network of organisations and colleagues
that willingly share knowledge and expertise so that
children might have television that
respects their needs, concerns, interests and culture.

WATCH
shines a spotlight on engaging and beneficial uses of television
encouraging others to learn from and build on these examples.

WATCH
reveals both the importance and the vulnerability of children's television,
and advocates for its support and improvement.

Roger Moore, UNICEF ambassador and patron of

WATCH
commended the launching of
WATCH
during the Awarding Ceremony of PRIX JEUNESSE INTERNATIONAL 1994
by saying that "in an increasingly commercial climate that
tends to foster the exploitation of demographic markets

WATCH
will work actively for the advancement of programming that
provides nourishment for children worldwide."

WATCH
is headquartered in Munich at the
PRIX JEUNESSE INTERNATIONAL office
at Bayerischer Rundfunk
D 80300 Munich

Tel (+49 89) 5900 2058 Fax (+49 89) 5900 3053

The
WATCH
International Council, is made up of the most important
organisations and institutions working actively in the field
of children's and youth television.

WATCH
publishes its own newsletter
WATCHwords
which can be obtained through the headquarters in Munich.

WATCH
co-ordinates a
Professional Training Programme
mainly in the Third World
which will be regularly published in WATCHwords
The next big **WATCH**-sponsored event is the
Australian World Summit on Television and Children
from 12-16 March 1995 in Melbourne.

The 1996 PRIX JEUNESSE INTERNATIONAL festival
will be held from 7-13 June 1996 in Munich.

Croatia

Official Name: Croatian Republic
 Capital City: Zagreb
 Population: 4,800,000
 No of tv households: 700,000 (sets)
 Number of state-run networks: 2
 Number of private networks: 4, plus local stations
 Cable penetration: negligible
 Satellite penetration: 57%

Former Yugoslav Republic of Macedonia

Capital City: Skopje
 Population: 2,100,000
 No of tv households: 270,000 (sets)
 Number of state-run networks: 3
 Number of private networks: up to 15 local stations
 Cable penetration: negligible
 Satellite penetration: negligible

Serbia & Montenegro

Official name: Federal Republic Of Yugoslavia
 Capital City: Belgrade
 Population: 10,500,000
 No of tv households: 1,561,000
 Number of state-run networks: 6
 Number of private networks: 4
 Cable penetration: 13%
 Satellite penetration: 13%

Slovenia

Official name: Slovenian Republic
 Capital City: Ljubljana
 Population: 2,000,000
 No of tv households: 650,000
 Number of state-run networks: 3
 Number of private networks: 2
 Cable penetration: 40%
 Satellite penetration: 8%


and Deutsche Welle.

It nevertheless operates in an increasingly competitive market in which most of the country's cable operators (which serve up to 40% of Slovenia's 650,000 television households) offer a local channel in addition to terrestrial and satellite programming. Furthermore, at least four of these (Euro TV, Zasebna Televizija, VTV Studio and Vas Kanal) are also transmitted over-the-air.

Much now depends on a new media law passed earlier this year which it is hoped will regulate the television industry. Besides preventing newspaper proprietors from owning private stations, it places an ownership limit of 33% on domestic and foreign investors and allows commercial channels to broadcast nationally. The legislation will affect RTV by requiring it to obtain 20% of its domestic programming from Slovenia's independent sector. Based mostly in Ljubljana and believed to number around 20 companies, this includes European Culture, Krejir Productions and Studio MI.

While the law will also improve RTV's organizational structure and give commercial channels access to its transmitters, it is unlikely to have any bearing on the broadcaster's funding. Receiver license fees (\$10.40 a month per tv household) currently account for 45% of its income, with commercial revenues providing the remainder.

The main problem faced by Slovenia is, according to Ivan Stankovic, vice-chairman of ad agency SMS/BSB Saatchi and Saatchi, that neither Kanal A or MMTV are strong enough to compete with the public broadcaster. Moreover, the tv ad market, which stood at \$23.2 million in 1993, is in his view unlikely to grow much further.

Kanal A's Branko Cakarmis believes that despite its small size, Slovenia will be able to support "three levels of television," with RTV offering a national service, up to two commercial channels providing the public broadcaster with competition and an unspecified number of non-commercial stations operating on a local basis. 

NEWS GATHERING VIDEO PRODUCTION SATELLITE TRANSMISSION

From Conus' studios, teleports and news bureaus in Washington, Los Angeles, New York, Tokyo, Budapest, and Minneapolis;

From any location in Eastern Europe, or even the Middle East and Africa, via our "fly-away" satellite news gathering unit;

From any news event or production location in North America, via Conus' satellite transmission vehicles, mobile video production facilities and satellite news gathering organization, the world's first and largest.

To you. Wherever in the world you are. Whenever you want it. Exactly how you want it. And on budget.

Conus is the USA's largest independent television news gathering and video production company, providing broadcasters throughout the world with direct access to events, information and technical facilities. Our goal is to provide our clients with the resources and innovative solutions they need to implement their news and television programming decisions.

 **CONUS**

INTERNATIONAL

Conus Communications

3415 University Avenue, Minneapolis
 Minnesota 55414, USA.

Phone 612-642-4645. Fax 612-642-4680.

1825 K Street NW, Washington DC
 20006, USA. Phone 202-467-5600.

Fax 202-467-5610.



Name Your Adventure Turns Learning Into An Adventure!

Finally, a program matching teens with their role models, showing us all how to turn dreams into opportunities!

40 Half-Hour Episodes

- **First Network Show To Meet FCC Educational Standards**
- **Endorsed By The National Education Association**
- **Winner—1993 National Educational Film & Video Festival Silver Apple**
- **Winner—1993 Youth In Film Award—Outstanding Youth Host In A TV Magazine, News Or Variety Show: Mario Lopez**
- **Winner—1994 Youth In Film Award—Outstanding Youth Host In A TV Magazine, News Or Variety Show: Mario Lopez**



SEE HOW ONE ADVENTURER WAS SINGLED OUT AS A SOURCE OF INSPIRATION BY PRESIDENT CLINTON

Hosts:

Mario Lopez (*Saved By The Bell, Saved By The Bell: The College Years, Youth in Film Award-winner: Outstanding Host*)

Jordan Brady (*MTV's Turn It Up*)

Contributing Host:

Tatyana M. Ali (*The Fresh Prince of Bel-Air*)



The Teeny Market

TBI's annual survey of children's programming ranges across the ages from pre-schools to tweens, focusing along the way on the burgeoning schools and animation markets. Plus, what broadcasters around the world are paying to fill the pre-bedtime segment of their schedules. First off, Sarah Walker looks at the rush to invest in programs for the under-fives, triggered by the Barney phenomenon

In case you hadn't noticed, pre-school programming is the flavor of the month, especially in the U.S. If 1993 was the year of the tweens, 1994 is definitely the year of the fives and under.

Even though the U.S. spawned the most successful and long-running pre-school show of all time, CTW's *Sesame Street*, 25 years old this year and celebrating sales both as an original version and local format in over 130 territories — broadcasters and producers there have been slow to catch up on the enormous revenue potential of the pre-school genre.

But catching up they are. Instead of relying on the



younger-skewing animation series that cater for age groups and demographics across the board, the last few years have seen broadcasters and producers making and scheduling bigger-budget, targeted pre-school shows for both the domestic and international markets.

One reason the genre has been slow to take off is that pre-school viewing hardly shows up on peoplometer audience measurement systems.

"Other than on public television, pre-school programming has been an undiscovered area because commercial broadcasters haven't been able to get the ratings," said Andy Heyward, president of U.S. producer/distributor Dic Entertainment. "Pre-schoolers don't get measured, so there is no incentive for broadcasters to program for them."

Advertisers are, however, coming round to the idea that the pre-school market can be lucrative, especially as a large proportion of pre-school programming is also watched by mothers, a sought-after demographic.

Pressure from the regulatory body the Federal Communications Commission means there is a demand for quality kids material with an education content.

The global phenomenon of increased competition also means broadcasters are anxious to attract viewers young, in the hope it will nurture channel awareness and viewer loyalty. But what has undoubtedly set the sound of cash-tills ringing are the figures that can be generated from pre-school ancillary products.

This increasing awareness in the U.S. at least can be put down in part to the phenomenal success of a six-foot-tall purple dinosaur - Barney. Aside from having sold 28 million video cassettes in the U.S. alone, *Barney And Friends* has boosted PBS's viewership by 32% and the broadcaster has extended

broadcast rights to 1998.

According to David Britt, CTW's president and ceo, *Sesame Street* costs \$18 million dollars a year to produce but generates revenues from



Noddy: driving multimedia

merchandise and ancillary products of around \$22 million net.

The pre-school boom is such that most of the major producers of kids' programming stateside are looking to taking a share of the market. Dic is producing two live action pre-school programs, *Old MacDonald's Farm* (45x30 minutes) for Lifetime and *Rimba's Island* (65x30 minutes) for Fox Broadcasting. Jim Henson Productions, in association with Survival Anglia, is to begin production early this summer on a 26x30 minute pre-school wildlife series called *Jim Henson's Nature Series*, featuring two new muppet characters. The show has been pre-sold to the Fox Children's Network and the remainder of the finance should be covered by European sales and co-production agreements. Nickelodeon has also just announced it will invest up to \$30 million over the next three years in developing and producing original programming for Nick Jr, its pre-school block which airs Monday to Friday, 9am to 2pm. New shows for Nick Jr. include an 18-episode puppet

series called *Allegra's Window* and 20 episodes of *Gullah Gullah Island*, a sing-along live action/puppet series.

Outside the U.S., many companies have been successfully mining the pre-school market for a number of years.

The Britt Allcroft Group, a British-based company with offices in Tokyo and New York (where a spin-off company called Quality Family Entertainment operates) created *Thomas The Tank Engine* in 1984. Next year 26 additional episodes of *Thomas* will be made bringing the total up to 104x5.5 minutes.

However, although the show has been sold internationally it is not the broadcast rights that have paid the bills. "*Thomas* costs upwards of £12,000 a minute to make," said managing director Angus Wright. "We were determined to make a quality product from day one so we were forced to learn about licensing." In Japan alone, sales of *Thomas* merchandise have exceeded ¥20 billion (\$202 million).

"If you get it right, pre-school shows have the potential to make more money from ancillary products than other kids' shows," said Tony Stern, head of BBC Children's Television International who is responsible for *Noddy*, the Cosgrove Hall-produced pre-school series. In the UK, two million books, three million copies of a fortnightly magazine and over 300,000 videos have been sold. All in all over 250 different *Noddy* properties have been licensed. So far *Noddy* has sold into Australia, New Zealand, France and Norway, with negotiations at an advanced stage in Italy, Holland, Japan and Germany.

Although the UK is one of the most developed markets for pre-school programs, the tendency of UK broadcasters and producers to produce episodes of only five or ten minutes in length has created problems when trying to sell to other countries, who only

allow for the more conventional 30-minute slots.

The U.S. market has proved particularly difficult to crack for this reason. In order to combat the problem the Britt Allcroft group created an entirely new show for the U.S. market. Called *Shining Time Station*, the show runs to 30 minutes by incorporating segments of *Thomas The Tank Engine* with live action wrap-arounds. So far, 65 episodes of *Shining Time Station* have been produced and the show is now aired in Canada, Australia and New Zealand. In Japan, *Thomas* runs as part of a Fuji TV show called *Ponkikki*.

For the company's new pre-school show, an animated series called *Mumfie*, 130 minutes of programming will be produced and the lengths adapted according to the individual markets. "In the U.S. or Canada it will be seen as either a miniseries in two or four episodes, or as a made-for-tv movie," said Britt Allcroft.

The BBC has also commissioned Quality Family Entertainment to devise a similar format for a U.S. version of *Noddy*, while Bumper Films, the producer of another successful UK pre-school stop-frame animation series, *Fireman Sam*, has joined forces with MCA Universal's children's division. As with *Shining Time Station* the plan is to repackage the show with live action links in order to make a 30-minute version.

While UK companies have created some of the most commercially successful pre-school shows, other European broadcasters spend little money on fulfilling license obligations to cater for pre-school viewers. Many produce low budget in-house magazine/puppet shows, at an average cost of around \$1,500 to \$3,000 per minute. Virtually every European broadcaster has its own version of the BBC's magazine *Playday*, which broadcasts daily at 10.05am, WDR's *The*

 NATIONAL
GEOGRAPHIC
TELEVISION

CHILDREN MEAN THE WORLD TO US!



**Children's
Programming**

Contact: HELEN TOURELL in the U.S.
Ph. (1-202) 857-7626 • Fax (1-202) 429-5754



Mouse Show, a weekly 30-minute mix of songs and animation and YLE in Finland's weekly pre-school puppet show *Atte*.

"The [ITV] Network Centre isn't interested in making a quick buck from merchandise. It is more interested in satisfying the license fee and the ratings," said Lewis Rudd, controller of children's programs at Central Television.

Although there have been instances of co-operation between the different countries (Scandinavia territories have been co-producing pre-school drama for the past ten years), pre-school programming has traditionally been seen as necessary to preserve national identities and cultures, and not as a potential money-maker.

This can present problems for distributors of pre-school product. CTW got round the problem by creating local-language versions of *Sesame Street*, often in conjunction with a local broadcaster. This is how UK distributor Hit Entertainment intends to introduce *Barney And Friends* to the rest of the world.

"Internationally the show is placed in all the English-speaking territories," said Hit managing director Peter Orton. "We are developing international versions in two ways: for some countries we are totally recreating *Barney* to reflect cultural needs - at present we are in advanced discussions for a German-language version - while for others we are enhancing the original version, stripping it back to the bare bones and rebuilding it." This, said Orton, will preserve production values in countries such as those of Latin America where "they spend \$1500 on dubbing 30 minutes of animation and it looks dreadful." *Barney* will be rolled out in three different language versions across Europe by fall 1995, and across Japan and Latin America during 1995/6.

Sales of original versions of pre-school programming are

being made, however. Canadian company HD-Descléz Productions has managed to sell its 30-minute pre-school puppet series *Iris*, *The Happy Professor* to 40 countries as an original version. "We were aware of the different nationalities when we created the show and tried to find a mix that would suit all cultures," said vice-president Norma Denys.

Claude Berthier, ceo of French production-distribution house 4D/Marina is trying to turn the tables completely around by selling his 104x5 minute pre-school animation series, *Mr Men*, into the U.S. "It is amazing how much interest there is from the U.S. for pre-school shorts," said Berthier. "We have interest from a U.S. network for a pre-buy of *Mr Men*."

One pre-school trend that is globally apparent, however, is the adoption of bigger budgets. *Barney and Friends* costs \$105,000 per half-hour to produce, while *Noddy* comes in at £400,000 (\$600,000) for a 13x5-minute series. National Geographic has made its first foray into the pre-school market with a 6x30 minute animation/puppet wildlife show called *GeoKids*.

Although the show uses some of National Geographic's archive material, at \$300,000 per half hour before dubbing, it does not come cheap. "The cost of the archive material depends on the arrangements with the film makers. In some cases it constitutes a new use and therefore we have to pay a license fee," said vice-president of programming Andrew Wilk. "We will be lucky to break even in the production even once the broadcast, home video and ancillary rights are sold. But we are investing in the future to build brand awareness."

While many are hoping to reap some of the merchandising success of *Sesame Street* and *Barney*, bigger budgets

are driving another pre-school trend: that of co-production, especially in those countries not large enough to recoup on the cost of production through the sale of ancillary rights.

Leading the pre-school co-production pack are the Canadians. French-Canadian public broadcaster the SRC is currently involved in the co-production of several pre-school programs including *Wimsie* with Cinar and Radio Québec, a 185x26-minute puppet series scheduled to air in early 1995, *Kitikats*, a co-production with Montreal-based production company Prisma, and two series with HD-Descléz Productions, the aforementioned *Iris* and *Little Star*. *Iris* is a co-production



Shining Time Station: U.S. hit

with Hasbro Canada (the main licensee of the show), and French producers C2A. *Little Star* is a 150x15-minute 3D animation/puppet sci-fi show, also involving German production/distribution company Ravensburger and the Learning Channel.

"Co-productions are a new way of financing, they allow for better production values," said Michel Lavoie, head of children's programs at SRC. "Merchandise isn't so much of an issue in Canada because the population isn't large enough." However, Lavoie hopes that investing in international properties will see a return from the back-end which can be invested in

more programming.

The SRC devotes one hour in the morning to pre-school programming, which Lavoie hopes will be increased to two hours, and also a half-hour slot in the afternoons which is a mixture of acquired shorts such as *Ernst The Vampire* from Arc En Ciel in France and *Spider* from the BBC with a live-action wrap around.

"Programming for pre-schoolers has been vulnerable in the past because public broadcasters are short of cash and commercial broadcasters are loath to part with it," said Micheline Charest, ceo of Cinar. "New children's services and speciality scheduling means there is a demand for series that offer an impact on air and a chance for broadcasters to create an identity. Co-production is a trend and a way of realizing that the demographic isn't difficult to program for."

"Co-producing for pre-school is an easier target to aim for than the 11-14 age group, there are fewer cultural differences," said Eve Baron, managing director of Canal J. The French kids' service broadcasts about four hours of pre-school programming every day, of which about 10% is co-produced and the rest acquired.

With so many producers and broadcasters rushing to invest more money in the pre-school market, there is a danger of too many jumping on a short-term bandwagon.

"After a few years of growth, our merchandising revenues have levelled out, something that is no question partly a result of *Barney*," said CTW's Britt. "But it is also cyclical and can also be put down to more competition in the market in general." He sounds a necessary note of caution: "After ignoring the broadcast and merchandising success of *Sesame Street* for 25 years, people are waking up to a gold mine. But it may not be a gold mine forever," he said. [E]

HIGHLANDER

THE ANIMATED SERIES

MAY THE
KNOWLEDGE
BE SHARED.



40 HALF HOURS AVAILABLE FALL 1995
SCREENING MIPCOM STAND 25.03

 **Gaumont**
WORLDWIDE SALES

30, AVENUE CHARLES DE GAULLE
92200 NEUILLY SUR SEINE, FRANCE
PHONE : 33(1) 46 43 24 34
FAX : 33(1) 46 43 20 33

Kidcoms Hit The Target

U.S. networks NBC and Nickelodeon have hit the target of teenage female viewers with live-action sitcoms, an appetite which is being served in France to expert effect by indie producer AB, report Richard Huff and Serge Sirtzky

Mention the name of Mark-Paul Gosselaar or Mario Lopez to a flock of teenage American girls and their hearts are likely to skip a beat. And it's a safe bet that if you asked the question in Mexico, Italy and Spain, you'd get a similar reaction.

For those past their teens, Gosselaar and Lopez are the former stars of NBC's *Saved By The Bell*, a live-action series launched by the network in 1989, and which is now, in its past and present configurations, seen in more than 60 countries.

Saved By The Bell quickly became the first live-action break-out sitcom aimed at teenagers – female teens – to air on Saturday mornings. NBC turned to the genre to shore up its ailing Saturday morning line-up, which at the time was being pummeled by higher-rated animated fare on both ABC and CBS. At first it was a test, then NBC boldly announced it would bow out of the animated area altogether and go where no other network had ventured: Saturday mornings aimed exclusively at teens. By all accounts, the risk paid off.

"We do consider it a success," said Linda Mancuso, vice-president of Saturday morning and family programs. "We're the only network targeting teens specifically."

Since *Saved By The Bell* took off in 1989, NBC has added *California Dreams*, a



NBC's *Saved By The Bell*: now seen in more than 60 countries

similar kidcom from Peter Engel, the creator of *Saved By The Bell* and *Name Your Adventure*, a live-action program.

While CBS, ABC and newcomer Fox Broadcasting battle for the animation viewers, NBC broadcasts a full schedule of live-action programs. Leading into its kidcom block, NBC programs a weekend version of its popular breakfast program *Today* and on the back end of the line-up it airs *Inside Stuff*, an entertain-

ment/informational program about the National Basketball Association.

NBC is marketing its kidcom block under one umbrella campaign called TNBC, which is aimed at teens and the estimated \$50 billion in purchasing power they hold.

Last year the network expanded the campaign with the creation of *Tell* magazine, a joint venture with global publisher Hachette. The teen lifestyle publication includes several pages contributed by

the network. In the fall 1994 issue, the NBC picture-packed spread touting TNBC featured cast updates, interviews and ten fashion tips from Diane Uribe, a cast member on *California Dreams*. Launched as a quarterly magazine last year, *Tell* will shift to annual for the coming season.

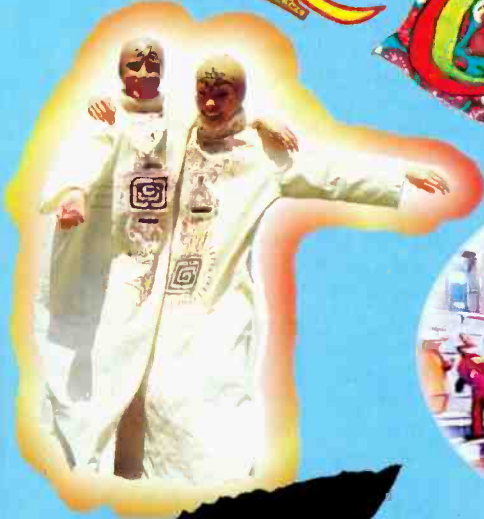
Based on pure household ratings, the NBC live-action offerings get trounced by traditional animated fare. During the 1993-94 season, *Saved By The Bell* generated a 2.7 rating (ie percentage of the nation's 94.2 million tv homes) and a 9 share (percentage of the sets in use) to finish no. 21 out of 44 shows that aired all season.

For comparison, *X-Men*, an animated Fox series based on comic book superheroes and airing opposite *Saved By The Bell* at 11am, finished no. 1 with a 4.7 rating/16 share. *California Dreams* was no. 31 overall, averaging a 2.1/7 in its 10.30am time period.

NBC dismisses the household ratings and instead points to demographic statistics, which indicate that if attracting teen females was NBC's main goal it has been successful.

During the 1993-94 season, the show averaged a 3.4 rating among females aged 12 to 17 watching Saturday morning television, giving NBC a 113% advantage over CBS, a 55% lead over ABC and a

TAKE OFF



Take Off 26 x 30 min.
award winning kids drama series
for 7-12 year olds.
En français *L'envolée*.



13
new episodes

Available
September 1994



PRODUCED BY FRIDAY STREET PRODUCTIONS LTD. IN A SOCIATION WITH ACCESS NETWORK, CFTY, CFCF 12, CFCM, CFRN, CFTV, HEK, CHPG, LE CANAL FAMILLE, MID-WEST SCH, TV ONTARIO, CHAINE AND TVT. WITH THE FINANCIAL PARTICIPATION OF TELEFIM CANADA, BRITISH COLUMBIA FILM, MACLEAN HUNTER TELEVISION FUND, SHAW CHILDREN'S PROGRAMMING INITIATIVE AND ROGERS TELEFUND.



10% advantage in the category over Fox. However, young male viewers are a different story. They watch the top-rated Fox schedule.

Using the promising morning statistics as a guide, NBC attempted to get its Saturday morning audiences to migrate to primetime last season. With a few adult characters added to the mix, NBC launched *Saved By The Bell: The College Years* as a part of its 1993-94 primetime schedule. NBC hoped the adult cast additions would broaden the show's core audience and make it a viable primetime entry. They were wrong. The show didn't catch on. It was canceled early on and finished the season in a tie for the no.95 spot of 128 shows that aired during the season. The primetime version averaged a 7.8 rating and a 12 share.

Another player in the kid-com arena is cable network Nickelodeon, which targets a slightly younger demographic than NBC's - 6 to 12-year-olds - and has had a fair amount of success with the genre.

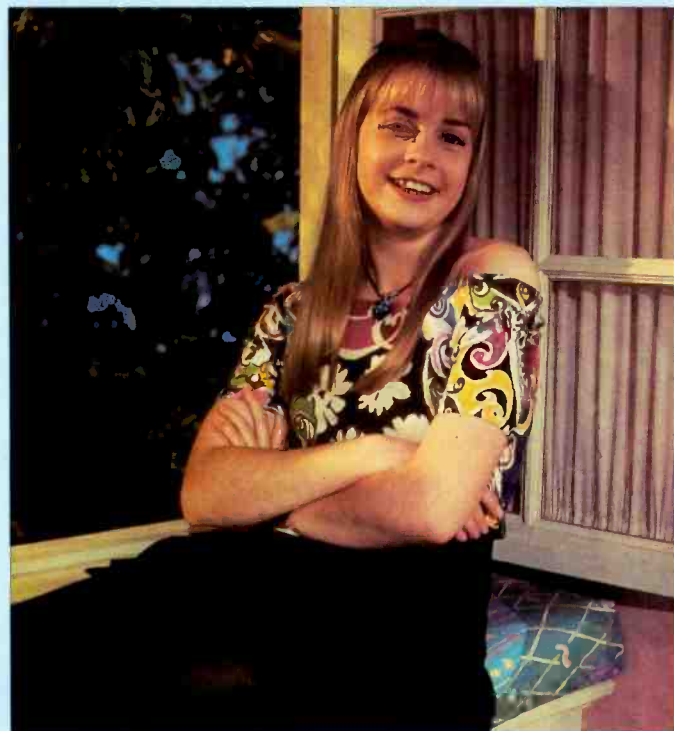
Nickelodeon's most successful kidcom has been *Clarissa Explains It All*, a show about "the only abnormal child of two perfectly normal parents" who conveys the humor and insight of teen life. The two-year-old series has drawn the attention of CBS, which is developing a primetime spin-off for series star Melissa Joan Hart.

"Sitcoms are on the top of every kid's list," said Herb Scannell, senior vice-president of programming at Nickelodeon.

According to Scannell, research indicates females aged 9-12 are big fans of the live-action comedies while males tend to lean toward animated fare for a few years longer.

Nonetheless, Nickelodeon is expanding its primetime kidcom line-up this fall to include an adventure/comedy and another sitcom.

Network executives estimate the costs of creating live action typically to be less than animation, although a lot depends on the talent involved. NBC created *Saved*



Clarissa: Proved sitcoms are "at the top of every kid's list"

One industry observer compares the technique of AB Productions, Claude Berda and Jean-Luc Azoulay's French kid-com factory, to fast food. "It's the difference between a MacDonald's and a regular restaurant: everything is rationalized, they don't have to pay cooks and give a percentage to waiters. It is much cheaper and the clients love it."

AB's main client is TF1, which launched *Premiers Baisers* three years ago, a sitcom which aired four afternoons a week and became an instant success, claiming market shares of over 40% - the same as the best U.S.-made series. Even better, it was cheap - costing FF200,000 (\$37,500) an episode - and helped TF1 to fulfil part of its program quota requirements.

Berda and Azoulay entered the tv business buying Japanese animation series and packaging them into kids programs for TF1 in 1987, after starting out in magazine publishing and music. They began to produce part of their shows in-house around Dorothée, a singer.

Azoulay is the creative partner of the association, the one who writes and produces, while Berda, a brilliant salesman and organizer, handles the business side. AB now produces between 800 and 1,000 hours of kid's programming for TF1 a year. *Premiers Baisers* is reckoned to cost between two to three times less than usual sitcoms.

Like McDonald's, Azoulay knows what kids and teenagers want. After *Premiers Baisers* he launched *Hélène et les Garçons*, which became his greatest hit, *Le Miel et les Abeilles* and *Les Filles d' à côté*. Now AB airs two sitcoms a day, one after the other, every afternoon of the week. In summer they are broadcast on access primetime. Except for Hélène Rolles, the singer/actress who plays Hélène, all the actors are completely unknown. The "girls" who play teenagers are usually aged around thirty, sometimes more.

AB is now looking to export its sitcom formulas. It already shoots a German adaptation of *Hélène* called *Bella Bella* for RTL with German writers and actors in its Paris studios. It has done the same thing for a pilot made for the U.S. market and plans to produce in Spanish.

Critics point out that AB's programs have nothing to do with real life: teenagers meet in college cafeterias or in their rooms and their only problems are sentimental. France 2, the public channel, tried to counter TF1 with teen sitcoms dealing with real-life issues: drugs, violence, unemployment and pregnancy. With more outdoor scenes, however, its shows were much more expensive than AB's and not nearly as successful.

M6, the private channel that targets young audiences, has decided that AB's sitcoms are exactly the programs they are looking for to fill their 8 pm half-hour, when the three main channels schedule the evening news. Up to now, M6 has relied on U.S. sitcoms like *The Cosby Show* and *Who's the Boss*, but it is unhappy with their performance and, like TF1, M6 has quotas to fulfill. The channel's first attempt to replace the U.S. product with a home-grown show - IMA-produced *La Famille Ramdam*, about a family of Algerian immigrants - did not do well. IMA, now a subsidiary of public company Société Française de Production, has done much better (by the standards of M6) with *Top Models*, a two-episode weekend show. Foreign sales of the dubbed version of *Top Models* have also been healthy.



Hélène: Fast food program?



BEYOND

DISTRIBUTION

CHILDREN'S PROGRAMMING

HEAD OFFICE:

53-55 Brisbane Street,
Surry Hills NSW 2010.
AUSTRALIA.

Tel: 61-2-281 1266

Fax: 61-2-281 1153

UK

Orchard House,
Adam & Eve Mews,
167-169 Kensington High
Street, London W8 6SH.
Tel: 44-71-937 7337
Fax: 44-71-938 3162

USA

1875 Century Park East,
Suite 1300,
Los Angeles CA 90067.
Tel: 1-310-785 2255
Fax: 1-310-785 2260



BAY CITY

13x half
hour series

An action
and high-
adventure
series for the
whole family.



BRIGHT SPARKS

12x half hour series

Animated science and technology series on
live action backgrounds.

KIDEO!

13x half hour series

Presents general knowledge
and basic scientific facts.



Oi

13x 25 minutes or 65 x 5 minute
An exciting, humorous look at Science.

DEEPWATER HAVEN

26x half
hour series

An action packed family
drama, full of adventure,
intrigue and love.



Stand # H4.09 at
MIPCOM '94.

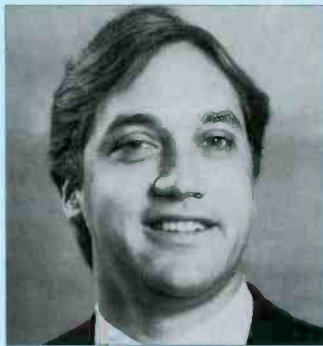
Contact:
Chris Gunn,
Marjorie Blackburn,
Marjie Woods and
Torquil Macneal

By *The Bell* and *California Dreams* with casts of virtual unknowns who rapidly become teen magazine staples. Nickelodeon's *Clarissa* took the same path.

"The high cost of television is directly related to the talent you are buying," said Nickelodeon's Scannell. "We'd love to work with people who already have ten shows on television but the costs are prohibitive."

Instead, said Scannell, the network would rather break new talent, as it did in the case of Melissa Joan Hart. "*Clarissa* is a good example. We didn't build the show around a pre-existing star - we built a star."

In NBC's case, just a few of the original *Saved By The Bell* cast members remain on the current version. When the network moved the show to primetime, Lopez, Gosselaar and the other original cast members went along for the



Scannell: Targeting the teens

ride. When the show was canceled, they too were effectively suspended. (Lopez is still on NBC as the host of *Name Your Adventure*).

Like the stars of NBC's sitcoms, Nickelodeon's *Clarissa* has become something of an international star, especially with the program's telecasts on Nick's UK network. She has also been the author of a UK newspaper column.

As for NBC, it has sold *Saved By The Bell* in 62 coun-

tries, and its *California Dreams* in 35.

"The show (*Saved By The Bell*) is a great success," said NBC's Matthew Ody, vice-president of international sales. "In France it has been the top show in the afternoon daypart. It has also been one of the top ten foreign shows in Italy and Spain."

"This is a program that filled a niche that wasn't being filled by anybody else," said Susan Beckett, senior vice-president of NBC Enterprises. "It touched the teen audience... it showed teenagers on television as they were."

And NBC has learned this first hand. Last October, the network brought Gosselaar and Lopez to Cannes to help pitch the program to international buyers at Mipcom. French teenagers found out they were in town, and mobbed the Croisette trying to get a glimpse of the two

teen idols.

NBC isn't just selling the programs, it's selling the whole TNBC concept, including promotion and merchandising opportunities. In places around the globe NBC has licensed *Saved By The Bell* apparel, games, posters, and calendars. And yes, in Mexico a viewer can buy *Saved By The Bell* shampoo.

The kidcoms have traveled well because in some countries there are rules that limit the work hours of minors, making creating such a show troublesome, said executives involved.

But in those countries where work rules won't prohibit such performances, look out for *Saved By The Bell* clones. According to NBC's Beckett, selling the template for the kidcoms is a real possibility. "We don't have any specific deals yet, but we've had relatively serious discussions," she said. [E]



**TELEVISION
BUSINESS SCHOOL**
LÜBECK 15-20 NOVEMBER 1994

An intensive five-day Course for producers of TV fiction who want to improve and develop their skills in international coproduction.

Plenary sessions, workshops and experts' analysis of Course Projects submitted by participants.

Participation Fee: DM 1900 for tuition, accomodation, meals and transport from and to Hamburg Airport.

THREE MAIN TOPICS: DEVELOPMENT, FINANCING AND DISTRIBUTION/PACKAGING

Creative and practical issues of development - Classical sources of finance - Subsidies - Equity finance - Defecit finance - Bank funding - Sponsorship - Completion bond - Worldwide exploitation/New markets - Language as an aspect of production.

PANELISTS/TUTORS ALREADY COMMITTED INCLUDE:

Norma Acland (BBC), Linda Beath (Ideal Filmworks), Clare Birks (Pavilion), Andrew Brann (Channel 4), Wolfgang Brehm (Heuking Kuhn Künz Wotjek), Amilia Burrage (Communication skills advisor), Christian Charret (Gaumont TV), Paola Corvino (Intra Films), Jacques Dercourt (Cipango), Marc Devereux (Simon Olswang & Co), Joséphine Dries (European Media Institute), Sean Dromgoole (European Script Fund), Angus Finney (Writer, consultant), Bianca Ford (Ford & Co.), Michael Foster (ICM), Julian Friedman (Blake Friedman Agency), Ann Harris (RCS/Majestic), Adrian Hodges (Screenwriter), Christoph Holch (ZDF), Bernard Macleod (Time-Life), Marteen Melchior (Mees Pierson), Sigrid Narjes (Intl. Media Consulting), Peter Orton (HIT Entertainment), Peter Paulich (Gemini Films), R.P.S. Philipps (Richard Butlers), Richard Price (RPTA Primetime), David Puttnam (Film Producer), Jan Sawkins (TEAM), John Sanderson (Hydra Associates), Günther Struve (ARD), Peter von Rueden (NDR).

FOR FURTHER INFORMATION PLEASE CONTACT THE TVBS's PARIS OFFICE:

Tel & Fax: 331 3958 3569 and Tel: 3341 388683

Project Co-Ordinator: Christina Ruiz de Luque Assistant: Françoise Basu



All around the globe, children ...

Over 700 Hours of Stories, Fun & Music for pre-schoolers

...switch on to Louise Smit's magic!

For acquisitions and co-productions telephone: *27.11.888.1540 or fax *27.11.888.1346

Animals and Us
Bimbo
Bobby Baboon
Granny Muffin's Kitchen
Kideo Circus

MacMonkey
Mina Moo & Co.
Molly Metronome
Mr. Patch-It
Once Upon A Time

Pedro's Music Shop
Piggledy & Miggledy
Professor Fossie
Pumpkin Patch
Punch & Judy

Sunnyside Square
Tales from Africa
The Zookies
Timothy Traddle
Zikki Zikombot



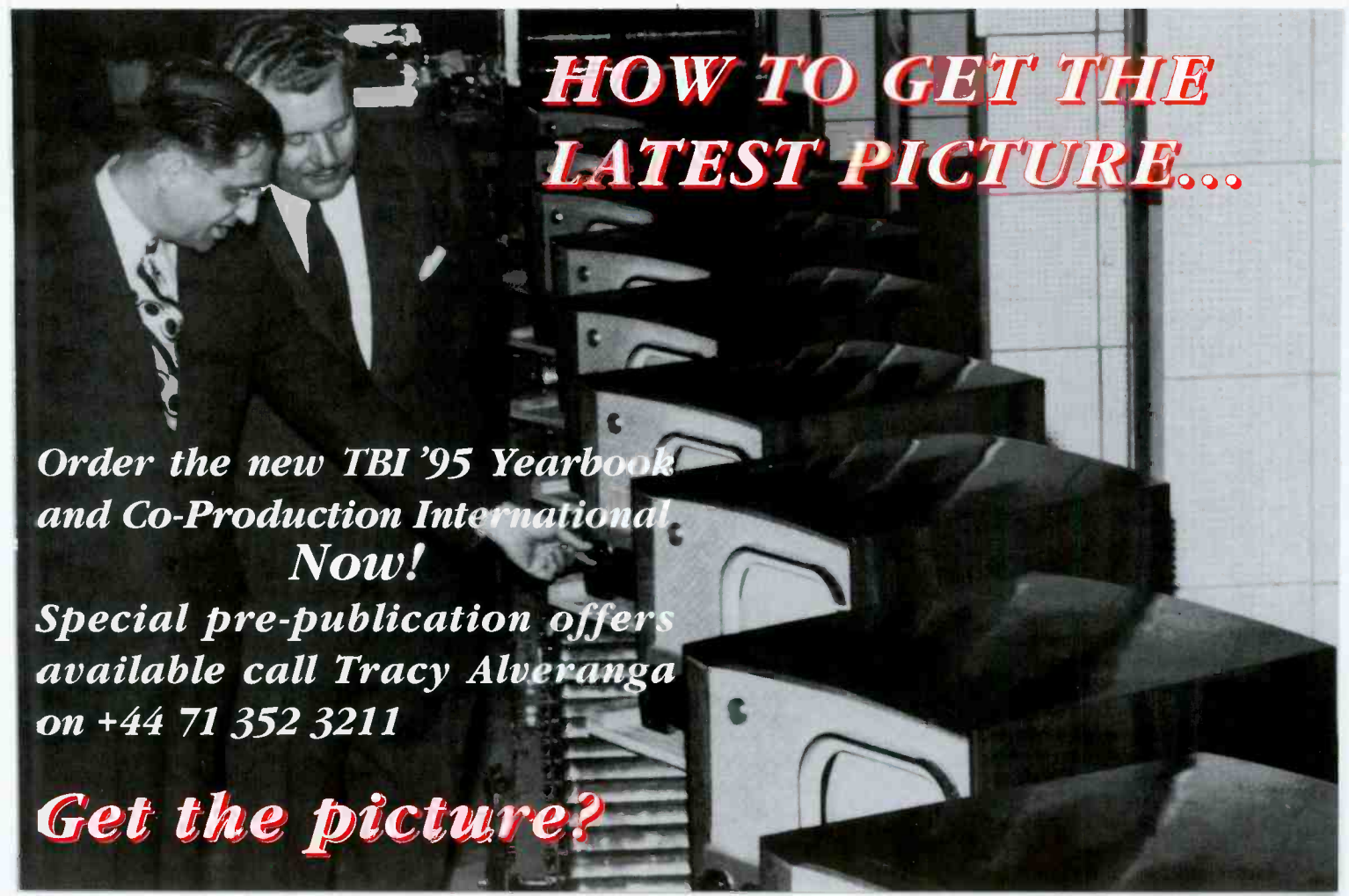
Louise Smit Production Trust, P O Box 44361, Linden 2104, Johannesburg, South Africa

HOW TO GET THE LATEST PICTURE...

Order the new TBI '95 Yearbook and Co-Production International Now!

Special pre-publication offers available call Tracy Alveranga on +44 71 352 3211

Get the picture?





Dog Tracer: A transatlantic co-production between 4D Marina, Rysher, TF1 and Ufa

Cartoon Worlds

These days, Europeans are producing their own animation rather than just buying it. But markets outside Europe are hard to crack, finds Sarah Walker

In terms of trade balances, Europe used to be firmly at the debit end of the animation market. The volume production and sophistication was in the U.S. and Japan, with Europe very much in the position of buyer.

The output from the likes of Hanna-Barbera and Warner Brothers still dwarfs that of Europe and sells all over the world, but despite trailing in terms of volume, animation output is markedly increasing in Europe and broadcasters are increasingly beginning to consider the European market as a supplier of product.

According to statistics commissioned by European Union fund Cartoon from the French research company Idate,

European animation production more than doubled from 308 hours in 1989 to 756 in 1992.

"Five years ago European networks broadcast 30% of European animation, with the rest being split equally between the U.S. and Japan," said Cartoon secretary-general Corine Jenart. Now, she said, industry estimates point to Europeans broadcasting 40% European animation, with the U.S. having the edge over Japan for the remainder.

Between 1990 and the end of 1994, Dutch company Telescreen will have produced 156 half-hours of programming, plus an animated feature. Spanish studio BRB averages a total of 13 hours a

year (although 1995 will show an increase) while companies like France Animation and Gaumont Television are hoping to deliver around three series a year. And these are some of the bigger operators.

In comparison, Warner Brothers will have produced some 317 half-hours of animation in 1990-4. Its shows have been dubbed and subtitled in over 40 countries. During its 34-year history, Hanna-Barbera Productions has produced more than 3,500 half-hours of animated programming: more than 350 different series, specials and feature films. Its shows have been seen in over 90 countries and translated into 33 different languages.

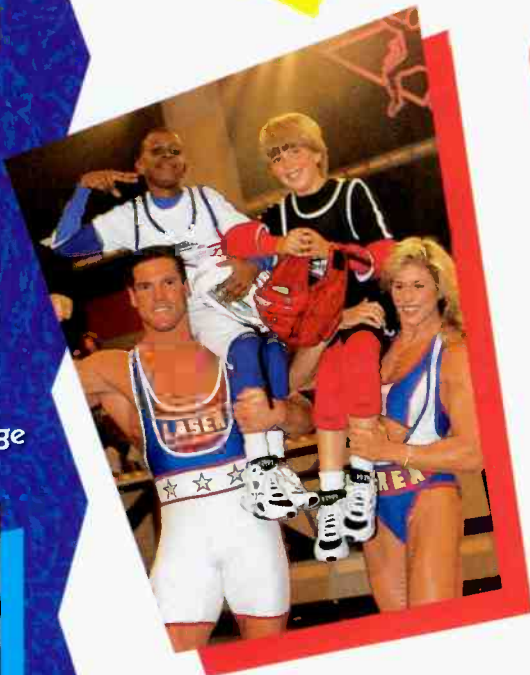
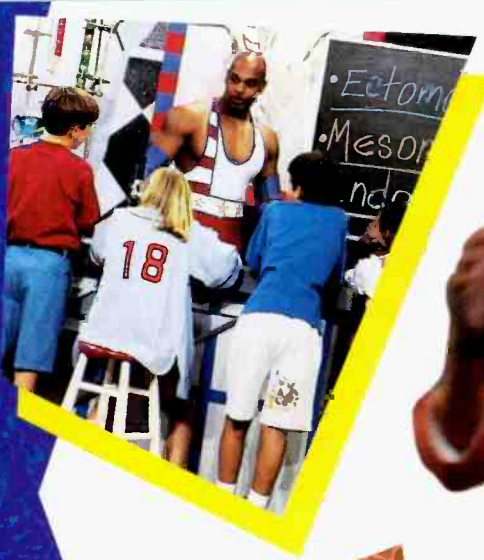
According to the French film board (CNC), France produces about one-third of all European product. During 1993, 176 hours of animation were produced in France at a cost of ECU106.5 million

(\$130 million).

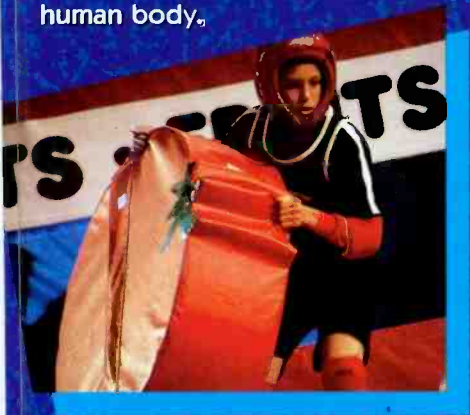
Increased investment from broadcasters such as ARD, ZDF, Premiere, TF1, France Television, Canal Plus and the BBC means it is now possible fully to finance commercial series within Europe. Companies such as Eva Entertainment, Ufa, D'Ocon Films, Odec Kid Cartoons, Hahn Production Company, France Animation and Tony Collingwood Productions are all involved in the production of either 13x26 or 26x26-minute series. *Billy The Cat*, *The Animals of Farthing Wood*, *Albert The Fifth Musketeer*, *Prince Of Atlantis*, *Robinson Crusoe*, *Orson and Olivia*, *Mot* and *The Pastagums* are all examples of series that have or are currently being produced with European finance.

The BBC says that about 10% of its animation now comes from Europe. "The scriptwriting is getting better, which was half the problem,"

**STRONG BODIES.
STRONG MINDS.
STRONG SHOW.**



GLADIATORS 2000 is the new innovative half-hour show where today's kids compete in games that challenge their physical abilities as well as their knowledge of nutrition, fitness and the human body.



**Twenty-six
Premiere
Season
Episodes!**

GLADIATORS 2000

BODY POWER! BRAIN POWER! KID POWER!

Samuel Goldwyn
SAMUEL GOLDWYN TELEVISION

one world entertainment
a division of mtv networks

4 Four Point Entertainment

Samuel Goldwyn International, 10203 Santa Ivonica Blvd., Los Angeles, California 90067-6403 Phone: 310-552-2255 Fax: 310-284-9108

©1994 THE SAMUEL GOLDWYN COMPANY

said Theresa Plummer Andrews, head of acquisitions at BBC Children's Television International. "No-one knew how to write scripts. It's not just about pretty pictures - you have to have a story as well."

But for animated series to be fully financed within Europe, productions involving several partners are a necessity unless you have a big company behind you willing to put up the deficit. Veteran animation studio Cosgrove Hall, recently acquired by Anglia Television, is making a 13x10-minute pre-school model animation called *Oakie Doke* for the BBC. Anglia's distribution outfit ITEL are putting up the rest of the money.

In general, producers prefer no more than two co-production partners with a creative say, and three at the most. "It isn't good to make too many compromises, because the product looks as if it has been acquired, not co-produced," said Siegmund Grewenig, head of children's programs at German public station WDR. Most prefer



Pastagums: Fully financed within Europe

European pre-buys as a means by which to attract the rest of the finance, with the most important countries, in terms of revenue, being the UK, France and Germany.

The chances of selling a finished European show to a U.S. network are, however, virtually zero, with prospects for syndication and cable only slightly better. One of the major problems up to now has been the volume of product available and the speed with which it is produced. For a show to be a viable concern in the U.S. it has to be at least 13x26 minutes long.

"When it comes to selling internationally,

13x10 minutes isn't a commercial length," said Andrew McBean, chief executive of ITEL.

"A network will want 13x26 episodes delivered to them within eight months," said Stephane Bernasconi, head of animation at French outfit Ellipse. "Syndication will want at least 39x26 delivered within a year."

Efforts to speed up the production process within Europe have included the development of computer technology, enabling paint and tracing to be carried out in Europe, saving on production costs and reducing the amount of material that has to be farmed out to Asia. Two systems are already on the market, with a third being developed.

An increase in the volume of production would not only help European companies selling into the U.S., however. In terms of acquisitions, European broadcasters, both public and private, like to buy 26x26 series, although some still want shorter runs in case a show doesn't work. This is not always the case for commissions. "Companies who

are investing in animation are generally the bigger state broadcasters whose schedules still have room for 13x5 minutes," said Jane Smith, head of sales for Hit.

According to Brian Lacey, former CEO of U.S. animation company Zodiac, who is now working as a consultant for some European animation companies, the reason European animation hasn't as yet been hugely successful in the U.S. is not just a question of volume. "European storylines, concepts, dialogues and the look in general are often very culturally specific," he said. "The stories are too slow and there are few special effects or music. It doesn't get beyond national boundaries."

The key to the problem, said Lacey, is for Europeans to link up with U.S. partners from the start. Cartoon has always been against this, arguing that U.S. companies don't just want to take part in the production, but want to take over the creative control. However, there are signs that U.S. companies are increasingly looking across the water, even if it is just to take advantage of subsidies or cir-



Du Pontavice: U.S. involvement essential

Join us in the adventures of...



(26 x 26')

PRODUCED BY:



Alda. Urquijo 18, 1º Dcha.
48005 BILBAO (Spain)
Phone: 34. 4. 4104306
Fax: 34. 4. 4223982

Contact Daniel Torres

INTERNATIONAL SALES:



M.S. International
20, boulevard Rainier III
MC 98000 MONACO
Phone: 33. 93. 302538
Fax: 33. 93. 302539

Contact Antonio Orozco

MIPCOM Stand
G3.35

LOOKING FOR COPRODUCERS

BAMBOO BEARS[®]



52 HALF HOURS

© 1994 Kingma Productions B.V. / Mitsui & Co. Ltd.

COME AND SEE US
'AT STAND NO. 05.36'

Please contact:

TELESCREEN[®] Distribution

Prinsengracht 532 • 1017 KJ Amsterdam • The Netherlands
☎ (31-20) 627 50 22 • 📠 (31-20) 624 22 73



Itel is putting up the deficit for Cosgrove Hall's pre-school series Oakie Doke

cumvent problems with quotas. UK-based animation company Tony Collingwood Productions is making a 30-minute special called *Daisy Had Mayzie* for Turner's Cartoon Network. Other European shows currently being made with U.S. involvement include *Dog Tracer* with Rysher, Ufa, TF1 and 4D Marina Productions while Ellipse is producing a series called *Half Notes* for the ABC Network.

"If you pre-sell to a U.S. network, you may get 40% of the budget," said Bernasconi. "If you make a show within Europe you have either to accept a smaller budget or put up a big deficit, in which case you won't recoup until the second market."

"You can't refinance in the first sale," agreed Michel Vandewalle, head of distribution at Ufa. "In Europe you can make money because animation there has a long shelf-life, but you have to see it as the long term."

One North American company that is investing heavily in European animation is Canadian company Nelvana. It has produced *Babar*, *Tintin* and *Rupert* with, among others, Ellipse and is currently co-producing *The Olympic Games* with Gaumont TV and *Tabalouga* with ZDF Enterprises.

"We wouldn't invest in European animation if weren't so keen on it," said Nelvana CEO Michael Hirsh. "The fact *Babar*, *Rupert* and *Tintin* have all sold into over 100 countries is testament to the talent there."

Hirsh said the alliances with Euro-

pean companies work both ways: "A European involvement brings European sensibilities to a project while we can bring an awareness and expertise of the U.S. market."

For Gaumont Television, making an animation without North American investment at the start, isn't worthwhile. "A good show costs around \$350,000 an episode. You could probably get that if you involved, say, a French, German and English broadcaster but then all the major rights have gone and it's not worth taking the risk for just a production fee," said Marc Du Pontavice, head of business affairs. In order to retain creative control, Gaumont puts up a majority of the budget.

According to Jane Smith, Hit likes a production to have secured 50% of its finance from the domestic market and although the ideal is to have just one other co-production partner they will still pick up a show even if it has been sold into the major European territories. "If France, Germany, the UK, France and Italy have gone you've still got Spain, Scandinavia, the Benelux, Eastern Europe, the Far East and Latin America — that still leaves sufficient license fees to be generated," she said.

In order to try and skew the production to the rest of the world, Hit likes to get involved in a production, both financially and creatively, at an early stage. "We try and involve an American writer because they have more experience in animation and put a bit more pace on the production," Smith said. ■



The Froggers

F.R.O.G.

**LEAPS TO TOP IN
WORLD OF KIDS
SCIENCE SHOWS**

20 x 30 minutes

In F.R.O.G. (Friends of Research and Odd Gadgets) adults don't tell kids things but let them discover the fun for themselves. Entertaining hands-on science. Four lively, curious preteens examine the "whys" of science. Animation and the latest science news gathered by kids, documentary style.

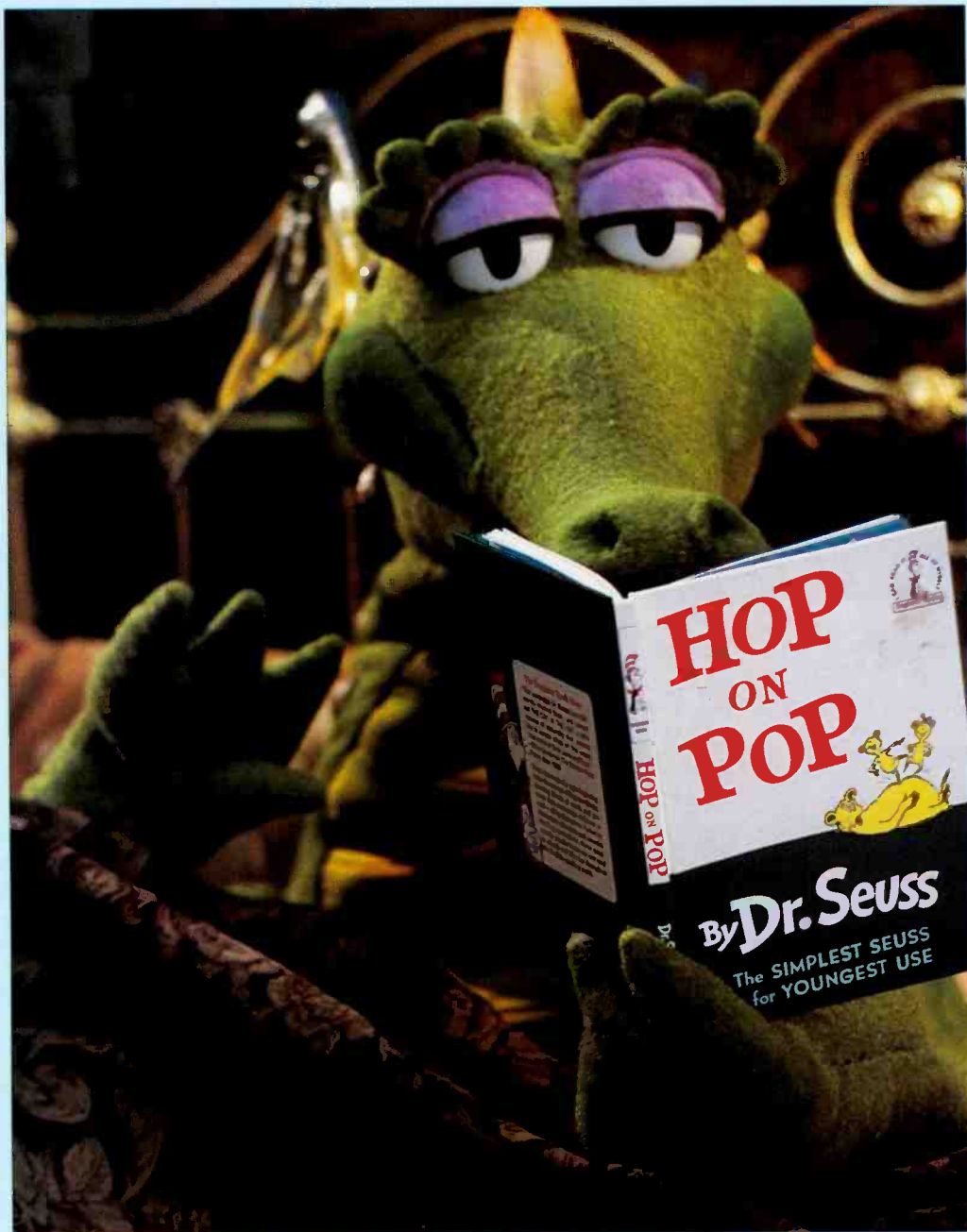
Produced by OWL Communications

Distributed by Catalyst Distribution Inc. **CATALYST**

Tel: (416) 591-6767
Fax: (416) 591-6764

At MIPCOM see us at Stand number 06.19

CATALYST PROFILES



Read-alee Deed-alee: Unapix show proved that teaching can travel

Broadcasters are starting to exploit international opportunities for schools programs, writes Marie Beardmore

Must Try Harder?

Historically, schools programming has been an activity commercial broadcasters have been happy to leave to the public sector. The differing demands of national education systems, languages and cultures mean the market for such programming is inevitably limited outside the domestic arena.

Attempts to make a business from schools programming through advertising are a delicate and sometimes controversial area, although Channel One, the Whittle Communications operation which supplies programs to 12,000 U.S. public schools, makes a slender profit. Where commercial broadcasters dabble in schools programs, it tends to be a license condition or, as in the case of the 1990 Children's Act in the U.S., a statutory obligation. The Act requires commercial operators to carry at least some programming to meet children's educational and informational needs, although it does not specify a minimum amount of programs or time.

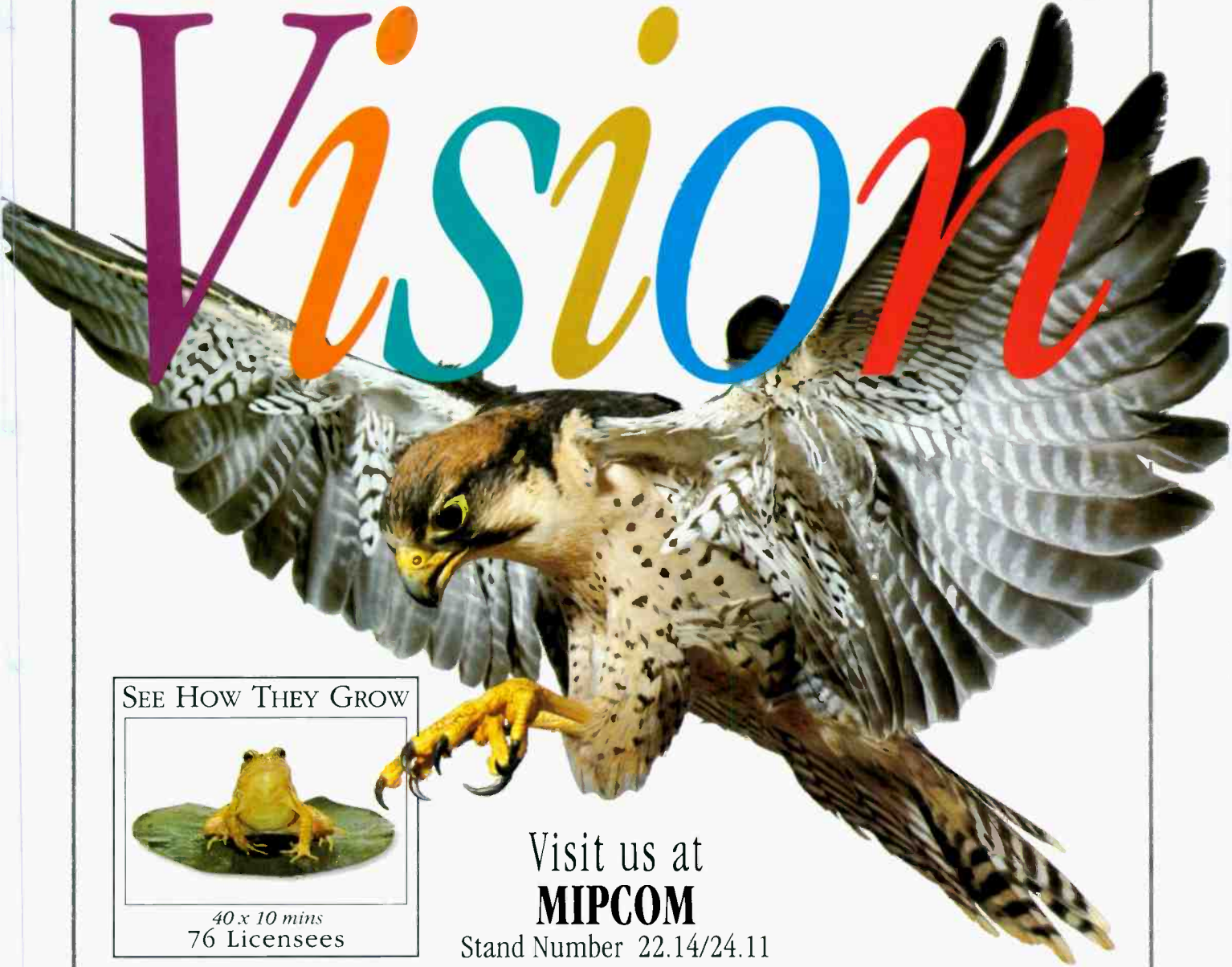
The lion's share of school programming in the U.S. is supplied by the Public Broadcast Service (PBS) via its Instructional TV slot, which serves a claimed 29.5 million students in 70,000 schools. In Europe, it tends to be a national broadcaster - ARD in Germany, Rai in Italy, France 3 and BRT in Belgium. The UK is unique in that two broadcasters - the BBC and Channel 4 (which took over the requirement from private network ITV last year) - provide schools programs.

Programs are often supplied by specialized services. In the Netherlands, NOT furnishes the schools slot on one of the three public NOS networks, while in France the National Center for Teaching Materials (CNDP) feeds the France 3 strand.

According to sales manager Michael Velouw, NOT produces 80% of its own product, importing and co-produc-

DORLING KINDERSLEY

Vision



SEE HOW THEY GROW



40 x 10 mins
76 Licensees

Visit us at
MIPCOM

Stand Number 22.14/24.11

N E W S E R I E S

EYEWITNESS



39 x 30 mins
53 Licensees

HULLABALLOO



26 x 15 mins
30 Licensees

LOOK OUT FOR

SNAPSHOT



32 x 6 mins

and there's more...

 **DORLING KINDERSLEY** *Vision*

9 Henrietta Street, Covent Garden, London WC2E 8PS, England · Telephone: 071 836 5411, Telex: 8954527 DEEKAY G, Fax: 071 379 7058

ing the remainder. The recent increase in the France 3 strand from two hours to six hours a week has forced the CNDP to buy in more programs from external sources including the BBC, Japan's NHK and PBS.

The BBC itself produces 75% of its annual 695 hour output of schools programs, buying in the rest from independents, while Channel 4 commissions the whole of its output from around 35 companies.

The escalating cost of productions and, in the U.S., a squeeze on federal funding, means that many broadcasters are looking to the international market, either for distribution opportunities or for co-production.

ARD's head of school programming Walter Flemmer said that 5% of its annual \$200,000-650,000 schools budget goes into co-productions. NOT contributed part of the \$600,000 production costs of Granada's *The New Living Body* science series and part of the \$330,000 budget for a BBC/Scandinavian co-production, *Japan 2000*.

The European Broadcasting Union has formed The Working Party for Education to encourage co-productions between member broadcasters. A science series costing £450,000 for each 15-minute episode co-produced by ten different countries is one program in the works.

Although distribution opportunities are limited by rights clearances as well as differences in curricula and language, any that exist are pounced upon. Some broadcasters have the capacity to keep things in the family: BBC Lionheart distributes in the states, and BBC Enterprises has Europe and the rest of the world. Other broadcasters have to work with outside agencies. CNDP, which had seen little action outside of France, appointed Great Plains National (GPN) as its distributor in the U.S. last year. GPN supplies programs to PBS and is also a founder of the educational program market, First View. GPN has already taken the CNDP's wildlife series *Images of Nature*, and is taking a second series of the geography

program, *Lives and Landscapes*.

Channel 4 has appointed an approved distributor, Double Exposure, although almost half of its annual 330 output is produced by the ITV companies, which retain the distribution rights. Double Exposure was also hit by a snag with one program where £60,000 had to be paid to clear rights for a clip from the film *My Left Foot*. "Big distributors are slightly scornful of schools programming, but there is a growing market for it across the world, particularly with English-speaking countries," said John Richmond, deputy commissioning editor for C4 Schools.

Debbie Slavkin, who heads up the schools programming division at Unapix International, is trying a whole new ball game by pitching school programs at the international general kids market. *Read-alee Deed-alee*, a show that teaches youngsters how to read English, has already sold to the Phillipines and Malaysia, where it will air in September.

To ensure the venture is a



Slavkin: International pitch

success, Slavkin is building a consortium of producers who work on programs for K-12 (kindergarten to 12) years. "The idea is to make producers aware of the distribution opportunities from the onset; the rights thing is not really an issue here because all programs are made from scratch."

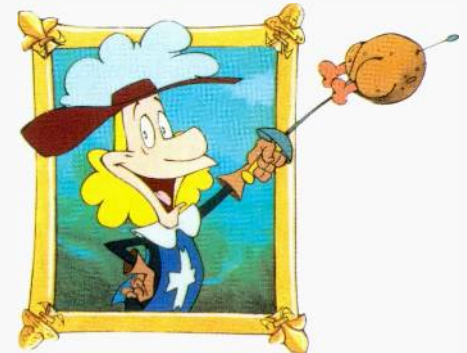
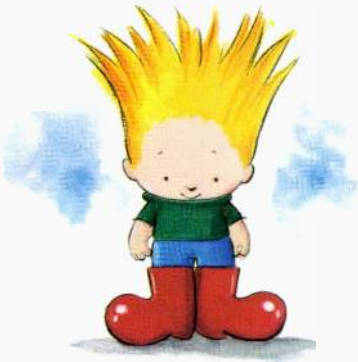
In reality this means "making simple production changes, such as putting on separate language and music tracks so that other countries can add their own easily," she said.

Slavkin also pinpointed a nascent trend within the genre. "Many producers are taking programs from the adult market and reversioning them for kids." Intelcom's science series *Mechanical Universe*, for example, has been reversioned for the teenage market.

The development of new technology such as interactive tv and CD-Rom hold out further promise for the genre. Whittle's forced sale of Channel One to buyout specialist K-III may have set back Whittle's own ambitions in the area, but could fit well with KIII's investments in magazines, educational video and CD-Rom. So who knows where the learning curve may lead? **TE**



Crobs: French product like this CNDP series is doing well in the U.S.

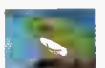


CHILDREN'S

PUTTING THE LIFE IN ANIMATION



TUNING INTO THE WORLD'S CHILDREN



Broadcasters Are Getting More Animated

TBI's annual survey of broadcasters' output reveals that whether budgets are up or down, demand for animation is strengthening, writes Sarah Walker

TBI's fourth children's programming and animation survey, which this year takes in 50 broadcasters from 19 countries, points to a decrease in the hours of live action children's programming being broadcast, in favor of an increase in animation. In 1993, the children's programming schedule at Germany's Pro 7 comprised 33% live action and 66% animation. This year, live action has been dropped in favor of 100% animation. Other broadcasters which have also dropped the live action element from their schedules include MTV Finland and Japanese networks NTV and TBS. As cartoons are infinitely more expensive to produce than live action, in each of these cases the increase in animation hours hasn't corresponded to an increase in in-house production. Virtually 100% of the animation broadcast is acquired, pointing to a possible lack of high-quality live-action programming on the market.

Figure 1 indicates however that the in-house production of live action at many of the broadcasters is thriving. The two countries that have managed to remain the most parochial in terms of retaining a commitment to either in-house production or domestic purchases are, unsurprisingly, the U.S. and Japan. The U.S. networks buy little or no product outside of their domestic market and, with the exception of Fuji TV, which buys 100% of its programming from the UK, the same can be said of the Japanese.

However, despite claims that the demand for Japanese animation and children's programming is decreasing in Europe, the networks are still managing to export a substantial amount of product. TBS, for instance, claims to sell 15,000 hours of programming a year, while NTV distributes around 200 and TV Asahi 100.

This year's survey shows that in general, despite a number of budget cuts over the last 12 months, most kids departments around the world have at worst maintained their available spend or at best received additional funding.

While kids departments in the Australian Broadcasting Corporation (ABC), German pubcaster ZDF, Japanese commercial network TBS and New Zealand public broadcaster TVNZ all reported budget decreases, their counterparts at SRC (Canada), BRTN (Belgium), TV2 (Denmark), and Canal J and Canal Plus (France) are among those which have received more money. SRC's budget of

C\$17m (\$13m) has increased slightly to reflect an increase in broadcasting hours to 25 hours a week while at MTV, the children's budget has increased by 20%, although programming hours remained the same.

In France, kids niche network Canal J's overall budget has increased from Fr30 million (\$5.7m) in 1993 to Fr35 million (\$6.7m) in 1994. Of this, half is dedicated to imports and half to production. At pay-tv channel Canal Plus, kids budgets have risen by 10%.

The survey shows that most broadcasters continue to retain a commitment to in-house production. Almost all of the BBC's £58 million (\$87m) budget is devoted to producing its own programming, both live action and animation.

For the smaller broadcasters, in-house production is generally restricted to live action magazine production and animation pre-buys, although this can still command a sizeable chunk of the overall budget. At public

broadcaster Danmarks Radio, only 18% of the children's budget is spent on imported programs and the rest on in-house production. At Canal J, 15% of live action programming is produced in-house at a cost of Fr60,000 (\$11,500) per half hour.

The biggest importers of programming remain, by and large, the niche channels such as Kindernet (450 hours a year), The Children's Channel (450) Canal J (1300) and Italy's Junior TV (2000). However New Zealand private network TV3 imports a sizeable 700 hours a year, as does the ABC.

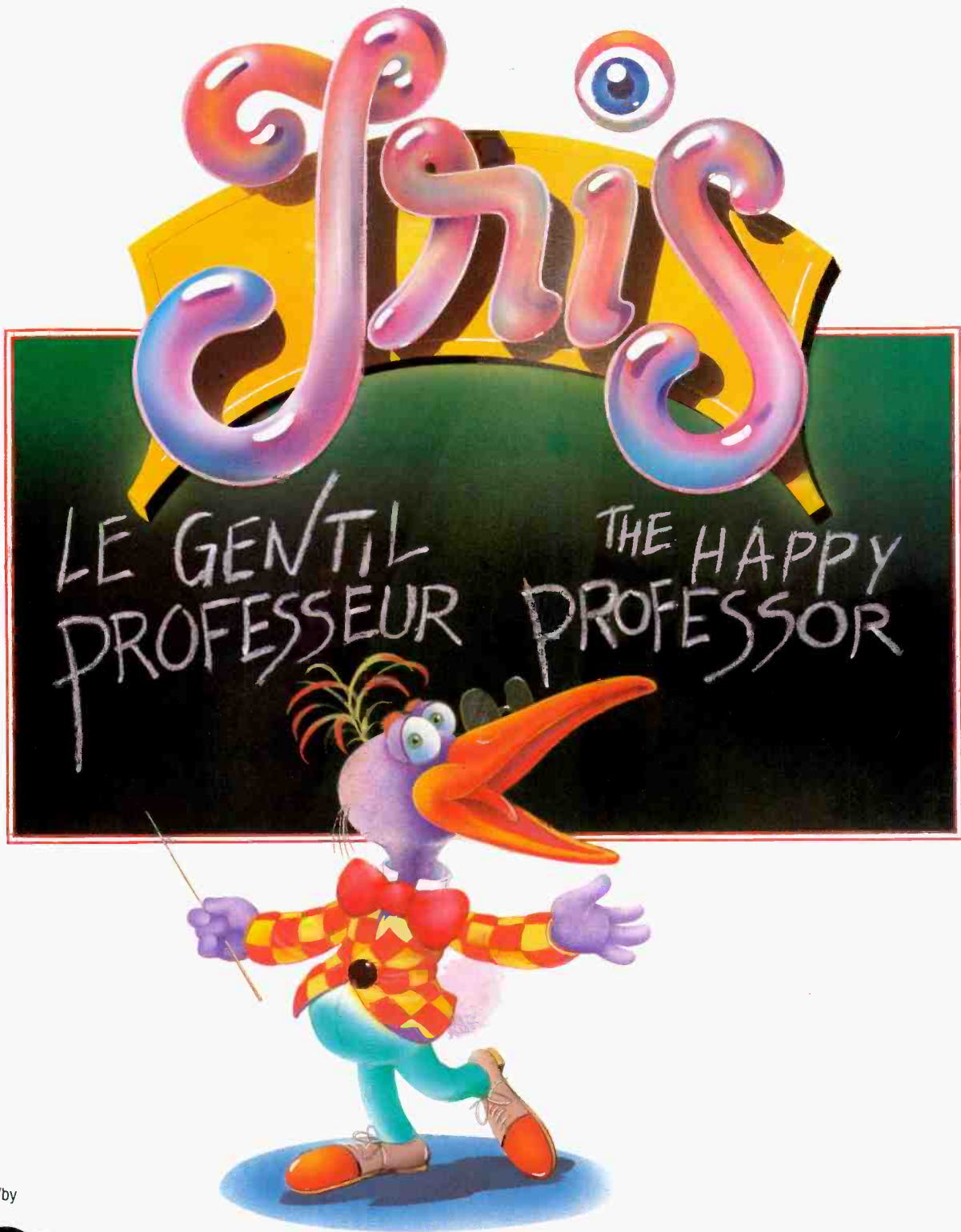
However the Australian pubcaster's 1995 import forecasts of around 400 hours are markedly down on its 1993 figure of 875 imported hours. The ABC evidently is turning its attention to other areas. In terms of co-production activity it is expected to be involved in some 63 hours during 1995, as opposed to 35 hours last year.

Other broadcasters retaining a firm commitment to producing children's programs include the YLE in Finland, Canal J - which expected to be involved in 120 hours of co-productions this year at a budget of Fr6 million (\$1.1m) - and Antena 3 - the Spanish private network has participated in a number of animated co-productions, such as Chip and Charley with production company D'Ocon.

Many broadcasters still do not have separate co-production budgets, however, and many are reluctant to predict hours for 1995.

Costs Of 30 Minutes Of Production (\$000s)

Country	Broadcaster	Live action	Animation
Australia	ABC	46	
Austria	ORF	60	
Canada	SRC	50-192	
Denmark	TV2	17	
Finland	YLE	6-10	50-58
France	Canal J	11	
Germany	ZDF	200	
Japan	Fuji TV	30-40	60-110
Spain	TVE	16-24	16-78
Sweden	SVT	13-150	130-400
UK	BBC	83	



par/by

Desclez

SEE US AT MIPCOM BOOTH N° 08.32

Coproduction COL-IMA-SON /
DESCLEZ PRODUCTIONS INC.

MÉDIAMAX
INTERNATIONAL

© Copyright HD PRODUCTIONS INC. 1991

156 émissions de treize minutes 156 thirteen minute shows

Distribution : MÉDIAMAX INTERNATIONAL 3654 Henri-Julien,
Montréal, Québec, Canada, H2X 3H5 Tél : (514) 987-5971
Fax : (514) 987-5970

HD PRODUCTIONS

3603 St-Denis, bureau 202
Montréal, Québec
H2X 3L6 Canada
Tel : (514) 288 4483
Fax : (515) 288 0907

The TBI Global Children's Programming

COUNTRY	CHANNEL	HEADS OF DEPARTMENT/BUYERS	ANNUAL BUDGET	HOURS BROADCAST A WEEK	% LIVE ACTION % ANIMATION	PROGRAM TIMESLOTS	% OF LIVE ACTION A: PURCHASED B: DOMESTIC C: IN-HOUSE
Australia	ABC	Claire Henderson (head) Peter Jackson (co-ordinator)	15% of prog budget	24.5	A:70% B:30%	M-F: 8-30-10am/3-6pm Sat: 9-7pm Sun: 8-9am	A:60% B:15% C:25%
	Nine Network	John Stephens (prog.dr)	-	12-15	A:66% B:33%	M-F: 9-9.30am/4.30-5pm Sat: 7-11am Sun: 7-8am	A:<5% B:>95%
	*Seven Network	Dina Browne (head)	-	26	A:30% B:70%	M-F: 6.30-9.30am/4-5pm Sat&Sun: 6-9am	A:20% B:80%
Austria	ÖRF	Andreas Vana (head) Marie-Luise Kaltenecker (buyer)	-	15	A:50% B:45%	M-F: 3-5pm Sat: 9.30-10.30am/ 3-5pm Sun: 9-9.30am/3.30-5pm	C:100%
Belgium	*RTBF	Pauline Hubert (head & buyer)	\$1.2m	5	A:10% B:90%	M-Sun: 4.30-5.20pm	A:100%
	BRTN	Hilda Verboven (head) Frans Huybrechts (buyer)	\$32m	12	A:60% B:40%	M-F: 6-7.30pm Wed: 5pm Sat: 9-10am/6-6.30pm Sun: 9-10am/6-7pm	A:51% C:49%
Canada	*CBC	Peter Moss (head)	-	12	A:95% B:5%	M-F: 10-12am Sat: 8.30-10.30am	B:10% C:90%
	SRC	Michel Lavoie (head)	\$13m	25	A:40% B:40%	M-F: 6.30-7am/10-11am/3.30- 5.30pm Sat: 7.30-11am/4.30- 5pm Sun: 7.30-10am	A:15% B:35% C:50%
	CTV	Arthur Weinthal (vp entertainment prog)	-	1	A:90% B:10%	Sat 7-8am	B:100%
Denmark	YTV	Dale Taylor (vp prog) Kevin Wright (prog dr)	-	147	A:72.5% B:27.5%	Daily: 6-3am	A:38% B:60% C:2%
	DR	Mogens Vemmer (head)	-	9	A:80% B:20%	Daily: 6-6.30pm Tu-Th: 5.30- 6pm F: 4-6pm Sat: 10-12am	A:40% B:5% C:55%
	TV2	Preben Vridstoft	\$5m	11	A:50% B:50%	M-F: 4.30-5.30pm, Sat & Sun: 8-11am	A:60% B:20% C:20%
Finland	MTV	Arto Kivinen (buyer)	-	3	B:100%	Sat: 9-11am, Sun: 9-10am	-
	YLE	Ingegerd Pesonen (FST) Jussi Pekka Koskiranta (TV2) Jussi Sorjonen (TV1)	\$10 m	13.30	A:20% B:30%	M-F: 4-7.30pm Sat & Sun: 8-9am, Sun: midday	A:30-40% C:60-100%
France	*France 2	Mireille Chalvon	\$13.7m	5.75	A:20% B:80%	Wed: 9.20-11.20am Sat: 7-9am Sun: 7-8.40am	A:30% B:60% C:10%
	Canal J	Eve Baron (prog dr.) Emmanuelle Baril (buyer)	\$6.7m	93	A:55% B:45%	M W Th F Sun: 7am-8pm Tu Sat: 7-9am	A:25% B:60% C:15%
	Canal Plus	François Reymond (director)	\$14.6m	11-18	B:100%	M-F: 6-6.45pm/7.30-8.15pm Sat: 6-7.30pm Sun: 7.30-8.30pm	-
	M6	Christine Lentz Nathalie Drouaire (buyer)	-	4.5	A:20% B:80%	Wed: 2-4.30pm Sat: 8-10am	C:100%
	*France 3	Mireille Chalvon	\$13.7m	123	A:30% B:70%	M Tu W Th Fr Sun: 7.15 - 8am, W: 8am-12pm Sun: 8-10.30am	A:30% B:60% C:10%
Germany	BR	Ernst Geyer	-	8	A:70% B:30%	Daily: 5-6pm, Sun:1-3pm	A:20% B:60% C:20%
	Premiere	Christophe Erbes (head)	c. 6% Of prog. budget	5.5	A:15% B:85%	M-F: 2-3pm 7-8am (reruns) Sun: 1-1.30pm	A:10% C:90%
	Pro 7	Jan Körbelin (prog dr)	-	32	B:100%	M-F: 6.30-8am/5-6.30pm Sat: 6-11.30am Sun: 6-12am	-
	*RTL	Matthias Krings (head)	-	12	A:20% B:80%	Sat: 6-12pm, Sun 6-12pm	C:100%
	ZDF	Susanne Müller (head)	\$26.6m	9	A:45% B:35%	M-Th: 3-4.15pm, Sat: 11am -1pm, Sun: 10.15-11.30am	A:35% B:15% C:50%

and Animation Survey

by Sarah Walker

% ANIMATION A: PURCHASED B: DOMESTIC C: IN-HOUSE	HOURS IMPORTED A YEAR	MAIN COUNTRIES FROM WHICH PROGRAMS ARE PURCHASED	PROGRAMS SUBTITLED OR DUBBED	OUTPUT DEALS?	DEPT HANDLING PROGRAM SALES	BUDGET FOR CO-PRODUCTION?	HOURS OF CO-PRODUCTION INVOLVED IN THIS YEAR
A:85% B:15%	400	Canada (25%) U.S.(40%), UK (25%)	Neither	Non	ABC Int'l plus overseas agents	Not separately	62
A:90% B: 10%	13-26	U.S. (90%) Europe (10%)	Neither	-	-	-	-
A:100%	250	U.S. (99%)	Neither	Disney Hanna Barbera	-	No	Non
A:100%	300	Germany	Dub	Yes	-	Yes	20
A:85% B:10% C:5%	152	France (45%) UK (30%) U.S.&Canada (10%) Belgium (10%) Germany (5%)	Dub	-	-	If it's a good production	23
A:76% C:24%	300	U.S., UK, NZ, East and West Europe	Both	-	VAR	-	-
-	-	Canada, U.S.	-	-	-	-	-
A:65% B: 35%	3-4 series	France (25%), U.S. (25%) UK/Australia (25%)	Dub	Non	Don't sell	Mainly for pre-sales	-
B:100%	0	Canada	Neither	Non	Don't sell	No	Non
A: 80% B: 20%	110	U.S., Canada, UK	Neither	-	Don't sell	Yes	120
A: 97% B: 2% C: 1%	50	Canada, East and West Europe China, U.S.	Both	Non	DR prog sales	No	-
A:80% B:20%	350	U.S., UK, France	Both	-	TV2 prog sales	No	-
A:95% B:5%	150	U.S. (70%) Canada (10%) Europe (20%)	Both	Disney (50 hrs a yr)	Don't sell	No	Non
A:50-90% B: 10% C: 10-40%	370	UK, Denmark, Spain Canada, Germany	Both	Non	YLE prog sales	Yes about 10%	15
A:30% B:60% C:10%	-	Europe, Canada, U.S.	Dub	Non	No sales	\$7m	35 shows
A:40% B:60%	1300	France, Canada, UK	Dub	-	Canal J	\$1.1m	120
A:40% B:15% C: 45%	-	U.S., Europe	Dub	-	Canal Plus distribution	No	-
A: 60% B: 40%	-	U.S. Europe	Dub	-	-	-	-
A:30% B:50% C:20%	-	U.S., Europe, Canada	Dub	Non	No sales	\$12m	35 shows
A:70% B: 30%	-	U.S. (50%) Scandinavia (25%) Australia (25%)	Dub	-	Telepool	Yes	-
A:100%	130	France, UK, U.S. Spain, Italy	Dub	-	Business Affairs	Yes	26
-	-	U.S.: 80% Europe: 20%	Dub	-	-	Yes	-
A: 100%	500	U.S.(70%), Japan (30%)	Neither	Turner Saban	-	-	-
A:60% B:25% C:15%	55	UK, Canada, Scandinavia Netherlands, Australia, France	Dub	-	ZDF Enterprises	Yes	20

FOCUS: CHILDREN'S TELEVISION

COUNTRY	CHANNEL	HEADS OF DEPARTMENT/BUYERS	ANNUAL BUDGET	HOURS BROADCAST A WEEK	% LIVE ACTION % ANIMATION	PROGRAM TIMESLOTS	% OF LIVE ACTION A: PURCHASED B: DOMESTIC C: IN-HOUSE
Italy	*Rai 2	Paola De Benedetti (head)	\$1.2m	6.3	A: 70% B: 30%	M-F: 1-2pm Sat: 12.30-2pm	-
Japan	Fuji TV	Yoshiaki Yamada (head of programs)	\$50m	8.5	A: 30% B: 70%	M-F: 4-5pm, Tu W F: 7-7.30pm Sat: 6.30-7pm, Sun: 6-8pm/ 1-1.30pm	A: 5% B: 25% C: 70%
	NTV	Acquisitions & external prods division	-	5	B: 100%	M-F: 5-6pm,	-
	Tv Asahi	Takaaki Narikawa (head of sales)	-	7.5	A: 20% B: 80%	M Th F Sat: 7-8pm F: 5-6pm Sat Sun: 6-6.30pm Sat: 5.5.30pm Sun: 9-10am	C: 100%
Luxembourg Netherlands	TBS	No one in particular	-	1.5	B: 100%	Sat: 5.30-6.30pm, Sun: 7-7.30am	-
	RTL 4	Bert Van Der Veer (prog. dr)	-	20	-	M-F: 7-8am/ 12-1pm	-
	Kindernet VPRO	Eric Van Trommel (buyer) Danielle Lunenburg (head)	- 25% of	25 6	A: 20 B: 80% A: 80% B: 20%	M-F: 7-10am, Sat-Sun: 7-12am M Tu Th F: 5.30-6pm W: 2-4pm Sun: 9-11am	A: 75% B: 22% C: 3% A: 30% C: 70%
New Zealand	TVNZ	Janine Morrell (executive producer)	\$3.3m production only	40	A: 25% B: 75%	M-F: 6.30-10am/2.30- 5pm, Sat: 6-11am, Sun: 6-10am	A: 10% C: 90%
	TV3	Gary Brown (prog dr)	-	21.5	A: 60% B: 40%	M-F: 7-9am, 3.30pm Sat: 6.30- 11am, Sun: 7.30-10am/12-2pm	A: 35% B: 65%
Portugal	*RTP	Terese Paixao (head)	\$4,500	31	A: 20% B: 80%	M-F: 2-3pm/5.30-6.30pm Sat: 8.30am-1pm Sun: 8am-11.30am	A: 80% C: 20%
	*TVI	Enrique Perera (buyer)	-	7	A: 5% B: 95%	M-F: 2-2.30pm/5-5.30pm Sun: 10-11.30am	-
Spain	Antena 3	Beatriz Maesso (buyer)	-	21	A: 35% B: 65%	Daily: 8-11am (summer) Daily: 7-9.30am (rest of yr)	A: 20% C: 80%
	TVE	Don Enric Frigola Vinas David Nogueira (buyer)	10-15% of program budget.	40-55	A: 20% B: 80%	M-S: 7.30-11am/ 1-3pm (holidays), M-F: 7.30-9am/ 1-3pm/5-8m (rest)	A: 70% B: 15% C: 15%
	*Tele5	Antonio Pozoeco	30% of total	33	A: 15% B: 18%	M-F: 7.45-10.15am/ 5.30-8.40pm Wend: 7.45-11.30/ 6.15-8.20pm	A: 60% B: 10% C: 30%
Sweden	SVT (Ch1)	Helena Sandblad (head)	\$5m	7	-	M-F: 6.15-6.45pm, M: 7.15- 8pm, Tu: 7-7.30pm, Sat: 8-10am, 6.45-7.15pm, Sun: 10-10.30am	A: 40% C: 60%
Switzerland	TSI	Nicolette Taddei (buyer)	-	8	A: 40% B: 60%	M-F: 12-12.30pm/ 5-5.30pm Sat: 4.45-6-15pm, Sun: 8-9.30am	A: 60% C: 40%
	*TSR	Varnel Janry	\$667,000	11	A: 50% B: 50%	M-F: 5-5.30pm Wed: 2.30- 5.30pm, Sat: 8-11am Sun: 7.30-10am	A: 98% C: 2%
UK	BBC	Anna Home (head)	\$87m	20	A: 78% B: 22%	M-F: 10.05-10.35am/ 1.20-1.35pm/3.50-5.35pm Wends: 7.30am-12noon	A: 5% B: 1% C: 94%
	*BSkyB	Jeremy Bolton (buyer)	-	31.5	A: 5% B: 95%	M-F: 6-9.30am/4-5pm Wends: 7-11am	A: 95% B: 5%
	Channel 4	Lucinda Whiteley (commissioning editor)	-	16.5	A: 20% B: 80%	M-F: 6.30-7am/12.30-2pm/ 6-6.30pm, Sat: 6.30-8am, Sun: 7-10.45am	A: 95% C: 5%
U.S.	TCC	Nick Wilson (prog dr) Joan Lofts (buyer)	-	77	A: 32% B: 68%	Daily: 6am-5pm	A: 45% B: 35% C: 20%
	ABC	Jennie Trias (head)	-	5	A: 10% B: 90%	Sat: 8am-1pm	A: 20% B: 30% C: 50%
	CBS	Judy Price (head)	-	5	A: 10% B: 90%	Sat: 8am-1pm	A: 0% B: 100%
	*NBC	Linda Mancuso (head)	-	2.5	A: 100%	Sat: 10am-12.30pm	C: 100%
	PBS	Alice Cahn (head)	\$18m	-	A: 90% B: 10%	M-F: 7am-6pm Sat: 6- 7pm Sun: 10am-1pm	B: 100%

Notes: The information in this survey is compiled from questionnaires completed by broadcasters. If channels are omitted it is because of failure to return the survey forms. * Answers have been based on 1993 replies and TBI estimates.

FOCUS: CHILDREN'S TELEVISION

% ANIMATION A: PURCHASED B: DOMESTIC C: IN-HOUSE	HOURS PURCHASED A YEAR	MAIN COUNTRIES FROM WHICH PROGRAMS ARE PURCHASED	PROGRAMS SUBTITLED OR DUBBED?	OUTPUT DEALS?	DEPT HANDLING PROGRAM SALES	BUDGET FOR COPRODUCTION?	HOURS OF COPRODUCTION INVOLVED IN THIS YEAR
-	-	U.S., Europe	-	-	-	-	-
A: 5% B: 95%	6-12	UK	Both	Non	-	No	Non
B: 100%	0	Do not purchase	Neither	Non	International division	Yes	Non
C: 100%	0	Do not purchase	Neither	-	Animation International (Hong Kong)	No	-
B: 100%	0	Do not purchase	Neither	Non	TBS	No	Non
-	-	U.S., UK	Subtitle	Non	No sales	No	Non
A: 80% B: 20%	450	Europe, UK, Canada, Australia, NZ	Both	Non	No sales	Yes	-
A: 90% C: 10%	75	Scandinavia (50%), Canada (10%) U.S. (10%), Others (30%)	Both	Non	Nos sales	No	3
A: 100%	-	U.S.	Neither	Non	-	No	-
A: 100%	700	U.S.	Neither	Disney	No sales	No	Non
A: 90%	-	UK, U.S., France Australia	-	Warner, Disney Hanna Barbera	-	-	-
A: 95%	450	U.S., UK, Europe	Both	Non	No sales	No	-
A: 100%	-	U.S., Europe (30%) Japan (70%)	Dub	-	A3 Sales	-	-
A: 60% B: 5% C: 35%	700	U.S. (70%) France (20%)	Dub	Disney, Warner	RTVE commercial	-	-
A: 85% B: 10% C: 5%	514	U.S. (30%), Japan (50%) Europe (20%)	Both	Yes % profits	Tele5 BRB International	Yes	-
-	40-70	Canada, U.S., Germany, UK China, Russia Czech Rep.	Dub	yes	SVT International	Included in total budget	-
A: 85% B: 10% C: 5%	150	UK (15%), U.S. (60%) Other (10%) Italy (15%)	Dub	-	TSI	Not fixed	-
A: 98% C: 2%	260	Europe (60%) U.S. (40%)	-	Non	TSR CSA (France)	\$133,000	6
A: 60% B: 40%	100	U.S., Australia	Dub	Non	BBC Enterprises	Not specifically	-
A: 95% B: 5%	-	U.S., France	Neither	Non	No sales	No	Non
A: 75% B: 25%	100	U.S., Australia, Spain, France	-	Non	C4 International	Not specifically	-
A: 60% B: 39% C: 1%	450	Australia, Canada, France	Subtitle	-	No sales	Yes	50
A: 1% B: 90% C: 15%	-	U.S.	Neither	-	ABC Video Ent	Yes	3-10
B: 80% C: 20%	0	Do not purchase	Neither	Non	CBS Broadcast Int'l	Yes	-
-	0	U.S.	Neither	Non	NBC Int'l	No	-
C: 100%	-	U.S.	Neither	Non	No sales	No	Non

UK network ITV is not included in this survey due to organizational changes within the children's department

TBI World Price Guide For Kids Programming

Prices listed are U.S. dollars for commercial half hours (22 to 24 minutes). Where no prices for live action shows are given it is because those countries do not purchase enough to accurately gauge average pricing levels. It is possible to gain higher prices than those listed in some markets if the product deemed

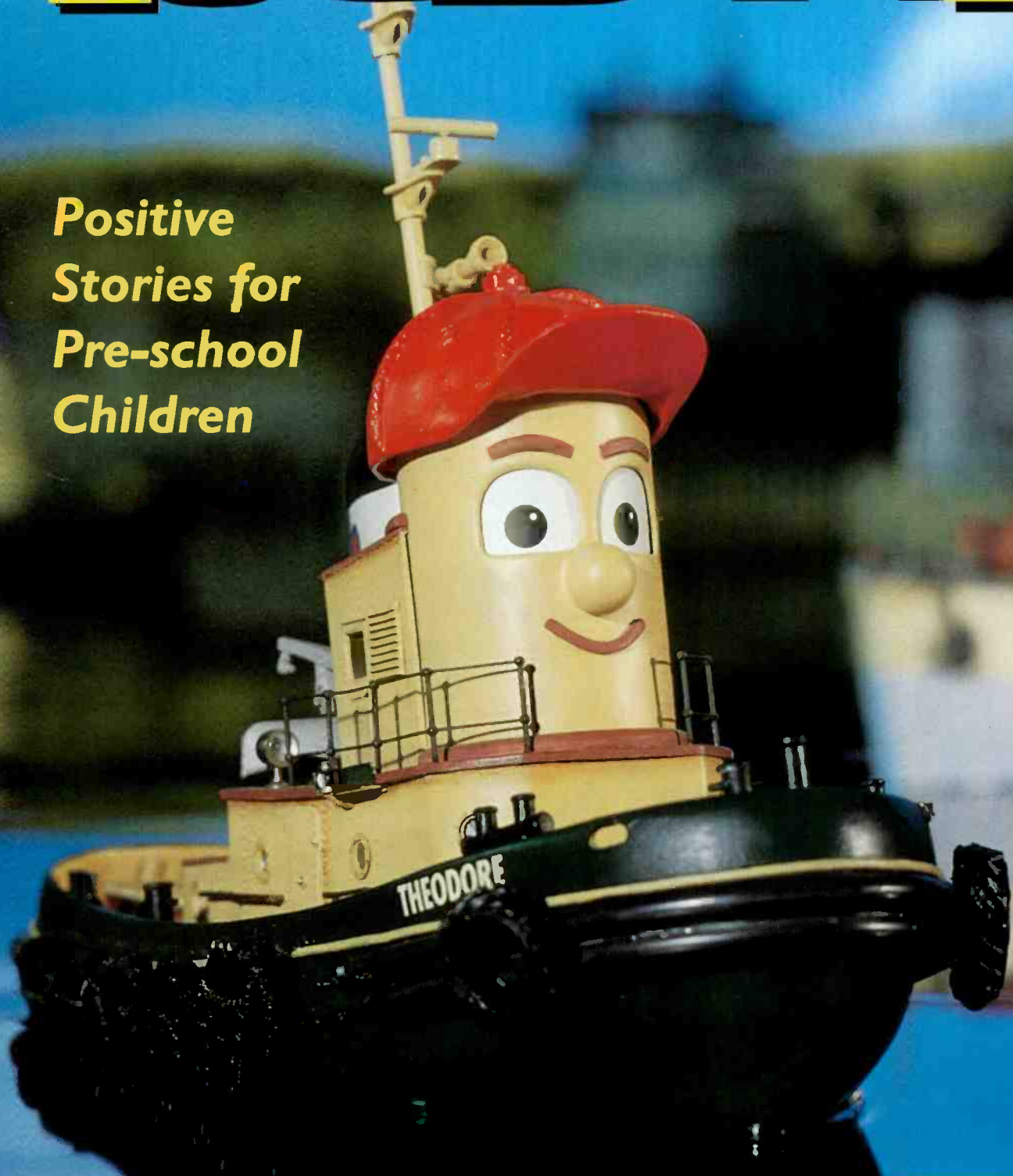
to be of very high quality. No price for U.S. networks is listed as the prices they pay in commissioning from the domestic market have no relation to acquiring finished product, and they buy almost no imported animation or live action children's shows. Prices exclude dubbing costs.

Highest and lowest prices paid for imported commercial half hours (U.S. dollar)

Country	Animation lowest - highest	Live action lowest - highest	Country	Animation lowest - highest	Live action lowest - highest
Australia			Japan		
Public	2,400 - 4,100	3,400 - 4,500	Public	5,000 - 15,000	
Private	3,500 - 6,000	3,500 - 6,000	Private	5,000 - 15,000	
Belgium			Korea	800 - 1,500	
Public	1,200 - 4,100	1,200 - 2,500	Mexico	2,000 - 4,000	
Brazil			Netherlands		
Globo	2,000 - 3,000		Public	2,500 - 5,000	2,500 - 5,000
Others	1,000 - 1,200		Private	2,500 - 5,000	2,500 - 5,000
Canada			New Zealand		
English nat nets	1,500 - 12,000		Public	375 - 1,000	375 - 1,000
English pay/cable	3,000 - 5,000		Portugal		
French nets	5,000 - 8,000	5,000 - 9,000	Public	1,500 - 3,000	1,500 - 3,000
Denmark			Private	800	800
Public	1,000 - 3,000		South Africa		
Private	800 - 2,500		Public	2,000 - 3,000	
Finland			M-Net	750 - 1,200	
Public	1,200 - 3,800	1,200 - 3,800	Spain		
Private	1,200 - 2,000	1,200 - 1,500	Public	3,000 - 6,000	3,000 - 6,000
France			Private	1,500 - 6,000	1,500 - 6,000
Public	12,000	12,000	Sweden		
Private	14,000	14,000	Public	1,400 - 3,000	1,400 - 3,000
Canal J	600	600	Private	1,400 - 3,000	1,400 - 3,000
Canal Plus	5,000 - 13,400	5,000 - 13,400	Switzerland		
Germany			Public	1,400 - 2,400	400 - 2,400
Public	15,000 - 25,000	10,000 - 20,000	UK		
Private	16,600 - 66,600	16,600 - 66,600	Public	5,000 - 10,000	5,000 - 15,000
Pay tv		2,350 - 7,000	Private	10,000 - 30,000	10,000 - 30,000
Hong Kong	750 - 1,000		C4	5,000 - 10,000	5,000 - 10,000
Italy			Satellite channels	1,500 - 2,500	
Public	8,000 - 12,000	8,000 - 12,000	U.S.		
Private	8,000 - 12,000	8,000 - 12,000	PBS	12,000 - 100,000	10,000 - 100,000
Junior Tv	1,500 - 4,000	1,500 - 2,000	Syndication	25,000 - 40,000	15,000 - 20,000

Theodore **TUGBOAT**

*Positive
Stories for
Pre-school
Children*



 **COCHRAN**
ENTERTAINMENT

1820 Hollis Street • Halifax • Canada • B3J 1W4
phone 902.421.9777 fax 902.425.8659
internet acochran@fox.nstn.ca

Stand 00.01

THE CHILDREN'S CHANNEL:
IT'S BEEN FUN WATCHING YOU GROW!

TWENTIETH CENTURY FOX INTERNATIONAL TELEVISION

20th
CENTURY
FOX

A NEWS CORPORATION COMPANY



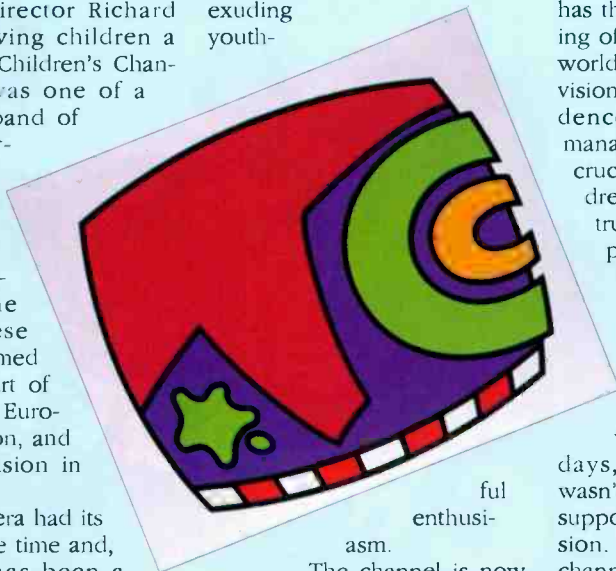
At 10

This month The Children's Channel celebrates 10 years on air. New owners, new programs and new viewers are reinvigorating one of the pioneers of the cable and satellite business in Europe. By Paul Nicholson

On September 1, 1984 The Children's Channel switched on to an audience of 60,000 cable homes in the UK with an acquired animated show called *Choppy and the Princess*. Heralded by managing director Richard Wolfe as giving children a choice, The Children's Channel (TCC) was one of a pioneering band of channels targeting the nascent British cable and satellite market. At the time these channels claimed to be the start of a new era in European television, and British television in particular.

This new era had its sceptics at the time and, truthfully, has been a long time coming. Indeed, most of the channels that were launched to make up

the new multi-channel television environment in the mid-1980s folded not long after their trumpeted arrivals. But The Children's Channel is still there and still exuding youth-



ful enthusiasm. The channel is now one of the jewels in the crown of one of the UK's hottest stock market media

companies, has the backing of one of the world's biggest television groups, and confidence is high among its managers, shareholders and, crucially, its staff. The Children's Channel has stayed true to its original philosophy of being a channel for kids, offering as wide a variety of quality programs as it could lay its hands on.

If the philosophy was right in the early days, the audience size wasn't: 60,000 homes doesn't support an awful lot of television. But that didn't deter a channel that was prepared to be a fast learner. A hundred days after launch, the channel had transmitted more than 75

hours of original programming, more than 20% of its total output. By January 1, 1985 it topped 100,000 subscribing households. Now distributed via the Astra satellite system, The Children's Channel is available to 3.5 million homes in the UK and Ireland, and a further 2 million in Scandinavia and the Benelux countries. Big steps for a channel that was initially put together in just three months from the hiring of its first program director Dan Maddicott in June 1984. Indeed, Maddicott says that if he had known how hectic it was going to be he wouldn't have taken the job.

But just as it appeared the channel was coming to terms

Brand building: The old logo (top), the more recent (middle) and the new logo (bottom) which will brand the channel's push for older kids



with an audience it had spent years building, new competition arrived in the form of Nickelodeon and the Cartoon Network to spoil the party. The Disney Channel has also resumed the extension of its channel brand outside the U.S. with the launch of a new channel in Germany and is talking to cable and satellite operators about a UK launch.

The all-singing, all-dancing American-inspired channels broke the calm of the UK children's market. They forced The Children's Channel to look to its strengths, isolate its weaknesses and start to build a long-term plan.

At present TCC is in the early days of that plan, but signs are that the channel knows which way it wants to go. Although early ratings performances against its new rivals don't offer massive encouragement, the building blocks of its schedule are still being cemented.

Crucially, the channel secured a predictable income stream when it became part of the Sky multi-channel package. The multi-channel package is the low-pay option for dish owners in the UK to receive the recently encrypted basic BSkyB channels plus a number of other channels. The deal is impor-

tant for TCC. "It means we can look longer term in

business and program planning. Most of our business planning is on subs revenue," said general manager Annie Miles. Turnover next year will be about £11 million (\$16.5 million), which Miles said would see TCC into in operational profit.

Although happy at being part of the multi-channel pay package operated by BSkyB, this relationship came at the price of being bundled up with the new launch Nickelodeon, a version of the U.S. channel adapted for the UK. "Being in Sky multi-channel makes a great deal of business sense. (But) it is not the most comfortable arrangement," said Miles.

The new arrangement and the added competition has forced the channel to work even harder to differentiate itself. Explained Miles: "We have a history with kids which is good, but it has a downside. History is not where we want our future to be." Miles likened the new tv marketplace for kids channels, and more specifically children's pro-

grams, to the more competitive consumer goods markets. Not surprising for someone with a background in mainstream fmcg marketing – she joined The Children's Channel as a consultant in March 1992 from Colgate Palmolive. Miles took on the job of marketing manager in September 1992, before being appointed general manager at the beginning of this year.

"Innovative marketing techniques are important for tv. It is all part of building the brand. We are not just a carrier of programs.

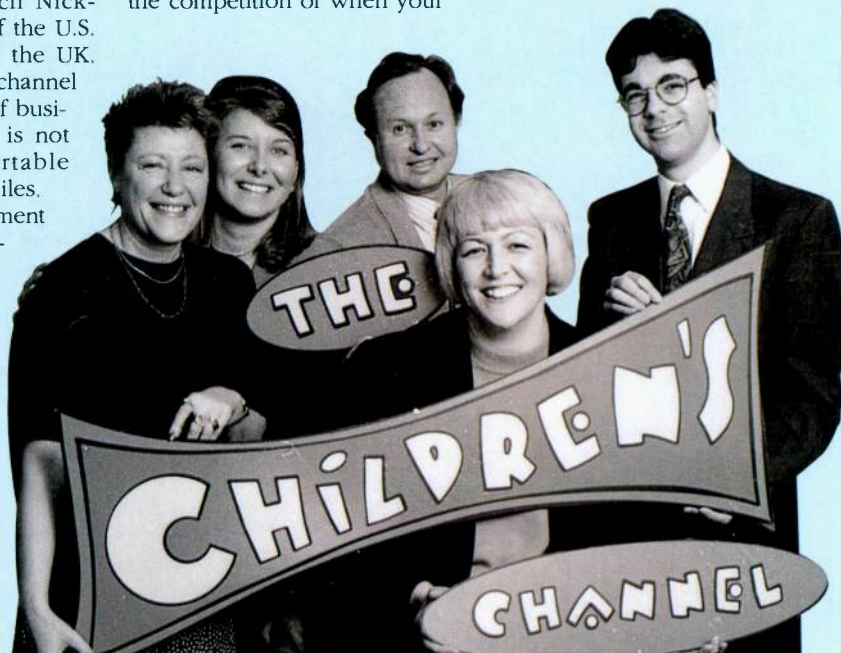
If we only ever compete on programs, the best we can hope for is to win in certain dayparts," said Miles. The innovative marketing comes out of a wider understanding of how people will use your brand and how to create loyalty.

Miles talked about "competitive insulation" – the need to protect yourself in the times when perhaps your programs are not as strong as the competition or when your

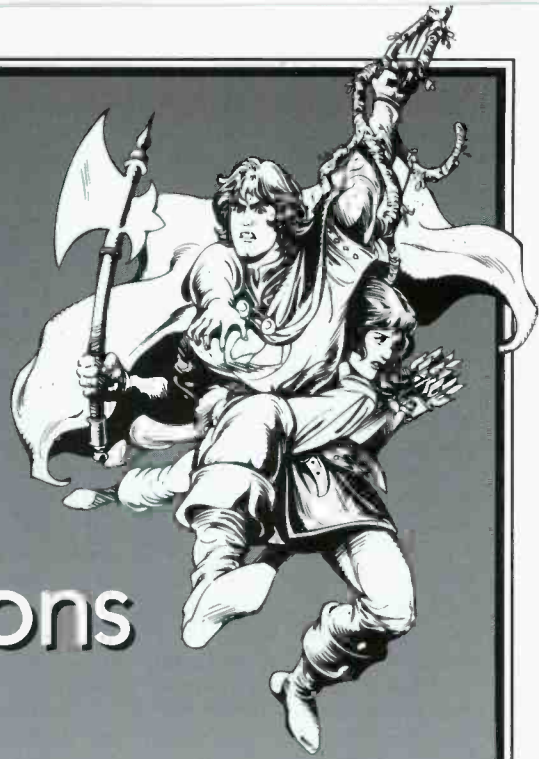
new schedule hasn't had the time to kick in. More marketing-speak. She talked about a "repertoire buying place," where your brand needs to be on the shopping list of channels a kid turns to when the tv is used. You might not be at the top of that list but you are there as a serious option. The two elements are related.

"We need programming. We also need to develop a relationship with the viewer beyond the program. That's an emotional relationship. What happens between the programs and what happens off-air is important because that is where the viewer meets you. Over the next five years if you don't have that glue in place then life will get more difficult," said Miles.

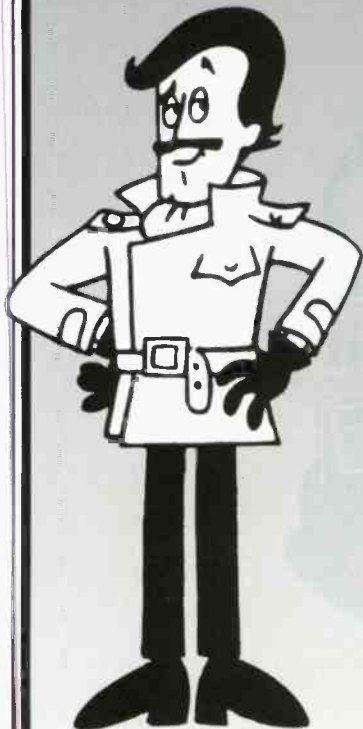
Miles expects promotions like the recent "Fact or Fict" with the Debenhams store group to become more frequent and more sophisticated. Questions were asked over the air with prizes given out from the catalog of Debenhams in-store children's brand. Super Quest, a promotion carried out with Toys R Us as a partner, generated



Left to right: Joan Lofts (director of acquisitions); Anne Cook (director of marketing); Nick Wilson (program director); Annie Miles (general manager) and Andrew Shaw (director of business development)



Congratulations
to the
Children's Channel
on your
 **10th Birthday**



From Your Friends At



Hearst Entertainment



© 1994 Hearst Entertainment, Inc. / King Features Syndicate, Inc.
The characters Prince Valiant, Cool McCool and
Flash Gordon are TM of The Hearst Corporation

20,000 phone calls. The kids were calling in to take part in a daily competition where the caller guided a camera on a journey punctuated by certain situations in which a toy had to be chosen from a selection of three items to get the journey going again. If the correct toy was chosen, the journey continued and the caller won that toy.

These kinds of partner promotions have worked well, particularly for the retailers, and Miles feels they could lead to more imaginative forms of sponsorship. Further revenues down the line could be generated from merchandising and the development and marketing of some of the channel's own properties.

While the channel may not have markedly changed its philosophy since day one, it has certainly changed the way it talks to kids. "We are more streetwise, active, noisy, loud,

busy. We are closer to the way kids are. We have moved from being a grown-up version of a kids channel to a kids version," said Miles. Traditionally, TCC's real strength has been with the under-10s. A strength that it wants to keep, but there is a bid to up the channel's age range. This is for two reasons. When an elder child is in the room that child generally controls the tv set for the younger one, and elder children are at the pocket money stage which makes them an advertising target.

The Children's Channel has in the past experimented with extending its hours to catch an older audience (it currently broadcasts 6am to 5pm). At the end of 1992 the channel added two hours to its late afternoon programming taking it up to 7pm in an attempt to bring in more 10 to 15-year-olds. Now the channel shares its transpon-

der with The Family Channel (39% owned by Flextech, which holds 74.9% of The Children's Channel), those early evening hours have been passed on.

Despite this setback, the channel is still coming up with schemes to get those older viewers. This Fall it is rebranding its last two hours as TCC and introducing a new on-screen look.

The Children's Channel is now part of the mainstream of the UK cable and satellite business, whereas in the past despite having large shareholders it was often forced to operate at a distance and without the material and promotional support of many of its colleagues. As one of the Flextech channels it is one of the central program powerhouses of the United Artists Programming. It both adds to this group of channels and draws strength from it. Playground bullies beware. [E]

Factfile

The Children's Channel
9-13 Grape Street
London WC2H 8DR
Tel: 44 71 240 3422
Fax: 44 71 497 9113

Launched: September 1, 1994

Ownership: Flextech 74.9%, TCI 25.1%

Broadcast hours: 6am to 6pm

Audience: 6.3 million. 3.4 million via satellite to home (UK 2.6 million, Scandinavia 600,000, Holland 240,000); 2.9 million via cable

Transmission: Via Astra and Intelsat satellites

Revenue: Subscriber revenues generated as part of Sky Multichannel package of basic channels; cable subscriptions; advertising and sponsorship.



**THE CHILDREN'S CHANNEL
A DECADE OF EXCELLENCE**

HAPPY BIRTHDAY!

**FROM YOUR FRIENDS AT
SUNBOW PRODUCTIONS**



MARATHON

INTERNATIONAL

MARATHON INTERNATIONAL

IS PROUD TO HAVE

THE CHILDREN'S CHANNEL

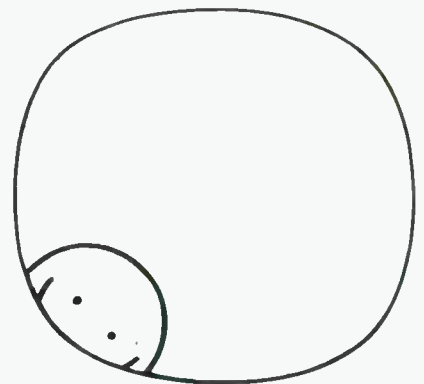
AS ONE OF ITS FIRST AND CLOSEST PARTNERS

HAPPY BIRTHDAY!

Congratulations

to The Children's Channel
for ten years of outstanding
programming for young people
from the

AUSTRALIAN CHILDREN'S TELEVISION
FOUNDATION



Together we have gone *ROUND THE TWIST*,
had our share of *WINNERS*, won a *KABOODLE* of awards
and played *THE GREATEST TUNE ON EARTH*

With our shared commitment to excellence we look forward to
working together for many more years

Australian Children's Television Foundation, 199 Grattan Street, Carlton, 3053, Victoria, Australia
Tel: 613 348 1144 Fax: 613 347 4194

No Attitude Problem... (Now)

In the early days the channel had to live on the programs it could beg, borrow and cajole from friendly distributors. Now distributors are knocking on the channel's door

“The Children's Channel is a mixed channel. Documentaries to cartoons, gameshows to drama,” said head of programming Nick Wilson.

Critics would say that in the past the channel was too mixed, perhaps even mixed up. Even if this was fair comment in the early days when the channel had to live on what it could afford and what distributors were prepared to sell it, this criticism certainly cannot be applied to the channel's current programming line-up. Or the direction that Wilson and director of acquisitions Joan Loftis are pushing the schedule.

Where the doors of the big program distributors once used to be firmly closed (particularly in the U.S.), and sales executives claimed they didn't have the time to waste on people with so little money,

now they have been flung open. The Children's Channel and its cheque-book are being greeted with a warm smile and open arms. The result is that the channel is gaining access to the top children's programs at an earlier stage than it ever was before. At the same time, the terrestrial channels in the UK have accepted the satellite broadcaster as a possible partner rather than an irritating competitor when it comes to buying programs.

The effect has been dramatic. The change in attitude towards the channel has enabled it to secure some of the best product available internationally. The channel has also committed to some of the more interesting programs that are currently in development or production, as well as progressing a number of co-production talks of



Heartbreak High: Breaking the acquisition mould

its own, designed specifically to create programs to fill identified slots in the channel's schedule.

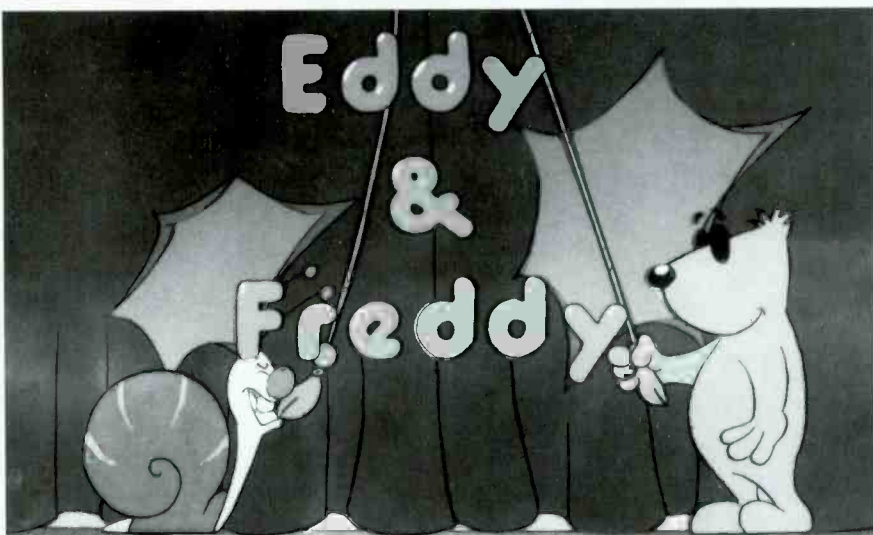
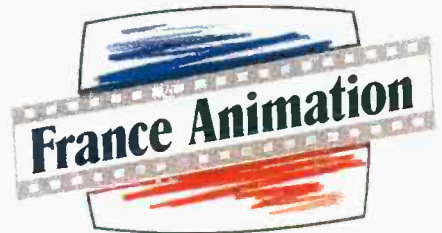
Wilson said that there had been a complete shift in the channel's acquisition policy. In the past the channel worked fairly close to home in the programs that it acquired and tended to buy for the short term. “With increased competition for acquisitions we realised we had to put a marker down earlier,” said Wilson. Now there is a longer term acquisition plan. For example, negotiations for Australian producer Crawford's kids drama *Half Way Across the Galaxy and Turn Left*, began at Mip 1993. The show will air this Fall. The idea is that with the major planks of the schedule in place, Wilson and Loftis can then target programs for specific gaps.

Those gaps in the schedule are becoming fewer. The channel is now in a position to move quickly. It was the first in the UK to pick up on the *Barney* fever that has swept the U.S., buying the show from Hit Entertainment. The terrestrial deal in the UK followed after. The Children's Channel was also a key element in the UK acquisition of Aussie soap *Heartbreak High* from Pavilion – a groundbreaking deal in the UK which was done jointly with the BBC.

In the past, these kinds of joint programming assaults would have been unheard-of. The money that the theme channel could bring to the table helped secure the program for the BBC. The only restriction included in the deal was that the two channels could not run the same episodes on the same day.



*The Babaloos and
France Animation wish
the Children's Channel
a very happy 10th birthday
full of Cartoons*



Eddy the snail is always vying with his friend Freddy. Underdog Eddy always triumphs in the end (in a very comradely way of course). That's the basic premise of these 60-second long gags. Concise, silent, funny and appealing to both young and old – that's "Eddy and Freddy" in a nutshell. The series has been enthusiastically received at various international screenings and can easily be used anywhere thanks to the lack of dialogue.

A short cartoon series. 53x1'
• Children and adults • Good as a programme item or filler.



**HAPPY BIRTHDAY
TO THE
CHILDREN'S
CHANNEL**

**COME AND VISIT
US AT MIPCOM
AT STAND H4.31**

Produced by BRTN,
sales contact: VAR Tollaen 107b box 3
1932 St. Stevens Woluwe
Tel: 32 2 716 34 53
Fax: 32 2 725 39 77



Eek The Cat: The Children's Channel has been eager to schedule new higher-profile programs

Now The Children's Channel is cutting its teeth on a range of different deals. "The Chinese walls between terrestrial and satellite have gone by the board," said Wilson.

"Before the channel was never really in the frame. Now we can bring more money to the deal. It is also useful because it cross-refers acquisitions," added Lofts.

Heartbreak High is one of the deals that has broken the mould, but others are following. In a move that will further cement the channel's powerful pre-school programming, it has combined with Channel 4 to buy *Sesame Street*. Channel 4 was looking for a partnership and found The Children's Channel willing to bring more money to

the deal. Effectively, the kids specialist will get the early episodes – even so, still a major step centerstage for the channel. The two broadcasters also share NBC kidcom *Saved by the Bell*.

The Children's Channel's schedule breaks into a number of blocks targeting different age groups and around a morning peak time of 7-9am

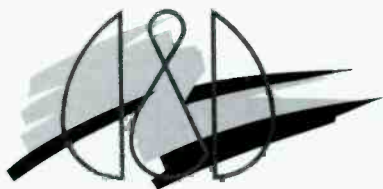
and an afternoon peak time of 3-5pm. The morning peak programming is repeated between 11am and 2pm and is generally aimed at a younger audience, with preschool programming kicking in at between 8.30am and 9am and running up to 11am. In the early afternoon the programs are targeted at older kids. There are two strands of wraparound programs holding the schedule together. *Ratkan III* provides the links for the morning primetime, while *Droibee Time* holds together the pre-school programs.

Other new high-profile programs added to the channel's line-up for the new season are C&D's *Bots Master*, *Eek the Cat* from Fox, Dic's *Sonic the Hedgehog* and *The Pink Panther*. They will take their place alongside shows like the channel's co-production, *Molly*, and returning shows like *Pugwall*. Wilson believes the gap in the line-up is in a lack of "funnies" (humorous animated shorts).

The next stage for the channel is to secure its first major output deal with a Hollywood Studio. Negotiations are underway and a deal can be expected before the end of the year. ■■



Halfway Across The Galaxy And Turn Left: A long journey into the channel's airtime



congratulates



on its first

10 years.

Here's to a new decade

of a much

valued partnership.

C&D

LOS ANGELES - PARIS - TOKYO

tel : (33) (1) 49 69 00 10

fax : (33) (1) 49 69 01 05

Production Slated



Veed (left) and Void (far right): Home-grown talent

A commitment to spend money and a shift of emphasis have enabled the channel to get involved in higher-profile co-production. There is a recognised need for the channel to build a library of value and a desire to get moving

Some 17% of The Children's Channel's schedule is produced in-house. Not bad for a channel better known as an acquirer of other people's programs. But the story goes deeper. According to program director Nick Wilson, "more than 100 hours of programs with a sell-on value have been produced by the channel in the past 18 months." In fact, the channel used to produce enough programming of its own to warrant a stand at Mip-tv and Mipcom. When in-house production slowed, Thames International took over the distribution of the catalog – a situation that is currently under review.

Plans are for in-house production and co-production to assume a more important role in the channel's programming. There is the recognition of a need to produce programs that have a value beyond just an acquired number of broadcasts. This means committing money at an early stage, something the channel says it is prepared to do. Wilson said that they would also go beyond this to recommending projects upwards to

Flextech for financing out of a production investment fund the company has created. This money will be invested and administered separately to the channel's other commitments. "We will pitch projects that we feel have a value to The Children's Channel as well as [having a value as] an international program," said Wilson. "We are conscious of a need to build a library and lessen our dependence on acquired programs."

The channel has just finished its first co-production, *Molly*, a 13-part half-hour live-action series led by French independent producer Quartier Latin. The production ran into difficulties about the same time it became clear that Quartier Latin was going out of business. "As with all co-productions, there are some tortuous journeys. Even if we had got to the end without a production, the experience we gained would have made it worthwhile," said Wilson. "Although we were only in for a small part of the budget, at the end we were leading the production."

The next co-production looks likely to



Molly: First co-production primer

be *River's End Riding School*, a 90-episode soap to be co-produced with Grundy and a Spanish partner. Wilson reckons that with *River's End* and a major animation series yet to be decided upon, that will see them through to the end of

1996, though he is still looking for good comedy projects. Two big projects a year will gradually build a library and get something back for the investors. With the right projects the potential is greater than just cash sales of the program to other territories. "If we invest highly in animation we will get our share of the back-end in merchandising and distribution," said Joan Lofts, director of acquisitions.

High-profile drama and animation apart, Wilson has put aside £2 million (\$3.5 million) for original and commissioned production next year. He reckons this will get the channel about 300 hours of programming. This will include another gameshow, a summer roadshow and the development of some new ideas designed to put kids on screen. "It is important the channel is not passive. We need to put kids on-screen," said Wilson. A sports program is planned where the channel either runs events on its own or with sports bodies in the community. A talent show has also been proposed.

"We are increasing the use of Hi-8 cameras. We are interested in mixing kids up, perhaps putting English and French kids together in an expedition and making a documentary series about where they go and how they get on," said Wilson. This month the channel has Captain J from the French kids channel Canal J coming to visit. He will be shown the sights of London by one of the channel's home-grown puppet hosts Chuck or Veed. It appears co-operation is taking place at all levels. ■■



Outside broadcasts, like the Irish event above, have brought the channel to its audience

Ravensburger®
Film + TV

**Kids are our
world...**

To

**The
Children's
Channel**

**Congratulations
for Your 10th
Birthday**

**from another
10-year-old
expert of
children's
programmes**

**Kids are Your
world...
Kids are our
world...**

Ravensburger®
Film + TV

All In A Day's Work



Mick Robertson (left): A cut above the rest

No matter how nice you are, or however good your intentions, sometimes there are accidents out there that are looking for a place to happen

Never work with children or animals. If you work in the kids business you would be forgiven for adding their families to the adage. Back in 1987 a Children's Channel promotion backfired when the winning family of a competition to visit Father Christmas at home turned up for their prize winning trip to Finland in shorts and tee-shirts. Quite clearly they had no idea where Finland was or that it was frequently colder than the chilly UK. However, off they went on what turned out to be a cold and miserable experience. On their return the head of the family wrote to the channel and just about everyone else he could think of telling them of the Siberian hell his family had just been put through in the interests of good PR.

However good your intentions, sometimes things just refuse to go to plan. In an early pre-school program produced in-house, the script required the introduction of a live mouse on-screen. The mouse was brought to the studio and placed under the guard of a production assistant. But the mouse had no ambitions to become a tv star. It wriggled out of its guardian's grip and swallowed into a cup of steaming coffee. The mouse didn't recover.

It can also be a dangerous business for human beings working in children's television. On one shoot in the East End of London the crew took the TCC London taxi. The local kids had clearly progressed beyond the channel's normal programming

content, warning that they had plans to steal and vandalize the taxi. Realizing that this was probably not the best place to try and make a program, a retreat was organized and the location scout transferred to a mainstream news service where he could dig out the world's trouble spots to his heart's content.

But even in conventional surroundings danger lurks. Mick Robertson, the host of an early show called *Roustabout*, was sent to an Italian barber in London's Soho for a traditional wash and brush-up. Unfortunately the barber was nervous and turned the shaving demonstration into an audition for Sweeney Todd. The producer was unmoved by the flowing blood and made the barber carry on cutting and the cameraman carry on shooting from the other side of Robertson's face.

The show must go on. It was a different producer this time, but the dedication to duty was just the same. Shooting a studio-based show in the basement of facilities house TVi, the crew carried on working while a fire alarm raged all around. Rumors are that some of the crew are still down there working away.

Undeclared and unbowed, a ten-year learning curve has educated the channel in what can go wrong. However, our research shows that these early glitches have been overcome. The mouse was a manic depressive; the kids in the East End were practising grown-up roles as English soccer fans; Mick Robertson had had enough of children's television; the crew in the basement were all volunteer firemen; and the family that went to Finland never believed in Father Christmas anyway. **TEI**

TCC Timeline

September 1, 1984

– channel launches to 60,000 UK cable homes

November 1984 – becomes the most watched channel in cable homes among kids aged 2 to 13

January 1985 – breaks the 100,000 subscribing home mark

February 1986 – Thorn EMI forms Starstream with DC Thomson and British Telecom to manage the channel

April 1986 – starts selling own programs

November 1987 – launches into the Netherlands

End 1987 – one million subscribers

January 1988 – launches in Scandinavia

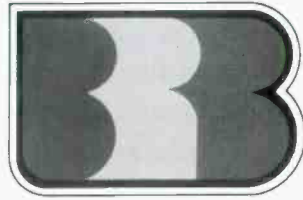
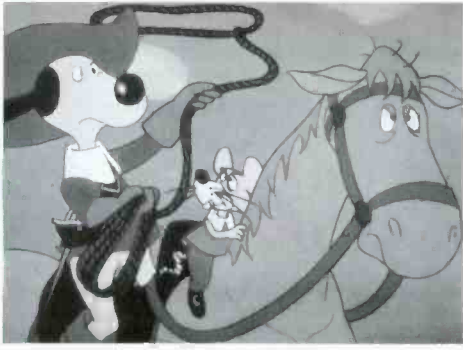
April 1989 – launches on Astra satellite system

May 1989 – BT sells its shareholding to Flextech

January 1993 – TCC agrees to become part of the Sky multi-channel package

January 1994 – Annie Miles takes over as general manager

1994 – Flextech acquires United Artists European Holdings and in return TCI buys 60.4% of Flextech's shares



**B.R.B. Internacional,
Dogtanian,
The Bobobobs,
Sandokan, Willy Fog
and Romy congratulate
The Children's Channel
on its 10th anniversary!**



**Congratulations
to
The Children's Channel
on your
Tenth Anniversary**

from all at Beyond Distribution





Luard: Building a media platform

Satellite and cable broadcasting has been a long haul for investors, and there is still further to go. Investing time and money in children is investing in the future; The Children's Channel has been no different. But start-up investors could have cashed in their part of the future eight years later without feeling too disappointed. In January 1987, two blocks of 22% of the channel were bought for £580,000 (\$870,000) each. In 1991 24.6% of the channel was sold to United Artists Entertainment Holdings (UAEH) for £5 million (\$7.5 million). This might not be graduation at the top of the class, but it is still a good mark.

The Children's Channel has had very few investors to date. Those it has had have been supportive of its intentions, though not always prepared to be generous with the pocket money. Times and attitudes are changing. The channel is now 74.9% owned by Flextech and the money and the desire to use it do not seem to be a stumbling-block.

Flextech is the UK's newest media corporation and one of the stock market's

Money Talks

Flextech has forced its way to the forefront of the UK's broadcast business via a series of deals that began with The Children's Channel. The channel is still central to its television ambitions

favorites. It has transformed itself into a media conglomerate by turning its back on its roots in the oil business. It is 60.4% owned by TeleCommunications Inc (TCI).

Flextech bought into The Children's Channel back in 1989 when it acquired 25% from British Telecom for £1.65 million (\$2.5 million). It later picked up a further 41.8% for £3.6 million (\$5.4 million). The relationship with TCI began in 1991 when UAEH invested £5 million (\$7.5 million) in an issue of The Children's Channel's shares giving it an effective 24.6% stake and leaving Flextech with 50.3%. At that stage the company was still on the periphery of the UK media business, but chief executive Roger Luard had ambitions.

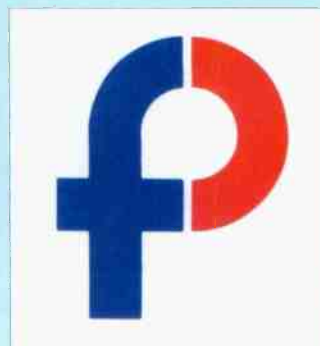
At the beginning of 1993 Flextech had interests in just one satellite television channel – a 50.3% stake in The Children's Channel. It soon added 39% of The Family Channel and 50% of home shopping channel Sell-A-Vision. In addition, it owned 24% of Hit Communications

(whose chief executive Peter Orton was instrumental in encouraging Flextech to buy into The Children's Channel), and 49.5% of UK cable operator IVS.

The big leap for Flextech came earlier this year when it bought TCI's European programming interests held by the wholly-owned subsidiary United Artists European Holdings. These were made up of 100% of "cult" channel Bravo, a further 24.6% of The Children's Channel, 25% of UK Gold and 31.3% of UK Living. UAEH also has management contracts for four other channels including Discovery and Country Music Television. In return TCI received 60.4% of newly issued shares in Flextech. Since then, Flextech has bought 20% of ITV contractor HTV for \$40.5 million.

The Children's Channel's remaining shares are held by two of its early investors – DC Thomson (16%) and Thames Television (8%).

The channel's majority owner has real ambitions in the UK media business. "We've got a great platform for future growth and expansion," said Roger Luard. "The merger with UAEH has given



us three things: critical mass in programming, critical mass in finance and, given the rapid changes in technology, a partner that is at the forefront of these changes."

Ultimately Flextech's profitability will rest to a large degree on the profitability of The Children's Channel and Bravo – the two channels in which it has the highest shareholding. As cable and satellite penetration increases, so too will the revenue bases of the subscription services.

In 1994 Flextech is projected to lose \$30 million, but break-even is targeted for 1996. If cable and DTH penetration stays on track to reach 50% of UK households by 2002, Flextech reckons that operating profits by the end of the century should be in the region of \$97.5 million. The Children's Channel will not be responsible for all of this, but it is expected to pull in an adult's share. ■

UNITED ARTISTS
PROGRAMMING

**BOY,
ARE YOU OLD.**

*Happy Birthday to The Children's Channel
from the kids network that's half your age.*

YTV Canada.....eh.



**A Very Happy 10th Birthday Salute
to
The Children's Channel
from**



**WESTINGHOUSE BROADCASTING
INTERNATIONAL**

Winners And Losers

A new, hype-free, study forecasts a wait of almost ten years before interactive tv starts paying back, reports Jean-Luc Renaud. Niche and free-to-air broadcast services are most at risk, it warns

Revenues from interactive services available on cable tv networks in Europe and the U.S. are set to rise from \$145 million this year to over \$30 billion by 2005. Over the same period, costs are expected to rise from just over \$1 billion to some \$24 billion. Costs will not be covered by revenues until 2002 in the U.S. and 2004 in Europe.

These are some of the forecasts published in *Interactive Television – The Mar-*

ket Opportunity, just released by the reputable London-based communications consultancy Ovum Ltd.

“Interactive television” means different things to different people. Ovum’s working definition is “a combination of technologies that allows tv viewers greater control over what they watch and when they watch it.” Interactive tv means interacting not merely with the set – this can already be done using products such as a video game console or CD players (which Ovum excludes from the report) – but also with the network.

The most popular forms of interactive tv will be those that:

- extend choice of program and time, such as in a near-video-on-demand configuration
- add interactivity to existing programs (the viewer using his remote con-

rol to vote on televised contests, for example)

• increase control over the viewing experience. Customers in Canada’s Vidéotron system, for example, can already chose the camera angle from which to view an ice hockey match;

• improve access to products that are advertised on tv; customers will be able to order goods and services by using a remote control and a smart card.

and Europe.

The introduction of interactive tv services depends upon the rate at which technologies such as digital compression standards and networking evolve, and when cost-effective products appear on the market. Ovum has identified four phases in this development:

- 1994 to 1995: trials of various service types, including near-video-on-demand, home shopping and games distribution
- 1996-1998: early commercial deployment of selected services
- 1999-2004: establishment of some networks offering a full range of service via cable or telephone lines
- 2005 onwards: widespread “full-service” networks, allowing customers to communicate with each other over wide geographical regions.

Table 2 shows Ovum’s predictions for total revenues and costs from interactive cable tv subscriptions and services for the consumer market in Europe and the U.S. Ovum expects revenues to grow at an average of 67% per year, from \$145 million in 1994 to \$31 billion in 2005.

Growth is faster in Europe than in the U.S. mainly because the underlying market for the introduction of cable systems is currently growing more quickly and is close to saturation point in the U.S.

These revenues combined three sources:

- basic monthly subscriptions paid by consumers
- additional services purchased by consumers either on a monthly basis (like programme guides) or on a usage-related basis (like pay-per-view)
- additional telecommunications traffic generated by the services.

In a previous report, Ovum predicted that revenues from multimedia in the home (including CD-Rom players, set-top converters, multimedia-ready PCs and all media that can be played on the above) would be \$26 billion in 2000 – about 15% of total household expenditure in consumer electronics. The forecasts in *Interactive Television – The Market Opportunity* suggest that interactive tv will account for \$7 billion of this – about 26% of all revenues from multimedia in the home and about 4% of total household expenditure on consumer electronics. Projecting these growth curves to 2005 gives interactive tv 34% of revenues from multimedia and 14% of total household expenditure.

The average expenditure in 2005 will be \$115 per household, per year (or \$660 averaged over only those households with access to interactive tv). Com-

Table 1 - Households With Cable Access To Interactive TV (000s)

	1994	1996	1998	2000	2002	2004	2005
Europe	73	639	2,210	5,350	10,900	18,700	23,200
U.S.	250	1,080	3,220	7,220	13,100	20,500	24,500
Total	323	1,720	5,340	12,570	24,000	39,200	47,700

Source: Ovum Ltd

Broadcast tv is a shared experience, and Ovum is quick to emphasize that “none of these suggested modifications will spoil that shared experience or require greatly increased activity on the part of the viewer. “The ultimate goal is one-to-one communication between viewers – a kind of video telephony via the tv network – though this is still a long way off,” rightly say the consultants, intent on cutting through the prevailing hype. Interactive tv is not the so-called information superhighway, though it may eventually form a part of it.

In view of the uncertainties currently surrounding interactive television, Ovum notes, forecasts in the report have been limited to the part of the market that depends upon cable tv. Table 1 estimates the proportion of cabled homes able to access interactive tv services in the U.S.

pare this with current figures of around \$84 per household, for cable in the U.S.

On the cost side of the balance sheet, service providers will spend just over \$1 billion in 1994, rising to \$24 billion in 2005 – an average increase of 33% per year. For the service providers, running these operations involves costs in four areas:

- content (all the material that will be viewed by customers)
- media servers (the hardware and software on which content is stored at the cable headend)
- transmission (the means by which interactive tv services are delivered to the customers)
- set-top converters (the unit that converts incoming signals into a form displayed on the screen).

Clearly, costs will be higher than revenues from subscriptions in the early years of deployment. In the early years, the greater part of costs comprise the substantial investment required to build the infrastructure. Later, the amount attributable to content rises rapidly. Costs associated with media servers play a sig-

nificant role throughout this period.

Ovum reckons the market will become cash-positive around 2002; until then, other sources of revenue such as advertising will be required. Ovum believes another revenue source will be the subscriber-management systems in which the service operators will hold customer information, with links to the banks. In this brand new world of interactive television, who will be the winners and the losers?

Among the losers, Ovum lists the existing video rental outlets, badly hit by NVDOD distribution systems. The video sell-through market will be negatively affected by VOD; cinema chains may receive a further set-back as yet another opportunity for home viewing is opened up. Other losers, according to Ovum, might include program guide and video game distributors; newsagents, affected by on-line services; and mail order catalogue suppliers unable to afford transfer to interactive tv.

On the winning side, Ovum finds the owners of content, the creators of new programming, and the suppliers of hard-

ware (video servers, set-top decoders) and of software (program guides able to make the transition from paper). "Most consumers will get a wide choice from interactive tv services," affirms Ovum, adding a note of caution: "The sector most at risk is the minority that currently watches the 'quality' programmes supported by public broadcasting as part of its charter [...] Revenues in the early years of interactive tv are unlikely to support such niche interests. Consumers who currently get 'free' access to mass entertainment such as major sporting events will also lose if they cannot afford to subscribe to interactive services."

If cable tv is the early candidate to transport interactive services. It could soon be challenged by telephone companies providing services via national twisted copper wire or optical fiber networks.


Because Ovum has been extremely conservative about the calendar for the telcos' commercial provision of interactive tv services via their networks, revenue and cost forecasts for advanced tv services from the year 2000 onwards should be handled with care. 

Table 2 - Revenues And Costs For Interactive TV Subscriptions And Services (\$ Million)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
REVENUES												
Europe												
Basic subscriptions	20	60	123	235	422	714	1,140	1,740	2,530	3,530	4,750	6,180
Additional services	12	55	117	232	425	729	1,180	1,800	2,620	3,650	4,900	6,360
Traffic	1	4	9	19	34	59	96	149	219	309	419	548
Total	33	120	249	486	881	1,500	2,420	3,690	5,370	7,490	10,100	13,100
U.S.												
Basic subscriptions	66	152	316	595	1,030	1,670	2,550	3,700	5,130	6,830	8,810	11,000
Additional services	42	97	199	374	647	1,040	1,590	2,290	3,160	4,190	5,380	6,720
Traffic	4	9	18	34	60	97	147	213	295	394	508	636
Total	112	258	533	1,000	1,740	2,820	4,290	6,200	8,580	11,400	14,700	18,400
COSTS												
Europe												
Content	15	56	115	219	386	643	1,010	1,510	2,170	2,960	3,880	5,030
Servers	67	253	251	359	501	666	855	1,120	1,440	1,890	2,440	3,130
Transmission	88	278	354	590	895	1,270	1,680	2,090	2,470	2,780	2,990	3,090
Set-top boxes	29	63	77	94	115	142	175	213	252	286	312	329
Total	199	650	796	1,260	1,900	2,720	3,720	4,930	6,330	7,910	9,620	11,600
U.S.												
Content	52	116	236	433	724	1,140	1,700	2,400	3,280	4,260	5,330	6,670
Servers	393	318	415	547	711	879	1,060	1,310	1,600	2,010	2,510	3,140
Transmission	303	345	584	894	1,260	1,640	2,000	2,320	2,550	2,700	2,760	2,730
Set-top boxes	100	110	130	152	176	204	237	271	304	328	342	347
Total	848	889	1,365	2,026	2,871	3,863	4,990	6,290	7,740	9,290	10,900	12,900
Total US and Europe	1,047	1,539	2,160	3,290	4,760	6,580	8,710	11,200	14,100	17,200	20,600	24,500

Source: Ovum Ltd

PRODUCT NEWS

● German pay-tv broadcaster Premiere has produced a German-language format of MTV's real-life soap opera *The Real World*, in conjunction with German production company Media-Bord. Called *Das Wahre Leben* (Real Life), the 13x30-minute weekly primetime series will debut this month (September) at 7.30pm. Although Premiere is an encrypted service, the series will broadcast in the clear in order to try and attract the younger demographic. According to Premiere head of entertainment Guido Thomsen, *Das Wahre Leben* is the most expensive show the channel has produced to date. Costs come in at around \$200,000 an episode.

● Atlantis Communications Inc, the Canadian producer/distributor, has acquired minority stakes in two regional production companies, Great North Communications and Salter Street Films. Edmonton-based Great North is already producing the drama series *Destiny Ridge* with Atlantis. Previous credits include documentaries *In Search of The Dragon*, *Kurt Browning: Life On The Edge* and *From Spirit To Spirit*. Salter Street produced the series *Codco* and tv film *Life With Billy*. Michael MacMillan, chairman and chief executive officer of Atlantis, said each company was the leader in its region and "a successful, profitable business in its own right."



Chinese Stations Open Window For Kids

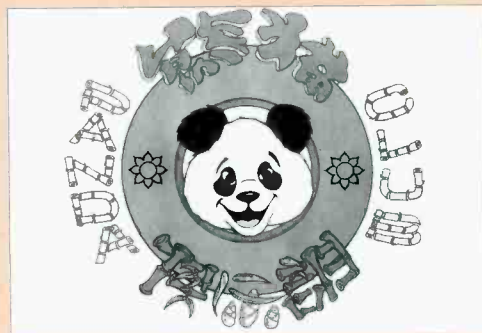
ABC Cable and Entertainment Group and DIC Entertainment have broken into the Chinese market with a deal to program children's strands on government-owned cable and regional tv stations. The programs will air to a claimed 70% of China's 360 million tv viewers.

ABC and DIC are supplying programming for *Dragon Club*, which will air for two hours a day, seven days a week on 80% of cable outlets in China. Claimed to be the first service aimed at children on Chinese tv, *Dragon Club* starts on September 19. A second service called *Panda Club* will begin on October 3 and will air five days a week for one hour a day on regional stations in Beijing, Shanghai, Sichuan and Fujian – the four largest in China.

Panda Club and *Dragon Club* will include ABC and DIC library product such as *Madeline*, *Rimba's Island*, *Superhuman Sybersquad* and *Adventures of Sonic the Hedgehog*. All programs will be in Mandarin.

Locally-produced animated and live action programs will also be developed for each service. DIC has also taken advantage of local expertise, producing more than 100 half-hours of animation with local company Hong Ying over the last five years.

John Healy, president of ABC International,



Panda Club: airing on regional stations

said that "what we are doing in China will be our model for establishing children's services in other Asian territories in conjunction with local broadcast and cable partners."

The agreements were negotiated with the help of two former executives of China Films, Xiaolin Chen and Jun Tang.

● CETV, the Mandarin-language channel due to launch in the first quarter of 1995, has signed an exclusive deal with China TV Company, the umbrella organisation representing 37 regional stations. CETV will have exclusive access to regional production and co-production opportunities.

Channel 4 Casts Doubt On Future Of ECA

THE European Co-Production Association will continue to operate even though its activities have been scaled down this year and at least one of its partners – Channel 4 – has expressed doubt about its full participation.

ECA secretariat member Martin Pieper said that the public broadcaster partners were keen to keep the Association together, though he admitted that increased competition from private broadcasters had forced ECA activities to be cut back this year. "There is no doubt that everybody is willing to continue," he said. "There are no real alternatives to ECA."

He added that three scripts funded by the ECA – one English and two French – are currently in development and that one mini-series

– *How Long Till Daylight*, which stars Marcello Mastroianni – is in production. Both France 2 and German network ZDF both affirmed their commitment to the ECA.

However Colin Leventhal, director of acquisition at Channel 4, said it was "doubtful" that the UK broadcaster would continue to be an "active member" of the grouping. "It has not been possible to reach agreement on projects for the future due to the enormous difficulty of funding drama projects which all the broadcasters are interested in."

C4 increased its investment in original drama last year and plans to spend more if it is successful in its campaign to cease its annual payments to ITV companies (see feature).

Carlton, HIT Bankroll \$9m UK Animation



The Wind In The Willows: already fully financed

UK distributor Hit Entertainment has announced the production of a new animated series based on the classic children's book *The Wind In The Willows* and its sequel *The Willows In Winter*. The \$9 million production has been commissioned by ITV network broadcaster Carlton and will be animated by British studio TVC London.

The show has been fully financed by a combination of Hit, Carlton, TVC and a number of pre-sale agreements. Broadcast rights

have been sold in the U.S. and Japan. The two programs will be available for the international market at Mip tv next year and are scheduled to broadcast on ITV during Christmas 1995. Both will be available as two feature-length specials, and also as two miniseries, each of three half-hours. While merchandising and ancillary rights are expected to be an important part of the revenue-generating process, licensees have yet to be appointed.

TVC London, the animation studio behind *The World*

of Peter Rabbit and Friends, *The Snowman* and *Father Christmas* is renowned for its "quality not quantity" philosophy. The animation for the production will be carried out solely in London. "It needs very tight control over every piece of artwork," said TVC managing director John Coates. "The work done in the Far East is not of a high enough quality." The project will create jobs for some 300 UK animators and TVC is currently looking for premises.

Nickelodeon Gameshow Goes Global

BIG-BUDGET action extravaganzas shot on a fixed set are driving a new type of gameshow aimed at the international market. The latest broadcaster to develop the concept is Nickelodeon.

The kids' cable channel is developing a global version of its action gameshow *Guts*, now in its third series. Called *Global Guts* it will be an international gameshow competition for kids.

According to Nickelodeon senior vice-president of international program sales Linda Kahn, six broadcasters from around the world will be involved. Every broadcaster will bring its own participants, host, director and producer to the site in Orlando, Florida. The idea being that each participating network can customise the show for its own market.

Kahn said the show will be available to the rest of the world either as the original U.S. version, or as a visual to which individual broadcasters can add their own commentary. Nickelodeon will negotiate with broadcasters in terms of them keeping the rights to their own versions.

According to Kahn, the benefit of *Global Guts* is simply that it makes an expensive con-

cept relatively cheap. "There are significant savings to be made compared to a broadcaster trying to finance it itself," she said. "The events have been developed and the set already exists."

As the production is still at an early stage, only Nick UK has been confirmed as a definite participant although Kahn said the youth channel is hoping to attract networks from areas as far afield such as Latin America and the Far East.



Guts: set to go international

- The Discovery Channel Europe says it wants to commission or co-produce 40 hours of original programming for the 1995/6 season. It is looking to fill two evening strands, between 7pm and 9pm and 9pm onwards, with factual programs costing up to £15,000 (\$22,500) per hour. The channel has also established a strand of hour-long programs called *Outlaws* and already commissioned four films. Stablemate The Learning Channel, a UK cable service, plans to commission 90 hours of special interest programs next year at up to £6,000 (\$9,000) per hour.

- Primestime/RPTA has signed a distribution and development deal with Castle Communications, a UK company boasting a catalog of over 200 special interest programs. RPTA will handle distribution worldwide except for



North America. Primestime is meanwhile raising finance through its TEAM investment venture to develop projects jointly with Castle. The first projects are: *The Children's Classic Collection*, a 5x30-minute animation produced for the BBC; 6x90-minute live action *The Definitive Shakespeare*; *Tugs*, a 13x30-minute animation series; and *Myths and Legends*, an animation series in development.

- U.S.-based production company Laurel Entertainment, a unit of Spelling Entertainment, has started production on a new four-hour miniseries called *The Langoliers*. Based on a Stephen King novel, the \$12 million production will broadcast on the ABC network in 1995. Internationally it is being sold by Spelling's distribution outfit Worldvision. Under president and CEO Richard Rubenstein, Laurel also produced the Stephen King adaption *The Stand*, an eight-hour miniseries for ABC that garnered a 31 share and 20.4 rating for ABC. Ruben-

stein, who has worked with King for the past 15 years, said two other adaptations of the writer's work are being developed for television.

- Grundy Worldwide is to produce a second batch of children's adventure series *Mission*



Top Secret. Co-production partners include Australia's Ten Network, Spain's RTVE and Coral Europa, NDR and NDR International of Germany and the South African Broadcasting Corporation. Filming for the series, which has been designed as six two-hour stories which can be broadcast as 24x30-minute shows, began last month.

- Shooting has started on *Sara*, a six-part children's drama co-produced by Irish national broadcaster RTE, French regional public broadcaster France 3 and independent Son et Lumiere.

Filmed in both English and French, *Sara* is being funded via the Fringe Federation, a co-production initiative formed to enable broadcasters from smaller European nations to finance big-budget drama series.

- Canadian independent Malofilm has completed a new series aimed at children aged 2-7 called *Mighty Machines - Look Listen And Learn*. Filmed in 12 30-minute episodes, *Mighty Machines* is a fast-paced look at how machines work. The series airs on The Family Channel (Canada) next month. Interactive software is being developed and video and CD-Rom as well as tv rights will be available through distributor Malofilm International at Mipcom.



Telefe Ups Telenovela Production

ARGENTINA'S Telefe is to invest \$24 million in the production of three telenovelas which it plans to sell throughout the Latin American region.

The private network has also earmarked \$500,000 for promotion purposes over the next year. A move it hopes will lead to an increase in the sales of its telenovelas to countries which have not been heavy buyers of the Latino staple in the past. These include Greece, Hong Kong, Turkey, northern and eastern Europe and other countries in Africa and Asia. The network has also begun promoting its *Ritmo de la Noche* comedy/variety show in Chile, Ecuador and Peru and is currently developing an international edition of the *El Show de Susana Gimenez* variety show for sale in Latin America.

The privatization of all but the one remaining state-run network is helping Argentina catch up with countries like Brazil, Mexico and Venezuela which have traditionally been the biggest producers and exporters in the region.

Argentinian independent production company Rondo Estudios has two telenovelas in the works. It is currently producing *Mas Alla De Horizonte* (Beyond The Horizon) and has begun filming *A Fuerza De Querer* (The Power Of Love). Both are co-productions with Silvio



Telefe's *Dejate Querer*: Latin primer

Berlusconi's Rete 4 network.

Omar Romay, president of Rondo Studios, said the 120 episodes are budgeted at \$50,000 each. Sales will begin in the fall with the principal target markets being Latin America, Italy and Spain.

Disney And CLT Agree Euro Venture

THE Walt Disney Company is stepping up its involvement in European broadcasting through an alliance with commercial broadcasting powerhouse CLT Multi Media.

Disney and CLT are launching Super RTL, a German cable network aimed at families, early next year and have agreed in principal for Disney to become a "long-term program supplier" to CLT. They are looking to collaborate on the launch of similar networks in other countries where CLT has operations.

Etienne de Villiers, president of Disney tv arm Buena Vista International Television, said there was "nothing exclusive" about the agreement, which is likely to include animation, feature films and sitcoms. "We are looking at how best to showcase our programs."

Disney will continue to supply weekend family strand *Disney Parade* to RTL, in which CLT is a major shareholder, but agreements with public network ARD which run into next year are being renegotiated.

CLT already operates commercial networks in Germany, Belgium and the Netherlands, and is looking to expand to the UK, Spain and Poland. In France, de Villiers said Disney had

a "solid relationship" with the leading commercial channel TF1 which might rule out a venture with M6, in which CLT has a stake.

So far Disney has limited its direct investment in broadcasting to a 20% stake in UK breakfast tv company GMTV. An attempt to get a joint venture with Sky tv off the ground ended acrimoniously, but De Villiers said Disney is now talking to BSkyB as well as UK cable operators about a possible launch.



De Villiers: "nothing exclusive" about CLT pact

Anglo Russian Venture Rolls New Series

A consortium of UK and Russian production companies and broadcasters have teamed up to produce a number of big-budget animated series for the domestic and international market.

Welsh-language network S4C, BBC Wales, UK production company Right Angle and Moscow-based Christmas Films are currently working on a 6x30 minute animated series based on stories from the Old Testament. The co-production partners aim to have the \$3.8 million series completed for fall 1995. After which a second series of 6x30 minutes is planned for fall 1996 and a further six episodes for Christmas 1997.

For the first series, four episodes are being made in Moscow and the remaining two in Wales. "[Project initiator] S4C has a long-term strategy of building up a whole library of animation based on our cultural heritage," said series editor Martin Lamb from Right Angle.

Right Angle, Christmas Films and S4C, along with BBC Wales and BBC Children's are also partners in another animated series,



Shakespeare: second series in production

Shakespeare: The Animated Tales, the second series of which is now in production, budgeted at \$2 million.

While S4C, BBC Enterprises, BBC Bristol, Christmas Films and Right Angle have completed production on *Opera Vox*, a \$6 million 6x30-minute series of animated operas set to debut on BBC2 in the New Year. The series is being distributed internationally by S4C and BBC Enterprises. Again the production process is being split between the UK and Moscow.

Solomon Makes Total Commitment

IT didn't take long for Michael Jay Solomon, the former chief of Warner Brothers International Television Distribution, to reveal the first of an expected series of international alliances for his new company, Solomon International Enterprises.

Last month, Solomon announced he had acquired 25% of Australian media company Total Film & Television. The next of his global network of partners is likely to be unveiled soon. Solomon said that within 35 days he expects to be in a position to announce an important distribution and acquisition alliance. While he would give no clues as to the partner, he said he expected the deal to be in place before Mipcom in October.

The deal with Total will see Solomon involved in the management of the company, particularly in helping guide it into new relationships and projects. Total was formed in 1992 by husband and wife team Phil Gerlach

(chief executive officer) and Heather Ogilvie (creative executive director). The company has already made a number of successful tv programs (including *The Big Byle* for Star TV in Asia), as well as two low-budget features. Within the next 12 months it expects to release eight movies in the Australian marketplace. Solomon said that the money he is investing in the company will go directly into the development of new product.

Solomon is no stranger to investing in Australian companies – he has for some time been a shareholder in Village Roadshow. "I invest in people I respect and think highly of," said Solomon.

Gerlach and Ogilvie have had rapid success in developing their product in Australia and China. They have combined some innovative reformatting of shows with some creative financing. Solomon's involvement will bring some heavyweight contacts to the company.

- Linda La Plante, creator of the award-winning *Prime Suspect* series of police dramas, has been commissioned by the UK's ITV Network Centre to produce a new series about a female prison



governor. *The Governor* will go into production this November and will consist of one two-hour pilot and five one-hour episodes. It will air on ITV next year. The series will be the first project of La Plante's own company, La Plante Productions. She pledged to use the company as a vehicle for young writing talent.

- Australia's Nine Network has appointed MTM as exclusive worldwide distributor for its programs. London-based MTM International, owned by International Family Entertainment of the U.S., will be representing the Australian private network for the first time at next month's Mipcom, with programs including miniseries, tv movies, comedy and documentaries. "This arrangement will clearly establish an even stronger international presence for the Nine Network," said Jeremy Fox, President of Channel Nine Australia.

- Fox Lorber Associates has signed an agreement with the South African Broadcasting Corporation for the worldwide distribution of a collection of new miniseries and other productions. The US-based distributor and South Africa's national broadcaster formed the relationship last year. Programs available immediately include four-hour dramas *Daisy* – the SABC's highest-rated series – and *Death In The Family*, and *MMG Engineers*, a 13-part drama series.

Offering The Right Kind Of Protection

Program coding scheme aims to flush out pirates... Video CD in the picture

As new channels proliferate around the globe, it is becoming harder and harder to ensure that the right people are being charged the right amount of money for tv product. Quite apart from the problems posed by piracy, policing bona fide distribution deals has become a headache. Station V in country W has an agreement with you to show movie X a total of Y times over Z years. But how do you know for sure that they're complying with the agreement, and not, for instance, showing that movie twice as often as they should be?

One way is to use audience measurement data. Trouble is, the foreign name of a property often bears no relation whatsoever to the original. Moreover, smaller channels are often left off "peplemeter" systems and in the less developed markets such systems do not exist.

Other cruder methods – using tv listings magazine, or "eye-balling" of off-air material – are time-consuming, and error-prone.

But there is another way. Using techniques first developed to monitor play-lists on radio-stations, programs can be "finger-printed." Run through a computer, each program gives rise to a distinctive electronic pattern which can be recognised by an automatic electronic monitoring-device. This pulls the signals out of the air, registers the occurrence

of each finger-print, and sends a stream of data back to base with the results of its findings.

The pioneer in this area is a U.S.-based company called Broadcast Data Systems (BDS), which currently tracks broadcast activity on more than 500 television and 700 radio stations in the U.S.

But now, there's a new entrant with a new spin: Cyphertec Systems, which is proposing actually to "weave" an indelible digital audio identification code into any entertainment product. Broadcasts would be recorded in essentially the same way as for the BDS system – through the use of passive receivers monitoring the airwaves in a bid to detect the passage of the digital codes through the ether – but Cyphertec's technology has rather more far-reaching implications.

For a start, the digital code, being actually buried inside the program, is copied whenever the program is copied. This means a distributor can check on the source of illegal copies or transmissions by slightly varying the code for the material supplied under different distribution deals. Secondly, the Cyphertec codes survive digital compression and decompression – an important consideration as cable programming moves towards a digital distribution mode.

However, that still leaves one problem unsolved.

When the information superhighway arrives, the problem will become one of identifying rogue digital transmissions en route down wires, rather than distributed by satellite to cable headends. Whereas BDS and Cyphertec can currently set up their electronic listening-posts wherever they want to, secure in the knowledge that the information can just be grabbed out of the air, monitoring a wire implies a "tap." Will the cable operators and telcos be willing to play ball?

Seeing The Light Of Video CD


Some months ago, this writer opined that video CD – the optical disc video recording standard agreed by most of the world's leading consumer electronics manufacturers – represented a possible next-generation replacement for the video-cassette, but pointed up a number of its flaws (among them, that it is not a recordable format). Well, recently, he received review copies from Philips of three of the first movies released in the video CD format: *Indecent Proposal*, *The Krays*, and *The Crying Game*. Watching the titles over the last few weeks has proved a revelation – not because of the films themselves, but because of the quality of the viewing-experience. It has been suggested by many

commentators that the resolution level would only be "near-VHS," but nothing could be further from the truth: it is as near broadcast quality as makes no difference, and the sound quality, being CD-standard, is crystal-clear. With the audio feed plugged into the hi-fi, the effect is stunning.

Moreover, unlike a typical video-cassette, neither the picture nor sound quality will deteriorate for many years, if at all, no matter how many times it is replayed. In the UK, at least, the pricing is competitive with sell-through video, and not that much more than a typical audio CD.

Any minus-points? Many pundits predicted that the fact that two CDs are needed in order to carry a typical 100-minute movie would be an inconvenience. But on the above titles, the interruptions occurred at the same points as they would watching a stage play – creating an entirely natural interval. The conclusion seems inevitable: video CD is set to replace the sell-through cassette and recreate the cinema environment in the home (even if recordable VHS will be with us for a long time to come).

Paramount, MGM, and Orion have already seen the light, and begun licensing their product onto the new format.

This column is now officially a convert, and predicts that 1995 will be the year of the video CD. 



pay and see

That's what Pay-TV is all about. Unfortunately it's not quite that simple. Even with the most advanced encryption technology available - as supplied by Irdeto - you don't yet have a fully fledged Pay-TV station. Logistical snags such as invoicing, payment processing, stock control, programme scheduling and technical backup need resolving.

(If Pay-TV was this simple, you wouldn't need Irdeto)

That's why Irdeto not only supplies perfect encryption technology, but also offers integrated business software which is essential to manage your entire Pay-TV operation. Our in-house expertise ranges from organisational, marketing and programming advice and software, to the actual implementation of technology. Training programmes and administrative assistance are coordinated through specially established project offices in your environment to help to prepare you for your on-air date. The implementation of successful Pay-TV operations. That's what we're good at.



Great TV Shows from CINAR



COME
AND TAKE
A PEEK AT
MIPCOM!