TELEVISION

May 1968
Volume XXV
Number 5
One Dollar

Hard look
at the
real world
of network
selling

Meet The Family... America's First Family of Plumbicon* Color Cameras.

*Registered trademark for television camera tubes.

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

The PCP-70 "Little Shaver" Portable. It can do anything the PC-70 can do . . . but it gets around a lot more. It's the *broadcast quality* portable. For news, special events, sports. You'll see them all over the place this year, wherever the networks go, and at pace-setting independents. They're lightweight, easy to set up, can get the closest, most intricate shots in beautiful, faithful Norelco color.

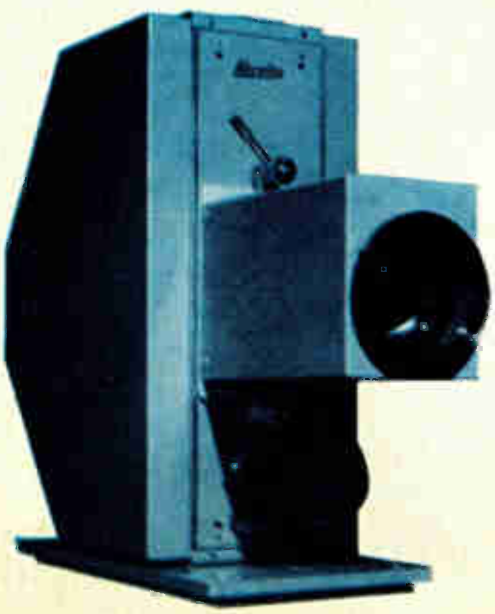
Last year, more Norelco Plumbicon cameras were sold than any other kind. If you haven't met America's first family of Plumbicon Color Cameras, now's the time to get acquainted. We have modified and improved it further. For example, the new-generation PC-70 has the revolutionary extended red sensitivity Plumbicon tube (as do other members of the family), separate-mesh Plumbicons for finer overall resolution and improved highlight handling capability, external filter wheel control and new, no-guesswork set-up accessories.

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

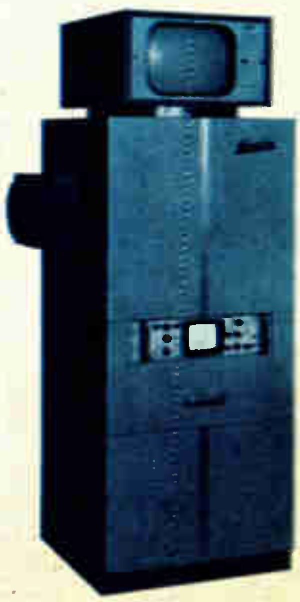
Norelco PHILIPS BROADCAST EQUIPMENT CORP.

299 Route 17, Paramus, N.J. 07652 • 201/262-7300

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



The PCF-701 Film Camera. The only three-Plumbicon color film camera in the world! This telecine camera is the heart of a complete film system, and its beam split optical assembly is specifically tailored to the colorimetry requirements of color motion picture film. Now you can show movies and filmed commercials with the breathtaking fidelity that distinguishes Norelco three-Plumbicon color.

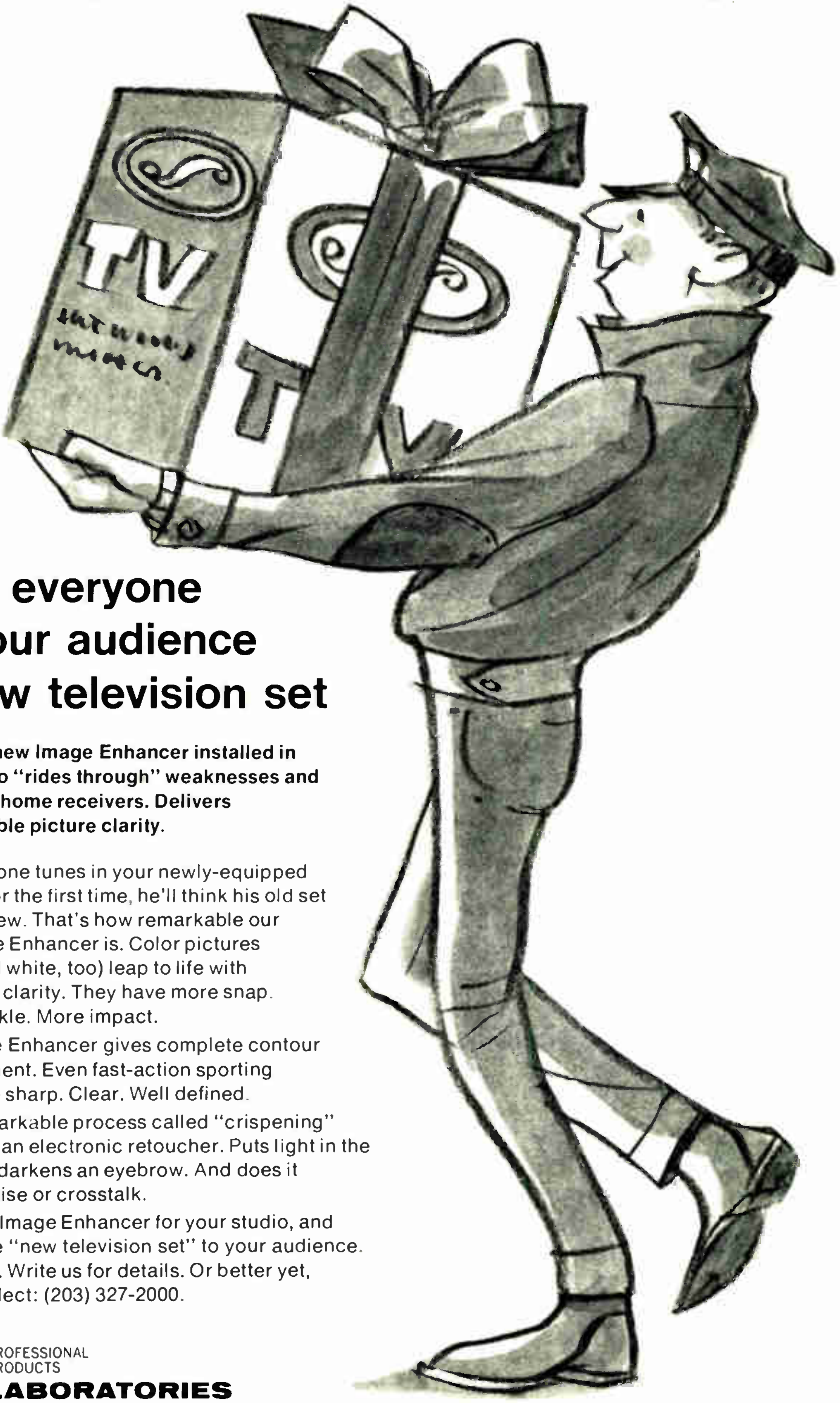


TELEVISION

May 1968
Volume XXV
Number 5

DEPARTMENTS

Postmaster: Please send Form 3579 to Television, 1735 DeSales Street, N.W., Washington, D. C. 20036.



Give everyone in your audience a new television set

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

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

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

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

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

PROFESSIONAL PRODUCTS
CBS LABORATORIES
Stamford, Connecticut. A Division of Columbia Broadcasting System, Inc.

TELEVISION ON LOCATION

Washington: FCC's Hyde becomes a lame duck.
Hollywood: A town on the outside looking in.
London: How secure is the BBC's independence?
Chicago: Politics adds spice to NAB meet.
New York: Some of Vietnam's best tales aren't on TV.

WASHINGTON:

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

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

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

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

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

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

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

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

The two other Republicans, though somewhat younger than Hyde, are also in or near the twilights of their public service.

James J. Wadsworth, now 62, divides his attention between the FCC and the private International Club, which he was instrumental in founding several years ago. He was named to the commission in 1965, reportedly at the suggestion of Henry Cabot Lodge, to whom Wadsworth was deputy when Lodge was ambassador to the United Nations in the Eisenhower administration. His term expires on June 30, 1971.

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

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

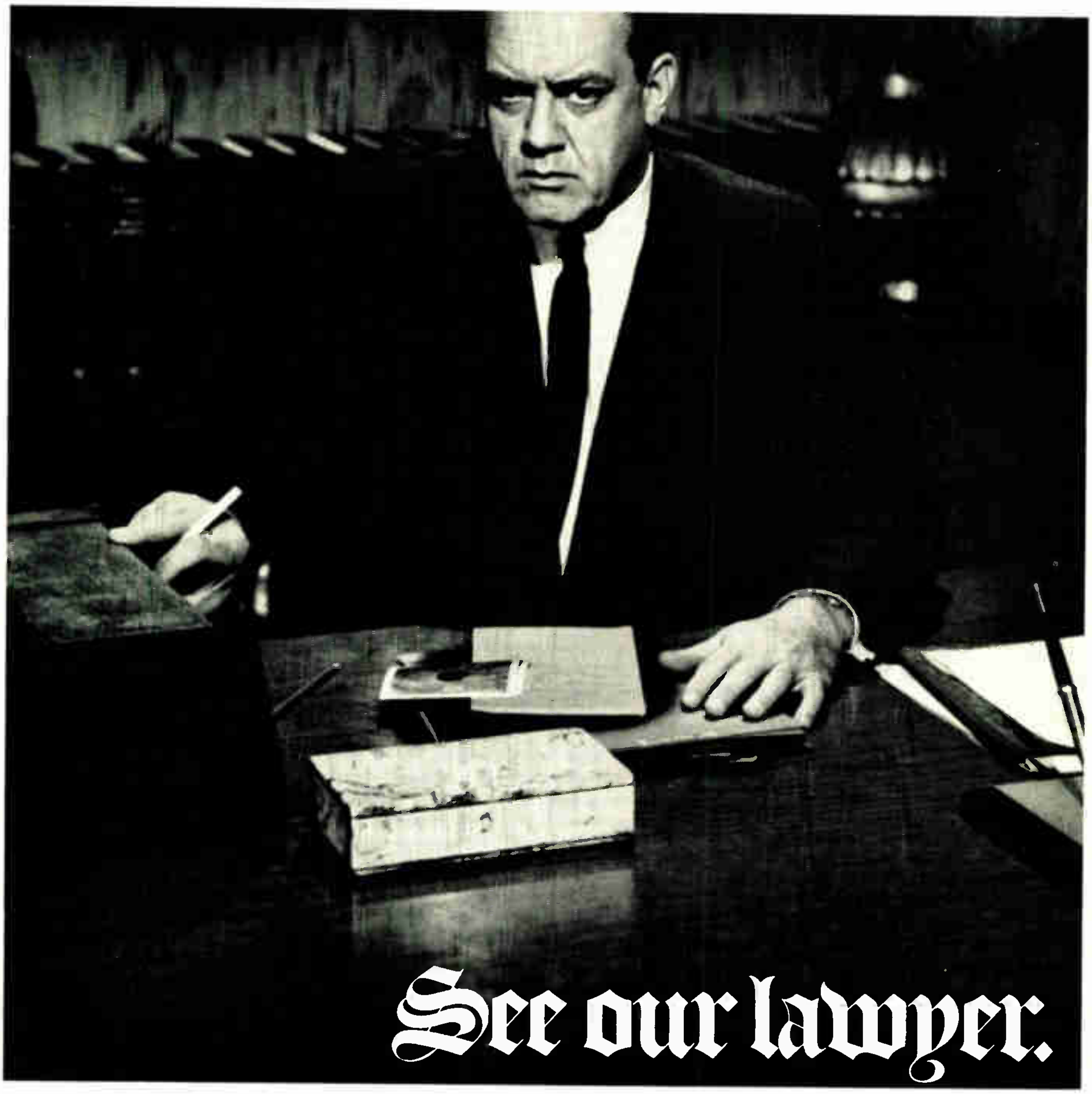
Bartley, who turns 59 this month, will also be eligible for government retirement when his term expires on June 30, 1972. A nephew of the late Sam Rayburn, speaker of the House, Bartley was put on the FCC in 1952 after holding a number of jobs in broadcasting.

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

Johnson, whose term runs to June 30, 1973, is the junior in all respects. He is 33. In 1966 he was transferred to the FCC from the job of maritime administrator. The removal from his maritime assignment was said to have been celebrated by shipping interests, maritime unions and the staff of the Maritime Administration alike. At the FCC he has been accumulating a similar reservoir of affection. His dissents to FCC actions have been models of invective. In one, he accused the majority of making "a mockery of the public responsibility of a regulatory commission that is perhaps unparalleled in the history of the American administrative processes."

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

It is no longer a division that can be counted on. At the end of March the six members present



Now there's more to see than ever: a new package! PERRY MASON II: new episodes never before released for local sales plus an additional run of episodes now in syndication.

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

CBS Enterprises

In New York, Chicago, San Francisco, Dallas and Atlanta.

TELEVISION

WASHINGTON
1735 DeSales Street, N.W., 20036; phone (202) 638-1022.

Sol Taishoff, *editor and publisher.*
Edwin H. James, *VP-executive editor.*
Art King, *managing editor.*
George W. Darlington, *senior editor.*
John Gardiner, *senior editor.*
Jack Lefkowitz, *art director.*
Maury Long, *VP-general manager.*
Ed Sellers, *advertising director.*
George L. Dant, *production manager.*
Harry Stevens, *traffic manager.*
David N. Whitcombe, *circulation director.*
Richard B. Kinsey, *subscription manager.*
Irving C. Miller, *comptroller.*
Lawrence B. Taishoff, *assistant publisher.*

NEW YORK
444 Madison Avenue 10022; phone (212) 755-0610.

Rufus Crater, *editorial director.*
Richard Donnelly, *New York editor.*
Walter Troy Spencer, *staff writer.*
Caroline H. Meyer, *staff writer.*
Erwin Ephron (*director of media research, Papert, Koenig, Lois*), *research adviser.*
Frank Chizzini, *advertising director.*

Eileen Monroe, *advertising assistant.*

CHICAGO
360 North Michigan Avenue 60601; phone (312) 236-4115.

Lawrence Christopher, *senior editor.*
David J. Bailey, *Midwest sales manager.*

HOLLYWOOD
1680 North Vine Street 90028; phone (213) 463-3148.

Morris Gelman, *senior editor.*
Bill Merritt, *Western sales manager.*

Published monthly by Television Magazine Corp., a subsidiary of Broadcasting Publications Inc. Executive, editorial, circulation and advertising headquarters: 1735 DeSales Street, N.W., Washington, D.C. 20036; telephone (202) 638-1022. Single copy $1.00. Yearly subscriptions in the United States and its possessions, $5.00; in Canada, $5.50; elsewhere, $6.00. Printing office: 3110 Elm Avenue, Baltimore, Md. 21211. Second-class postage paid at Baltimore, Md.

ON LOCATION
from page 4

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

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

Washington handicappers who make a living guessing what the FCC will do have all but gone underground. In present circumstances it is safer to gamble on the duration of negotiations with North Vietnam. EDWIN H. JAMES

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

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

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

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

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

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

Without question runaway production is the biggest local issue in Hollywood today. You can prove it by the *Los Angeles Times.* That powerful community voice devoted a four-part series to the problem and reported that 40% of film workers today are unemployed. A local "informational, nonpartisan, nonprofit" publication called "SAM" ("Save American Movies") cried that "Disaster Strikes Hollywood." Not a word was written or said anywhere about the futility of

Source: NSI audience estimates: "I Love Lucy" compared to programming in the same time period the preceding year (Nov. '67 vs Nov '66). Subject to qualifications on request.

Wild and wonderful things are in store when you schedule television's comedy queen Lucille Ball in "I Love Lucy." She's the number one syndicated attraction in all New York television. She's tops in her time period in Fresno, Indianapolis, Kansas City and Spokane. She's raising the roof in Albuquerque (150% more homes, 289% more viewers), Chicago (69% more homes, 96% more women), Detroit (34% more homes, 200% more women), Flint-Saginaw-Bay City (19% more homes, 27% more women), Harrisburg (40% more homes, 67% more women) and Jacksonville (150% more homes, 600% more women). 179 half hours available.

CBS Enterprises

In New York, Chicago, San Francisco, Dallas and Atlanta.

ON LOCATION

from page 6

holding back the floods of change.

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

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

Again, these are the exceptional few. For the most part, last month was an accurate reflection of Hollywood, a community on the outside looking in. There was an earthquake in the area last month. It registered almost six on the seismograph. Yet the Hollywood of 1936 did it so much better with "San Francisco," starring Clark Gable and Jeanette MacDonald.

MORRIS GELMAN

LONDON:

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

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

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

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

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

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

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

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

NICHOLAS FAITH

CHICAGO:

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

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

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

ON LOCATION

from page 8

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

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

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

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

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

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

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

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

NEW YORK:

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

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

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

IT USED TO BE THE TYPE OF WAR WHERE AYE NEWSMAN COULD COMMUTE TO THE ACTION BY HELICOPTER EARLY IN THE MORNING AND BE BACK IN THE COMFORTS OF THE CARAVELLE HOTEL IN SAIGON BY EVENING TO ENJOY A SHOWER AND FRENCH COOKING, cabled ABC correspondent Don North on Jan. 31. BUT THAT'S ALL CHANGED NOW AND TODAY I DIDN'T EVEN LEAVE THE CITY. WHEN I FINISH THIS REPORT I WILL BE ESCORTED BACK TO THE HOTEL ONLY 200 YARDS AWAY FROM THIS BROADCAST STUDIO BY US MILITARY POLICE IN A JEEP WITH A MOUNTED FIFTY CALIBRE MACHINE GUN. ALL CIVILIANS WERE ORDERED OFF THE STREET A FEW HOURS AGO WHEN THEY CLAMPED DOWN THE TIGHEST CURFEW EVER IMPOSED HERE. ANY CIVILIAN ON THE STREET AFTER 7 P.M. GETS SHOT. NO SHOWERS TONIGHT THE WATER IS RATIONED IN THE HOTEL. I'VE ALREADY MISSED THE LIMITED SUPPER SERVING BUT OUR ABC NEWS BUREAU WAS JUST ISSUED A BOX OF C RATIONS BY A SYMPATHETIC US MILITARY OFFICIAL. IT WILL BE COLD HAM AND LIMA BEANS TONIGHT JUST LIKE IN THE FIELD WITH THE GIS.

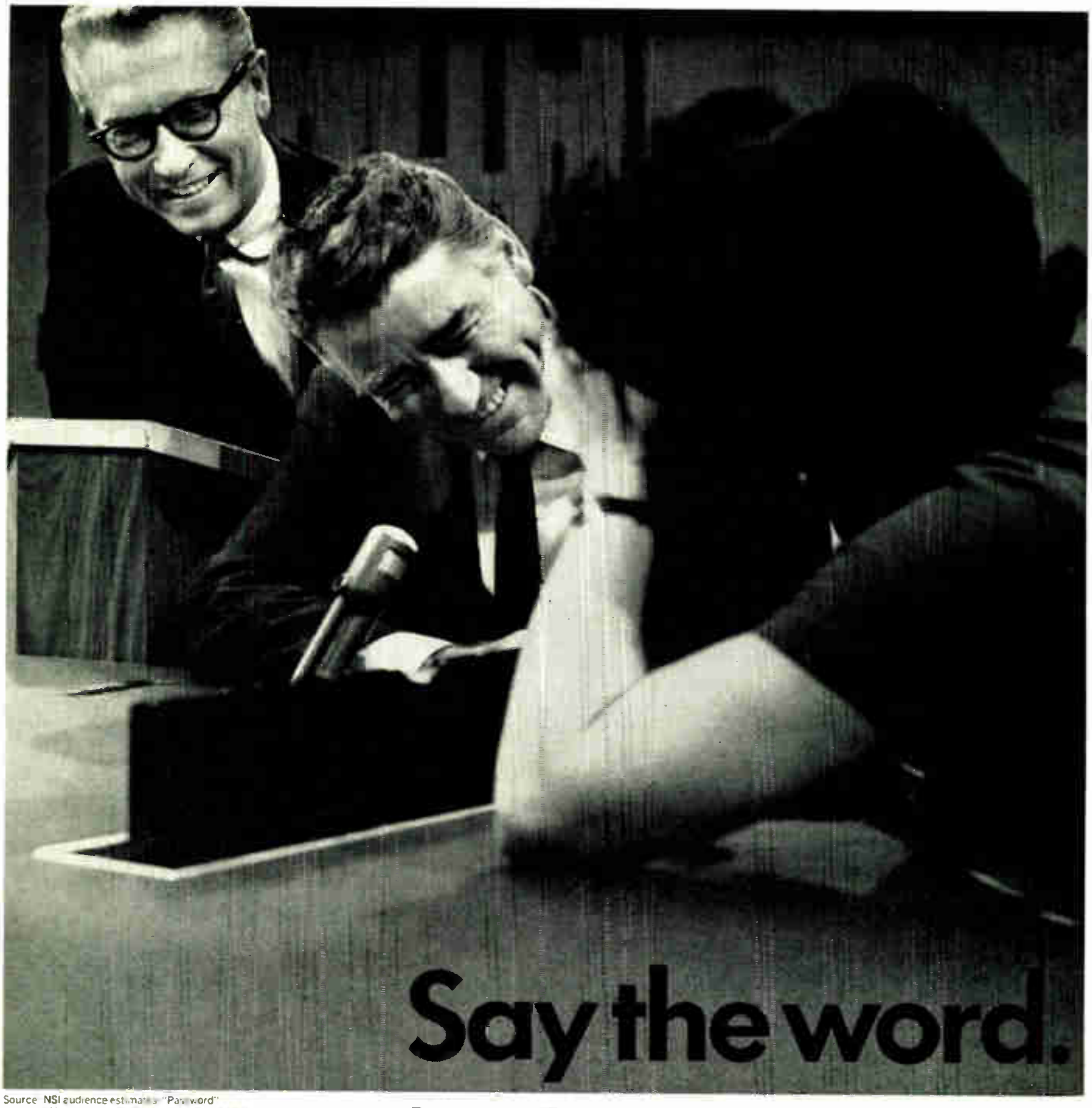
NBC soundman Vo Suu cabled New York:

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

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

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

Despite the danger the combat newsmen felt in the heat of the Saigon fighting, they could not pass up the chance to attempt a little



Source: NSI audience estimates "Password" compared to programming in the same time period the preceding year (Nov '67 vs. Nov '66). Subject to qualifications on request.

Pronounce it "Password": one of network television's most successful celebrity quiz shows, now proving a sensation in local showings. Tops in its time period in Miami, Phoenix, Salt Lake City, Tampa and Tucson. Sending audiences soaring in Dallas-Ft. Worth (11% more homes, 50% more women), Ft. Wayne (12% more homes, 33% more women), Houston (74% more homes, 71% more women), Los Angeles (15% more homes, 93% more women), Philadelphia (64% more homes, 59% more women) and Seattle-Tacoma (67% more homes, 73% more women). 195 color half hours available.

CBS Enterprises

In New York, Chicago, San Francisco, Dallas and Atlanta.

ON LOCATION

from page 10

humor for the fellows back in the home office. Cabled ABC Assistant Bureau Chief George Allen:

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

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

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

NBC correspondent Wilson Hall vividly described a fire fight near Tan Son Nhut airport where he and a camera team got caught in a cross-fire after wandering behind Viet Cong lines:

. . . FIRE CAME CRACKLING IN FROM THE FRONT AND ONE EXPOSED FLANK. WE HIT THE HARD PACKED DIRT BEHIND A HUT. THERE WERE SHARP CRACKS OVERHEAD. THAT MEANS THEY'RE CLOSE. FINGERNAILS MAY BE USEFUL FOR SOME THINGS. THEY ARE NOT ENTRENCHING TOOLS. EVERYONE GAVE IT A TRY . . . But more than the action, Hall remembered the gripes:

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

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

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

NBC correspondent Howard Tuckner elaborated to his bureau: THE TERRIFYING THING DURING THE WHOLE WEEK WAS THE FEAR OF BEING FIRED UPON BY THE SOUTH VIETNAMESE MANNING THE ROAD POSTS. THEY WERE SUPPOSED TO CHALLENGE EVERYONE FIRST, THEN FIRE IF YOU KEPT COMING. SOME WERE READY TO FIRE FIRST, THEN CHALLENGE, ESPECIALLY IF THEY SAW VIETNAMESE IN THE CAR.

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

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

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

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

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

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

BYRNES . . . ALLEN . . . YOUR 11115 . . . PATRICK AT HOME AND UNREACHABLE FOR NEXT ELEVEN HOURS DUE TO CURFEW. IN INTEREST RELIEVING PARENTS ANXIETY SOONEST SUGGEST ONPASS THEM MESSAGE HE SAFE, SOUND AND BUSILY GROWING AYE BEARD.

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

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

ABC 14319 . . . RICHARDS . . . THE CHANGE IS PERMANENT. EYE FEEL THE MORE FORMAL EDGAR LENDS AN AIR OF CREDENCE AND AUTHORITY SOMEWHAT LACKING IN THE MORE FAMILIAR ED. AND GOD KNOWS EYE WANT TO BE REGARDED AS AYE MAN WITH CREDENCE AND AUTHORITY. IF YOU HAVE RESERVATIONS OR FEEL STRONGLY ABOUT MY CONTINUING WITH ED PLEASE LET ME KNOW. PEACE . . . EDGAR.

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

And there are the inevitable anecdotes:

IT IS REPORTED THAT AYE WOMAN HOTEL OWNER IN UEY PROVINCE CAPITAL SOUTH OF SAIGON FOUND HERSELF TRAPPED IN HER OWN HOTEL BETWEEN OPPOSING FORCES. BULLETS CRISS-CROSSED THE STREET IN FRONT OF THE HOTEL. THE WOMAN COULDNT GET OUT. FOR TWO DAYS WITHOUT FOOD OR WATER SHE STAYED HOLED UP INSIDE. THEN IN DESPARATION AND WITH INSPIRATION SHE MADE HER BREAK TO SAFETY. THE WOMAN COUNTED ON BASIC MALE INSTINCTS. SHE STRIPPED OFF HER CLOTHES AND BOLTED NAKED ACROSS THE STREET. NO FIRE CAME FROM EITHER GROUP OF SURPRISED SOLDIERS. SOUTH VIETNAMS LADY GODIVA IS NOW REPORTED SAFE AND CLOTHED . . . BRANNIGAN . . . SAIGON.

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

WALTER TROY SPENCER

FOCUS ON FINANCE

Television stocks show bigger jump than S&P industrials

During April, television stocks dramatically improved the upswing begun the month before after a half year of slump. The TELEVISION index of selected stocks climbed an over-all average of 9.1%—1.1% greater than the Standard & Poor Industrial average increase for the recovering market.

Programing stocks showed the greatest gain, up 12.8%, closely followed by purely television stocks, up 11.8%.

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

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

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

Capital Cities was up 17% as it reported record earnings for 1967. Net profit was up 9%, with earnings going from $2.09 a share in 1966 to $2.25 a share last year.

Corinthian stock was up 7% as it announced a dividend of 7½ cents a share payable April 30. Cox also was up 7%, despite a reported drop in its earnings for last year. Income was $2.02 a share compared to $2.37 a share the year before. At the same time, Cox President J. Leonard Reinsch told the annual stockholders meeting in Atlanta that 1968 could be another record year for the group broadcaster despite a slow first quarter.

Metromedia made a 17% leap with the issuance of a quarterly report showing a record revenue increase for the first three months of this year. First quarter gross revenue was up 14% and net income was up 140% over the same 1967 period. Income for the quarter was 50 cents a share compared to 23 cents a share in the 1967 period. Metromedia President John W. Kluge said that although similar increases over last year are not expected in subsequent quarters, it is expected that earnings will be higher than last year's record. Metromedia directors voted a two-for-one stock split in the form of a 100% stock dividend payable June 14. The board also declared a 25 cent a share dividend on current shares. The previous dividend was 20 cents a share.

Reeves Broadcasting rose 3% as it bought a 50% interest in Realton Corp., a Detroit real estate computer service company. Board Chairman Hazard E. Reeves said this will enable the company to establish a telephone-connected computerized-property-listing service. Reeves stockholders voted to authorize creation of a new class of 100,000 shares of no-par preferred stock.

Sonderling shot up 18% as it too reported record gross revenues and earnings last year. Net income for 1967 was $1.05 a share compared to 96 cents a share in 1966.

Wometco climbed 14% as it reported a gain in its income for 1967. Earnings were $1.27 a share last year compared to $1.21 a share in 1966. The Miami-based company also announced a revision in its plans for purchase of a majority share in Commonwealth Theaters of Puerto Rico. Instead of trading stock for a 51% interest in the 22-theater chain, Wometco will pay a flat $6 a share for it.

Following the general rise of the television stocks, CATV issues were up an average of 9.3%. Teleprompter registered the largest gain, up 17% as it reported record earnings and revenues for last year. Revenues climbed slightly under 2%, but earnings jumped more than 32%, to $1.19 a share from 96 cents a share in 1966.

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

Boston Herald-Traveler stock was one of the few to fall. It was off 11% despite a report of substantially increased earnings for the first two months of this year. Earnings before taxes for the period amounted to $178,000, up almost $700,000 over the same 1967 period, when it suffered a $525,000 loss.

Fuqua was up 6% as it reported substantial increases in net income last year. Per-share earnings increased 58% in 1967, up to $3.81 a share from $2.41 a share in 1966. Meanwhile the Atlanta-based conglomerate dropped plans to attempt purchase of the United Trust Life Insurance Co. of Atlanta and began preliminary discussions to acquire the Central Bank & Trust Co. of Denver. There also were rumors that Fuqua is negotiating to hire E. D. Kenna, vice president and group executive of Avco, as its new president.

General Tire was up 7% as its Aerojet-General division received a $59.4 million contract extension from the federal government for work on nuclear-rocket propulsion. The rise came despite a report of slightly decreased net earnings on increased sales and pretax income in the first three months of fiscal 1968. Earnings for the period ended Feb. 29 were 49 cents a share, compared to 52 cents a share for the same quarter of 1967.

Gulf & Western was up 4%, in a general gain by major conglomerates on the recovering market. It

Continued on page 17

The Television stock index

A monthly summary of market movement in the shares of 68 companies associated with television.

TELEVISION FINANCE

	Exchange	Closing April 11	Closing March 13	Change from March 13 Points	Change from March 13 %	1968 High	1968 Low	Approx. Shares Out. (000)	Total Market Capitalization (000)
Television									
ABC	N	55¼	49¼	+ 6	+12	69	44	4,682	$258,700
CBS	N	53⅞	47¼	+ 6⅝	+14	55	41	23,300	1,255,300
Capital Cities	N	58	49½	+ 8½	+17	60	43	2,746	159,300
Corinthian	N	25⅝	23⅞	+ 1¾	+ 7	29	23	3,384	86,700
Cox	N	51¼	47⅞	+ 3⅜	+ 7	54	44	2,866	146,900
Gross Telecasting	O	28	28	—	—	32	28	400	11,200
Metromedia	N	61	52	+ 9	+17	61	48	2,294	139,900
Reeves Broadcasting	A	11¾	11⅜	+ ⅜	+ 3	15	10	1,809	21,300
Scripps-Howard	O	25¾	25¼	+ ½	+ 2	29	24	2,589	66,700
Sonderling	A	30	25½	+ 4½	+18	34	24	800	24,000
Taft	N	33⅞	33⅜	+ ½	+ 2	41	30	3,363	113,900
Wometco	N	21¾	19⅛	+ 2⅝	+14	24	18	3,339	72,600
							Total	51,572	$2,356,500
CATV									
Ameco	A	8⅜	8¾	− ⅜	− 4	13	8	1,200	10,100
Entron	O	5¼	4¾	+ ½	+11	8	4	617	3,200
H&B American	A	11⅝	11	+ ⅝	+ 6	19	10	2,637	30,700
Teleprompter	A	31⅛	26⅝	+ 4½	+17	40	24	994	30,900
Vikoa	A	15	13½	+ 1½	+11	17	13	1,359	20,400
							Total	6,807	$95,300
Television with other major interests									
Avco	N	46⅝	43	+ 3⅝	+ 8	65	37	14,075	656,200
Bartell Media	A	10	11¼	− 1¼	−11	12	9	2,106	21,100
Boston Herald-Traveler	O	50	49	+ 1	+ 2	53	48	565	28,300
Chris-Craft	N	31¼	31	+ ¼	+ 1	44	27	1,663	52,000
Cowles Communications	N	13	13⅛	− ⅛	− 1	17	13	2,944	38,300
Fuqua	N	71⅜	67½	+ 3⅞	+ 6	81	59	1,135	81,000
Gannett	O	25	25⅜	− ⅜	− 1	27	23	3,064	76,600
General Tire	N	26⅝	24⅞	+ 1¾	+ 7	30	24	16,719	445,100
Gray Communications	O	9	9⅜	− ⅜	− 4	13	9	475	4,300
Gulf & Western	N	43⅝	41¾	+ 1⅞	+ 4	66	39	11,620	506,900
LIN Broadcasting	O	19	16⅛	+ 2⅞	+18	23	16	789	15,000
Meredith Publishing	N	26⅞	23⅞	+ 3	+13	28	23	2,662	71,500
The Outlet Co.	N	22¾	22⅜	+ ⅜	+ 2	26	20	1,056	24,000
Rollins	A	50	48½	+ 1½	+ 3	54	43	4,061	203,100
Rust Craft Greeting	A	30⅞	31⅛	− ¼	− 1	34	29	727	22,400
Storer	N	46	39⅝	+ 6⅜	+16	48	36	4,180	192,300
Time Inc.	N	100⅞	91¾	+ 9⅛	+10	100	86	6,560	661,700
							Total	74,401	$3,099,800
Programing									
Columbia Pictures	N	31¾	28⅝	+ 3⅛	+11	34	24	4,477	142,100
Disney	N	50⅞	46¼	+ 4⅝	+10	60	42	4,230	215,200
Filmways	A	22⅝	18⅛	+ 4½	+25	25	17	895	20,200
Four Star International	O	5¾	5¾	—	—	10	5	666	3,800
MCA	N	67¼	58	+ 9¼	+16	74	52	4,707	316,500
MGM	N	47¼	42	+ 5¼	+13	50	38	5,756	272,000
Screen Gems	A	28⅝	24⅜	+ 4¼	+17	31	23	4,036	115,500
Trans-Lux	A	31⅞	23½	+ 8⅜	+36	33	22	718	22,900
20th Century-Fox	N	32¼	29¼	+ 3	+10	35	25	7,035	226,900
Walter Reade Organization	O	7	6⅞	+ ⅛	+ 2	9	7	1,583	11,100
Warner Bros.-Seven Arts	A	33¾	30	+ 3¾	+13	38	26	3,746	126,400
Wrather Corp.	O	5¼	6	− ¾	−13	8	4	1,753	9,200
							Total	39,602	$1,481,800
Service									
John Blair	O	23¼	21¾	+ 2½	+11	29	20	1,080	25,100
Comsat	N	56½	49¼	+ 7¼	+15	78	41	10,000	565,000
Doyle Dane Bernbach	O	32	31½	+ ½	+ 2	41	31	1,994	63,800
Foote, Cone & Belding	N	14¼	13½	+ ¾	+ 6	21	14	2,146	30,600
General Artists	O	14½	13¼	+ 1¼	+ 9	26	10	600	8,700
Grey Advertising	O	15	13	+ 2	+15	20	12	1,201	18,000
MPO Videotronics	A	11	11	—	—	15	11	516	5,700
Movielab	A	12⅞	16⅞	− 4	−24	17	13	1,398	18,000
Nielsen	O	28¼	28½	− ¼	− 1	40	27	5,130	144,900
Ogilvy & Mather	O	14¼	14	+ ¼	+ 2	18	14	1,087	15,500
Papert, Koenig, Lois	A	4¾	5⅝	− ⅞	−16	9	5	791	3,800
							Total	25,943	$899,100
Manufacturing									
Admiral	N	23	19½	+ 3½	+18	25	17	5,062	116,400
Ampex	N	31⅛	29⅝	+ 1½	+ 5	37	27	9,565	297,700
General Electric	N	92⅝	87⅝	+ 5	+ 6	100	85	91,068	8,435,200
Magnavox	N	50	44	+ 6	+14	51	37	15,410	770,500
3M	N	92	84⅝	+ 7⅜	+ 9	95	81	53,466	4,918,900
Motorola	N	128	108¾	+19¼	+18	132	97	6,117	783,000
National Video	A	19¼	20	− ¾	− 4	25	17	2,781	53,500
RCA	N	53	47¼	+ 5¾	+12	54	45	62,465	3,310,600
Reeves Industries	A	4⅞	5½	− ⅝	−11	8	5	3,327	16,200
Westinghouse	N	75½	65⅜	+10⅛	+15	76	60	37,571	2,836,600
Zenith Radio	N	65⅜	59¼	+ 6⅛	+10	66	51	18,849	1,232,200
							Total	305,681	$22,770,800
							Grand Total	504,006	$30,703,300
Standard & Poor Industrial Average		105.37	97.70	+7.67	+8	106.15	85.31		

N-New York Stock Exchange
A-American Stock Exchange
O-Over the counter

Data compiled by Roth, Gerard & Co.

FOCUS ON FINANCE

from page 15

also dropped plans to acquire Security Insurance Co. and Security Connecticut Life Insurance Co., both of Hartford, but announced agreement in principle to acquire Brown Co., a paper-products concern, for $90 million in securities. Gulf & Western already owns about 23% of Brown.

LIN Broadcasting was up 18% as it purchased WJRZ Hackensack, N. J., a 5 kw, 24-hour-a-day AM radio station serving the New York metropolitan area. Price was announced as over $5 million.

Time Inc. was up 10% and it announced termination of plans to buy the *Newark* (N. J.) *News*. Official reason given for cessation of merger talks was an inability to agree on contract terms. Value of Time stock involved in the proposed purchase increased about $4 million from the time an agreement in principle on the merger was announced Feb. 14.

Among the programing stocks MCA was up 16% as its directors authorized a three-for-two split of common stock subject to shareholder approval June 4.

MGM was up 13% as it reported record revenue and earnings for the first fiscal 28 weeks. Earnings for the period ended March 14 were up to $1.60 a share from $1.36 a share the year before. MGM President Robert H. O'Brien predicted earnings for the year ending Aug. 31 would be the highest in the company's history.

Trans-Lux rocketed up 36% as it reported record sales and income. Earnings for 1967 were up 20%, to 93 cents a share from 72 cents a share in 1966.

Twentieth Century-Fox climbed 10% as it showed a 23% increase in its net earnings for 1967. That made net earnings the highest since the film company was separated from its theater operations in 1952. Earnings for the year were $2.44 a share, compared to $2.14 a share in 1966.

Wrather Corp. was the only programing stock to decline during the month. It dropped 13% even though its annual report showed a major increase in earnings. Income was 63 cents a share, up 47% over the 43 cents a share earned in 1966.

In the service category, John Blair climbed 11% as it declared a common-stock cash dividend of 20 cents a share, payable May 15.

Foote, Cone & Belding went up 6% even though its annual report showed income off substantially last year, down to 71 cents a share (including an extraordinary item of 9 cents a share lost in value of assets because of the British pound devaluation). Income the year before was $1.36 a share.

Grey Advertising was up 15%, although it reported 1967 earnings down on increased billings. Income was $1.01 a share last year, compared to $1.50 a share in 1966.

Movielab plummeted 24% as it reported its earnings down substantially last year on increased net sales. Earnings for 1967 were 73 cents a share, compared to the 1966 record of 93 cents a share.

Ogilvy & Mather rose 2% as it reported its most successful year in 1967, with billings and operating income up, although earnings were down to $1.23 a share from $1.32 a share in 1966. It also was hit by devaluation of the pound sterling.

Papert, Koenig, Lois fell 16% as it issued its report for the first quarter of fiscal 1968, showing net income down to 10 cents a share from 11 cents a share in the same 1967 period. The advertising agency also announced that no dividend would be declared for the quarter.

Manufacturing stocks increased an average of 9.3%. In general the trend was credited to optimism for another record year of color-television set sales combined with better balanced inventories.

Admiral gained 18% despite an annual report that termed 1967 disappointing, with earnings falling to a loss of 74 cents a share from a profit of $1.96 a share in 1966.

General Electric was up 6%, with its annual report showing new highs in sales and earnings last year. Income was $4.01 a share, compared to $3.75 a share in 1966.

Magnavox went up 14% as it reported record sales and earnings for the first quarter. Income jumped 50%, to 66 cents a share from 44 cents a share in 1967.

Motorola was up 18%, although it reported last year's sales off 8% and earnings down 43%, to $3.08 a share from $5.40 a share in 1966.

RCA, parent company of NBC, had a 12% gain as is showed record high earnings for the first quarter. Per-share income increased 5%, up three cents, to 60 cents a share from the same period in 1967.

Zenith rose 10%, as it reported record high sales last year, but a slight drop in earnings. Income for the year was $2.18 a share compared to $2.31 a share in 1966. END

CLOSEUP

WILLIAM SHEEHAN. Later this month, on the 27th to be exact, ABC News will unveil some radical changes in its regular evening TV newscast. Sheehan, vice president in charge of television news, the man responsible for these departures, says the network is out to develop its own look, feel, approach. "To the average viewer, all three of us look alike. We want to make this program as different from the competition as *Newsweek* is from *Time* or *Look* is from *Life*." To do this, ABC News is reducing the amount of secondary hard news it will recite ("a hangover from radio days that seems to plague all of television news") and is increasing the amount of commentary and back-of-the-book type features it would normally run. In a rough sense, Sheehan says, this would mean that if *The Evening News with Bob Young* is now on the average two-thirds hard news and one-third features those fractions would be reversed to one-third hard news and two-thirds features and commentary. That's an average. On a big news day, the entire program might be hard news. Because the program will present all shades of opinion ("more biting commentary by qualified people on staff and outside") Sheehan thinks that over a period of time "we'll have answered the demands of fairness." Sheehan is not a convert or a refugee from the newspaper business. He began in broadcasting, as a newscaster for WDRC Hartford, Conn. He then served as news director for WJR Detroit for eight years, then moved to London as ABC's bureau chief. Five years later he returned to the states and to his present position. Sheehan lives with his wife and five children in Demarest, N. J. His leisure time activities include skiing, some occasional flying (he has a pilot's license) and a good deal of reading (which he calls "an occupational disease").

ALAN R. NOVAK. At 33 the academic credentials are all in place, the real world of law, from corporate, court and congressional angles, has had its day, the Marines have had three years and political activity has left him with nothing more confining than a broad Democratic brand. It remains to be seen what influence the young man with remarkable credits will have on the communications industry. As executive director of the President's Task Force on Telecommunications, Novak's hands are on the controls of the most extensive government study ever undertaken in this field. Recommendations of the unit regarding spectrum management and global communication will bear directly on TV's future. Novak got a BA in economics from Yale (summa cum laude, Phi Beta Kappa as a junior), joined the Marines (captain), went to Oxford (Marshall scholar), took a law degree at Yale (cum laude, *Law Journal* editor), clerked for Justice Potter Stewart, campaigned for the Johnson-Humphrey ticket (Midwest coordinator), lawyered in New York as an associate of Cravath Swaine and Moore and returned to Washington as Senator Edward Kennedy's legislative assistant. In 1965 he moved to the State Department as special assistant to Under Secretary Eugene Rostow. Rostow, task force chairman, give him his current assignment. Novak describes the essence of what he's doing now (and what he might like to do in the future in another area) as "building an interface between the world of technology—the industrial society—and the immense mass of unfilled social needs." What about the underprivileged of the world, he asks. "They don't know what a telecommunications system could do for them. And this doesn't just apply to communications." Novak doesn't think a change of administrations would make much difference to the effect of the study he's now guiding. Any President, he says, is going to need a better handle on the future of communications. Novak expects to complete the project on time—before the end of August.

GOAR MESTRE. He was one of several hundred thousand Cubans who felt obliged to leave their island homeland when Castro came down out of the hills in 1959. Unlike most in that mass exodus, however, Mestre was a man of some consequence in Cuban cultural life for he had pioneered in radio and television in Havana and with his CMQ network. He resembled nearly everyone else in his hasty withdrawal (it's said he could have stayed on but chose not to) in that he was nearly without funds. Mestre sold his 20% interest in WAPA-TV San Juan to Screen Gems and looked about for things to do. He found them. Last month, delegates attending the National Association of Broadcasters convention in Chicago could find him at the equipment exhibits ("beautiful but expensive") shopping around. What had happened was that Mestre had gotten into the program contracting business first in Peru, then in Argentina, then in Venezuela, then in Colombia (with a small interest in a production company). "I've had to hustle in the past eight years," he says with a smile, explaining that Goar Mestre Associates is consolidating and will concentrate on Argentina (his contract with Venezuela ended last fall although he maintains an equity interest in the production company there; he has just sold his interest in Peru's program firm). "There's more business to be gotten out of Argentina than from all the other countries combined. In Buenos Aires alone, a city of 7 million people, there are 1.5 million TV homes. We only started in the interior a couple of years ago but already there are another 1 million TV homes." Mestre was born in Santiago de Cuba, the son of a pharmacist, and educated at Yale. He went to Buenos Aires to work for Union Carbide, married a local girl, then returned to Cuba where he got into package goods distribution, formed an advertising agency, then bought into CMQ, ultimately gaining controlling interest. Approximately 68% of Mestre's program schedule is local and live on tape in Argentina and so his costs are high, but so are his ratings, he says. Income, too, can be rewarding. Under government legislation, stations are limited to selling 18 minutes per hour. But, says Mestre, "we do only 14"—three minutes within each half-hour segment and four minutes at each station break.

First Again!

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

THE WWJ STATIONS

The Hard-To-Kill Myths About Network Discounts

*By David M. Blank**

One of England's greatest mystery story writers wrote a fascinating novel[1] almost two decades ago in which her fictional detective, while hospitalized, turned his talents to unraveling a historic murder—the alleged killing of the two young princes by Richard III. In the course of his research, the detective discovered that some historical "facts" which everyone accepted as facts and which were so recorded in virtually all history books, were in reality not facts at all. An untrue or inaccurate description of an event or person had slipped into the literature at some point, by accident or design, and by dint of repetition had become accepted as fact by everyone.

At the first discovery of this phenomenon, the detective referred to it as another "Tonypandy" and recalled the following events. There was a strike in 1910 in Tonypandy, a mining town in the Rhondda Valley in South Wales, and a riot appeared to be developing. According to the account circulated at the time, Winston Churchill, then home secretary, sent troops to suppress the strike and, in the course of this action, some Welsh miners were shot. And South Wales has never forgotten the martyrs of Tonypandy.

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

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

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

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

[1] Josephine Tey, *The Daughter of Time* (London: Macmillan Co., 1951).

*Dr. Blank is vice president, economics and research, CBS/Broadcast Group. These are presented as his personal views, not necessarily those of CBS. The article, in longer form, appeared in the January 1968 issue of *The Journal of Business* of the University of Chicago.

Continued on page 36

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

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

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

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

. . . with creativity

by Caroline Meyer *

* Staff Writer for Television, May, 1968.

Foley, board chairman and new chief executive officer of McCann-Erickson, was a creative man, as was Richard Bowman, who was just chosen to head Marschalk.

The large agencies have been put on the defensive by those hot, creative, smaller shops. If ever the big agencies have had to face the problems of overorganization and eliminate the impediment of bureaucracy, it's now. They've seen some real competition from agencies that offer half the resources and none of the auxiliary services that the big shops provide.

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

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

Bernard Kahn is executive vice president in charge of creative services at Grey Advertising. As he sees it: "The agencies are looking for new solutions in structuring their creative operations. They are, properly, being experimental." Kahn says Grey has simplified the creative-review process by putting 15 responsible people in charge of 15 creative units. He says artists and writers "respond to creative management for the over-all quality of their creative product, but not for day-to-day management." Departments were eliminated and groups set up a year ago. The system has been in "test market," as Kahn puts it, and the agency is pleased with the results.

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

Steve Frankfurt is part of the new creative leadership in the industry. Before he became president of Young & Rubicam, his creative career included copy, art and television production. Y&R billed about $400 million last year and is the third largest agency in broadcast billings. Yet it is a shop with a creative image. As Frankfurt puts it: "For me the creative department is 285 Madison"—the agency's New York address.

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

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

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

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

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

No longer are there clear chains

Continued on page 54

WHY BUY GOLF?

By WALTER TROY SPENCER

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

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

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

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

There is a minority voice that suspects this may be true, including the senior vice president of one major advertising agency: "Looking at the dismal efficiencies of some of these shows I have to feel that the only reason people in advertising are buying golf is that so many people in advertising play golf. It's like the man who says 'I only advertise in the magazines I read.' "

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

Perhaps the most realistic assessment of the situation is that of

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

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

A recent Nielsen study of the 1966-67 season's golf programing shows a number of other apparently damning factors: The cost for a minute of advertising—running anywhere from $10,000 to $50,000—produced a cost-per-thousand viewers as high as $13.22 (for ABC's British Open) and an average CPM of $7.41. That's 12.4% higher than professional football time, 21.5% higher than buying regular-season baseball, and 36% higher than professional soccer.

The disparity in the CPM for adult men—presumably the prime market for sports programing—is even wider: $8.43 for golf, as against $6.83 for pro football, $6.55 for in-season baseball and $6.08 for soccer.

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

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

Continued on page 59

By Richard Donnelly

Any way to slice up spot more evenly?

Although, after a soft 1967, television spot is showing distinct signs of improvement, there are indications that in many cases the gains are greater in top-30 markets than in smaller cities. The problem was first explored in Dick Donnelly's January article: "How To Get Spot off its Big Fat Plateau." In the following pages Donnelly discusses this situation with advertising agency media planners and analysts—the people who have most to do with placing national-spot campaigns. In a subsequent article TELEVISION *will explore what courses stations in these markets are pursuing to increase their shares of national spot and their volume of local advertising.*

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

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

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

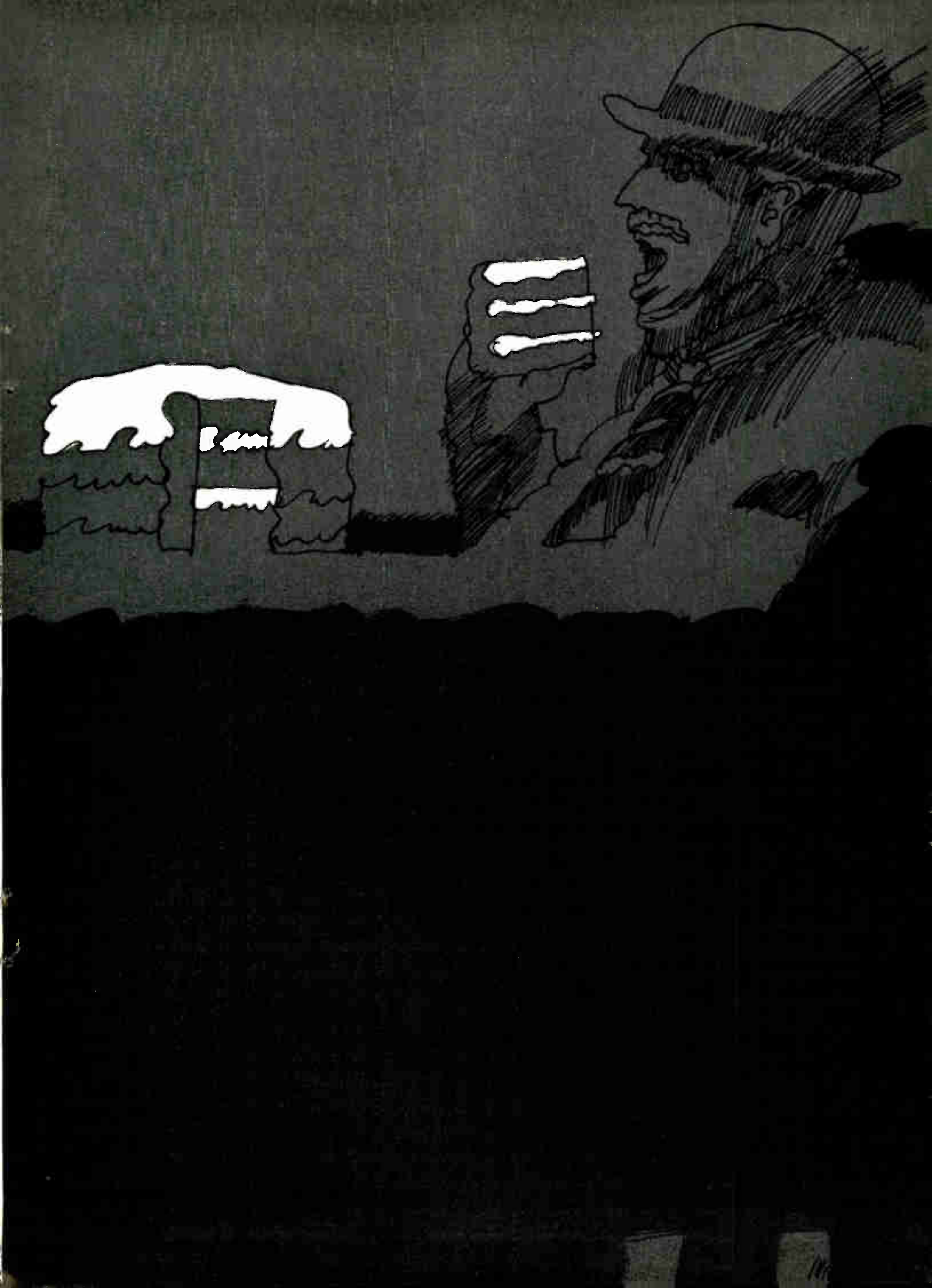
To repeat the known official data: According to the FCC, the top-10 markets in 1966, the last reported year, received nearly half of the money national and regional advertisers spent in spot; in 1958 those markets accounted for only 42% of the total. In 1958 all markets below the top 30 split up over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

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

Is the small market really less efficient, in terms of media costs, than the large market?

Is the small market a less rewarding place to sell in than the large

Continued on page 56

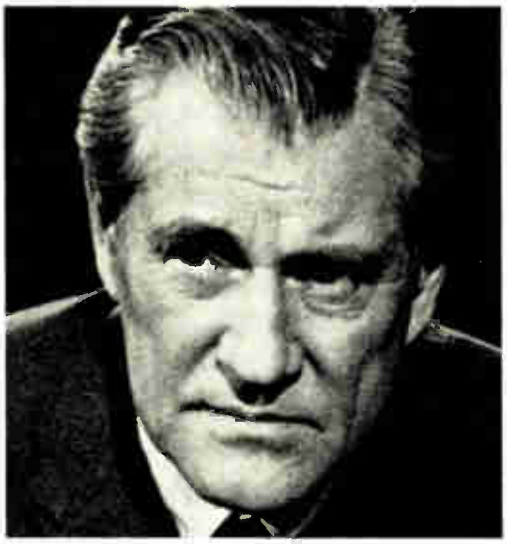


"And the winner is...

THE ED SULLIVAN SHOW

Winner of a George Foster Peabody Special Award.

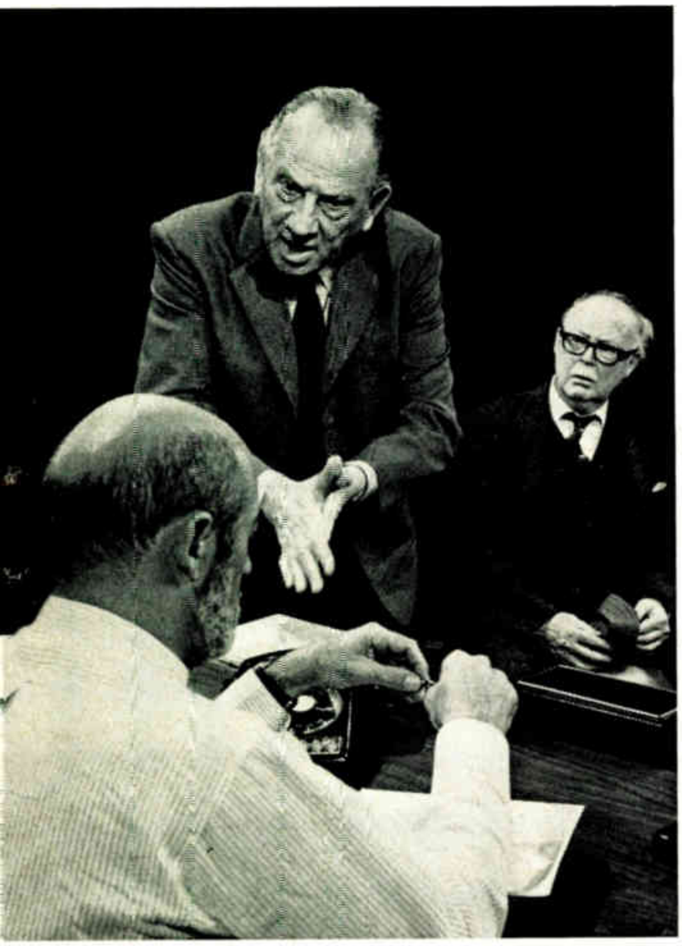
"With extraordinary showmanship, unerring instinct, and the newspaperman's sense of timeliness, Ed Sullivan for 20 years on Sunday evenings has sought quality in presenting a broad spectrum of entertainment..."



ERIC SEVAREID

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

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



CBS PLAYHOUSE

Winner of a George Foster Peabody Award for Television Entertainment.

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

THE OPPORTUNITY LINE
(WBBM-TV, CBS Owned)

Winner of a George Foster Peabody Award for Television Public Service.

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

THE CHILDREN'S FILM FESTIVAL

Winner of a George Foster Peabody Award for Television Youth or Children's Programs.

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

...CBS"

(where the real winner is the audience)

NETWORK PRICES

from page 27

much more favorable terms than were available to small advertisers. A number of anticompetitive economic consequences were held to flow from these practices.

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

Procter & Gamble-Clorox

The first of the current round of references to the television networks' pricing practices[2] appeared in the Federal Trade Commission decision in the Procter & Gamble-Clorox merger case, issued on Nov. 23, 1963.[3] In that decision the FTC ruled against the merger, largely on the grounds of the presumed advantages that an already-dominant Clorox would have against other liquid bleach firms if it were absorbed by a company as large as Procter & Gamble. The first and most specifically indentifiable of these presumed advantages was the substantial cost saving "in advertising and sales promotion, especially in television advertising," although, it might be noted, this consideration had not played an important part in the hearings themselves. The decision went on:

> The maximum annual volume discounts available to the largest advertisers amount to 25-30% for network television advertising.[4] . . . In addition, the discount rates available for local "spot" television advertising favor the large advertisers. In 1957, Clorox spent $1,150,000 on television advertising of all kinds on all stations. While complete discount rates are not included in the record, it is virtually certain that an expenditure of this size spread over all networks and stations did not entitle Clorox to discounts of any substance. For example, a $3,000,000 expenditure on NBC or CBS nighttime is required for the maximum discount. The record shows that Purex, in time bought in behalf of its complete line of products, received a six percent discount on an expenditure of $1,400,000 on one network, and a 15% discount on an expenditure of $2,400,000 on another. This was possible because Purex, unlike Clorox, is a multiproduct firm, and because an advertiser can combine all of his advertising for all of his products to obtain the volume discount, which is then applied to the advertising for each brand. It is conceded that Procter is entitled to, and receives, the maximum volume discounts available in television advertising and no doubt in other media as well. With Clorox now a part of the Procter line, for the same amount of money Clorox spent on network television advertising prior to the merger, at least 33⅓% more network television advertising can now be obtained.[5]

Turner—"Conglomerate Mergers"

This conclusion was picked up by Donald Turner, soon to be appointed to head the Antitrust Division of the Justice Department, in his now celebrated *Harvard Law Review* article on "Conglomerate Mergers."[6] At one point, Turner discussed his view that the attaining of promotional economies via a conglomerate merger ought not to be grounds for disallowance of such mergers but that such economies, unlike production and distribution economies, ought not to be allowed as a defense. He went on to add:

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

A footnote appended to this parenthetical statement indicates that "maximum discounts were 'at least' 33%. . . . It seems doubtful that these could be cost-justified."[7]

Journal Articles

After these two initial but somewhat peripheral evaluations of television network pricing practices, there appeared in the *Yale Law Journal* a veritable blockbuster of an article devoted to a discussion of alleged discrimination in the pricing of network advertising,[8] co-authored by a professor af law at Columbia University and an attorney later to serve with the FCC and the Hart subcommittee.[9]

The essence of the article's conclusions about network discounts can be given in its own words:

> The networks' rate structures immediately raise antitrust questions because certain discounts seem to be analytically indistinguishable from practices traditionally regarded as anticompetitive. The most important such feature of the rate structures of each of the television networks is that they give very substantial price discounts to advertisers whose dollar (or unit) volume of purchase of network time during a year (or other period) is very large. The systematic price discrimination inherent in volume discounts of this type, unless there are cost considerations which fully justify the discriminatory treatment, are thought usually to present a likelihood of injury to competition in two important respects. First . . . network volume discounts which substantially favor the largest advertisers may give them a decisive advantage over their smaller competitors. And second . . . network volume discounts may . . . handicap marginal competition or potential entrants in network television, "spot" advertising, independent program producers, and other media.[10]

A second analysis of network dis-

[2] There had been earlier discussions of the networks' discount structure in lengthy hearings before the Antitrust Subcommittee of the House Committee on the Judiciary in 1956. And a lawsuit had been brought by Amana Refrigeration against CBS, charging that the CBS television network discount structure was a violation of the Robinson-Patman Act. The suit was brought in 1957 and was later dismissed by a U.S. District Court. The Circuit Court upheld the dismissal in 1961.

[3] Federal Trade Commission, *In the Matter of the Procter & Gamble Corporation*, Docket No. 6901.

[4] Smaller discounts in other media were mentioned but Procter & Gamble spends over 90% of its annual advertising budget in television.

[5] Pp. 44, 45. Other television advantages were also alluded to in the decision, but none was quantified as was the presumed effect of volume discounts.

In the government's Petition for Certiorari in the Clorox case, July 1966, much of the detail on television network discounts had been dropped but the government still argued that "Clorox was . . . ineligible for the substantial discounts that the mass media make available to very large advertisers like Procter . . ." and that "large multiproduct firms like Procter possess [considerable marketing advantages] . . . —for example advantages of price . . . in national television advertising" (p. 6).

[6] Donald F. Turner, "Conglomerate Mergers," *Harvard Law Review* (May 1965).

[7] *Ibid.*, pp. 1361-62.

[8] Harlan M. Blake and Jack A. Blum, "Network Television Rate Practices: A Case Study in the Failure of Social Control of Price Discrimination," *Yale Law Journal* (July 1965).

[9] The Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, U.S. Senate.

[10] Blake and Blum, *op. cit.*, pp. 1217-18.

count structures appeared almost simultaneously in the *Columbia Law Review* in November 1965,[11] in the form of a lengthy unsigned note which covered much of the same ground as the *Yale Law Journal* article.

General Foods-S.O.S.

Bridging the publication of these articles was the General Foods-S.O.S. merger case before the FTC, in which an examiner in 1964 and the full commission on March 18, 1966, held the merger illegal, largely on the basis of the presumed greater efficiency with which the S.O.S. advertising budget could be used on network television when the discounts granted to General Foods, a large network advertiser, became available to S.O.S.

Other Discussion of the Issue

By now, the documentation seemed authoritative enough and detailed enough so that the conclusions began to appear in secondary sources.

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

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

Prices Paid by Advertisers

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

At first, as the criticisms of network pricing practices grew, the present writer assumed that the critics would ultimately become aware of how unrelated to reality their criticisms were. Later, it became obvious that the industry would have to do the educating itself, and, partly in consequence, I undertook a detailed analysis of the *actual* price and audience characteristics of the evening programs on the CBS television network during a three-month period in each of the last two completed broadcast seasons.[12] In both seasons CBS was still operating under the published rate-card discount structure that had been subjected to so much attack.[13]

As the industry in fact knew to be the case, an examination of average prices paid for evening time by advertisers of various sizes in the first quarter of 1965, midway in the 1964-65 broadcast season, indicated that larger advertisers on the CBS network paid *higher* prices per commercial minute than smaller advertisers.[14] A similar examination of prices paid during the fourth quarter of 1965, early in the 1965-66 season, showed a similar relationship but with much less variation among advertisers classified by size.

If we rank all evening advertisers on the CBS television network in the first quarter of 1965 by volume of evening spending, and examine their average outlay per commercial minute, we find that, in fact, average advertiser expenditures per commercial minute declined with the size of the advertiser (see Fig. 1). Thus, the two

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

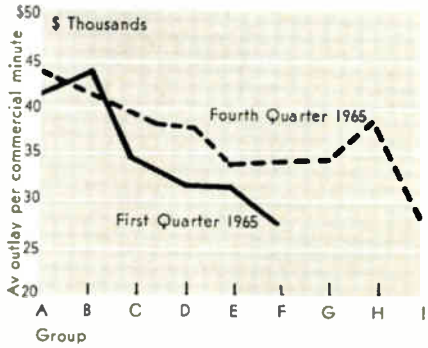


Fig 1. A is the group of largest advertisers; F (for first quarter, 1965) and I (for fourth quarter, 1965) are the groups of smallest advertisers

groups of largest advertisers had average per-minute outlays of $42,000 and $44,000, respectively, while the next group in size spent only $35,000 per minute, and successively smaller groups spent $32,000, $32,000 and $27,000.[15] In other words, the average price per commercial minute paid by large advertisers was considerably higher than that paid by small advertisers.

A similar ranking of advertisers in the fourth quarter of 1965 shows a comparable but much more modest and irregular decline in price per minute. While the two groups of largest advertisers paid $44,000 and $42,000 per minute, the next two groups paid $39,000 and $38,000, and the seventh and eighth groups paid $35,000 and $38,000 per minute.[16]

In testimony before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee,[17] Don Durgin, president of the NBC television network, presented price and audience data for every evening advertiser on NBC in the month of March 1966,

[11] "Anti-Trust Implications of Network Television Quantity Advertising Discounts," *Columbia Law Review* (November 1965).

[12] A portion of that analysis, presented below, was included in my testimony before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, U.S. Senate, on Dec. 13, 1966.

[13] As will be indicated below, CBS announced on Feb. 8, 1966, that it was essentially eliminating its traditional time discount structure effective September 1966 (Rate Card 17). ABC announced a similar intention during Thomas Moore's testimony before the Subcommittee on Regulatory and Enforcement Agencies of the Select Committee to Conduct Studies and Investigations of the Problems of Small Business, U.S. House of Representatives, in June 1966. NBC announced a similar decision on Dec. 9, 1966, effective September 1967.

[14] Although the principal discussions of the network discount structures were couched in terms of time costs alone, it should be clear that the relevant measure of advertiser expenditures is *total* cost, i.e., time cost plus program cost. Indeed it will be pointed out below that the historic distinction between the two has largely disappeared in recent years. Further, industry analysts know that cost per unit of audience is a more relevant measure of price than cost per unit of time, but nearly all the public discussion of network discounts has been solely on rates per unit of time, and we here address ourselves to this question alone. We discuss below the relationship between cost per unit of audience and cost per unit of time.

[15] The advertisers in the two groups of largest advertisers each purchased between 21 and 173 evening commercial minutes during the first quarter. The advertisers in the group of smallest sponsors each purchased between one and five commercial minutes during the quarter.

[16] The 10 largest advertisers each purchased between 36 and 153 evening minutes in the fourth quarter; the seven smallest advertisers each purchased four minutes during the quarter.

[17] Dec. 14, 1966.

NETWORK PRICES

from page 37

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

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

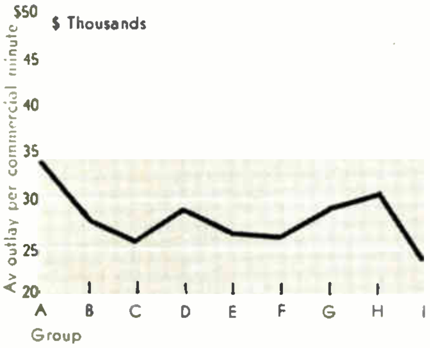


Fig. 2. A is the group of largest advertisers; I is the group of smallest advertisers

tended to pay somewhat more per commercial minute than did small advertisers, although the differences were in general quite small.

In a similar vein, Gene Accas, network relations vice-president of Leo Burnett Co., one of the nation's largest advertising agencies, made a detailed analysis of a large sample of evening participation purchases on two unnamed television networks.[18] For one network the size of individual purchases ranged between 12 minutes and 65 minutes; on the other network, the range was six minutes to 43 minutes.

Again grouping the data and ranking by size of purchase, we can see how Accas reached his conclusion that "there is no apparent effect of budget size on . . . the price paid per commercial minute in a package."[19] Thus, for the first network, the range of price per minute was small ($29,000-$33,000), the second ranking and fourth ranking groups had average costs per minute that were almost identical, and the group with the highest cost per minute turned out to be the group buying the largest packages (Fig. 3, at right).

Similarly, for the second network, the three groups of packages ranged from an average price per minute of $23,000 to an average price of $28,000, with the lowest price associated with the group of smallest purchases.

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

Changes in Program Sponsorship

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

In earlier days in the history of television, a substantial fraction of evening time periods was sold to advertisers who themselves supplied the programs to be carried. Such sales, then, comprised sale of *time* only, with the *program* purchased directly by an advertiser from an independent (i.e., nonnetwork) program producer. This form of sponsorship arrangement had been quite common in radio networks and had been carried over into television. Thus, almost a decade ago, in the last quarter of 1959, advertisers supplied more than 11 evening hours of programing per week on CBS, or about 45% of the total evening schedule.[20]

Average outlay per commercial minute for samples of evening purchases on two networks.

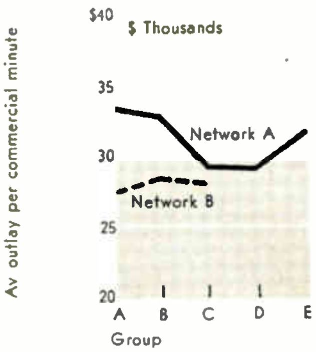


Fig. 3. A is the group of largest advertisers; C (for Network B) and E (for Network A) are the groups of smallest advertisers

For all three networks, advertisers supplied 26% of all evening entertainment hours in November 1959, but it had been 36% in November 1957.[21] Nearly all of the remainder of the networks' evening schedules were accounted for by so-called conventional, or time-plus-program sponsorships, under which an advertiser contracted for a half-hour or more of network time for an extended period and, in addition, paid the network a program price for the right to sponsor the program provided by the network during the time period. In such cases, the network acquired the license to exhibit the program from an independent program producer or, in some instances, produced the program itself with network staff.

Prices for units of time were traditionally quoted in published rate cards which indicated gross time rates or charges for each individual affiliate for various broad segments of the day (e.g., evening, daytime, late afternoon) and for various lengths of time (i.e., half-hour, hour, etc.). The now-famous discounts to be applied to these gross time rates were also detailed in these rate cards.

Under such circumstances, that is, with a large fraction of purchases in the form of time-only purchases and with the bulk of the remaining purchases made in large blocks by advertisers, a separation between time rates and program prices had substantive meaning: for a time-only purchase always was a serious alternative to a purchase from a network of both time and program. For the reasons pointed out below, advertisers have ceased to make time-only purchases.

The discount structure always

[18] Gene Accas, "The Tricks of Buying Network Packages," *Television Magazine* (August 1966), pp. 74-84.

[19] *Ibid.*, p. 78.

[20] Statement of Thomas H. Dawson, then senior vice-president of the CBS television network, before the Subcommittee on Antitrust and Monopoly of the U.S. Senate Committee on the Judiciary, Dec. 13, 1966, p. 2.

[21] *Television Program Production, Procurement and Syndication—An Economic Analysis Relating to the Federal Communications Commission's Proposed Rule in Docket No. 12782* (Cambridge, Mass.: Arthur D. Little Inc., 1966), I. 13.

applied only to the time portion of any purchase. Program charges,[22] on the other hand, were traditionally paid by the advertiser without applicable discounts. If a combined time and program charge, based on rate-card rates for the time segment and full program costs for the program segment, proved to be too high for the audience generated by a particular program, the program obviously could not be sold without a reduction in total price. At CBS, if such a reduction were made, it was normally charged against program revenues, and the time revenues were booked at full rate-card prices, although this practice was not invariably followed at the other networks. The time discounts continued to be formally applicable to the time component of these prices through the fall of 1966.[23]

For many reasons—including the rising cost of programing, the change from live programs to film, and the increasing length of programs, all of which increased the cost, and hence the risk, of supplying programs—advertisers began to shift from supplying their own programs to purchasing sponsorship in network-supplied programs. By November 1964, only 8% of evening entertainment hours on all three networks combined was supplied by the advertisers,[24] and currently at CBS only 6% of evening time is advertiser supported.[25]

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

Toward the end of the 1950's, a third form of sponsorship known as "participating minutes" began to appear. "Under this form of sponsorship the advertiser pays a single price, covering both time and program charges, for a minute of time in a particular program (in which the advertiser presents his commercial message). The advertisers may purchase as little as one minute for a single week."[26] On CBS, the fraction of evening sales accounted for by participations rose from less than 5% in 1959 to about 65% in the 1965-66 broadcast season. Although problems of definition make comparisons difficult, a measure of the growth of participations at all three networks combined is the fact that the percentage of commercial minutes sold in network evening programs with three or more sponsors rose from 16% to 81% between November 1957, and November 1964.[27] ABC currently sells an even larger percentage of its time on a participating-minute basis.[28]

The primary reason for the growth in participations is simple. Advertisers decided that they wished to reduce the risks involved in sponsoring one or a limited number of programs. They learned they could do this by spreading their commercial messages across many programs because the potential variability in audience size averaged across many programs is much smaller than the variability in audience size of individual programs.[29]

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

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

Changes in Discounts

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

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

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

Finally, in 1966 all discounts were abolished[30] and time was sold at the same price to all advertisers. However, varying net prices for time were quoted for different times of the day and different seasons of the year in accordance with viewing patterns and patterns of advertising demand.

The new time rate structure, then, represented the end of a long period of development and change in network rates and discounts. It retained the concept that prices should closely reflect inherent value to the advertiser and, toward this goal, attempted to articulate as closely as possible the pricing structure of time with the variations in total audience and in "quality" of audience available to advertisers.[31]

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

[22] Such charges were equal to or, in most cases, smaller than actual out-of-pocket program costs to the networks.

[23] As indicated above, the traditional discount structure was abolished in Rate Card 17, effective September 1966.

[24] *Television Program Production, Procurement and Syndication* . . . . p. 13.

[25] Statement of Thomas H. Dawson (see n. 20 above), p. 2.

[26] *Ibid.*, p. 3.

[27] *Television Program Production, Procurement and Syndication* . . . . p. 16.

[28] Statement of Thomas W. Moore (president, television network, ABC) before the Subcommittee on Antitrust and Monopoly of the U.S. Senate Committee on the Judiciary, Dec. 14, 1966, p. 8.

[29] *Television Program Production, Procurement and Syndication* . . . . pp. 19-26.

[30] Except for a modest 2-3% discount for advertisers committing themselves in advance to a full year's sponsorship. This discount is available to all advertisers regardless of the form of sponsorship.

[31] NBC and ABC have since adopted similar pricing structures.


E 41 ST

NETWORK PRICES

from page 39

the rate cards were most directly applicable, have in recent years accounted for only a small fraction of total evening sales. The overwhelming bulk of network sales involved the sale of both time and program. Such sales were divided between conventional purchases, still formally subject to time discounts, and participating purchases, not so subject. Since time discounts were abolished in 1966, when Rate Card 17 was established, it was decided to drop the formal distinction between these two types of sales and henceforth to quote and sell all available programs as, in effect, participations. Accordingly, starting at the same time, price lists were developed which indicated the suggested prices per commercial minute for all unsold evening time on the CBS network. Each program was priced in appropriate relation to its audience size and character in each of three seasons of the year. The same continuity discount that was applied to time sales was also made to these prices.

The price lists were made widely available to the trade. The prices indicated on these lists are offered to all advertisers, regardless of size. If these prices are not validated in the market place, bargaining of course ensues, and new prices are established. At intervals, new lists are to be prepared reflecting both general market changes and changes in the market's evaluation of individual programs.[32]

Network Prices and Audience Size

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

In the 1964-65 season, CBS was in an early stage of the transition from a sales structure based on program sponsorships to one based largely on participations; in the first quarter of 1965, roughly 25% of evening sales were made in participating form. In this stage at CBS, as at the other networks, programs obtaining smaller audiences tended to be sold in smaller segments and at lower prices. Smaller advertisers, of course, could purchase sponsorships in such programs at the same prices as larger advertisers and, in fact, made their purchases predominantly in this fashion. In other words, larger advertisers paid higher prices per minute because they tended to purchase sponsorship of entire programs and because they selected those which they expected to have larger audiences (see Fig. 4).

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

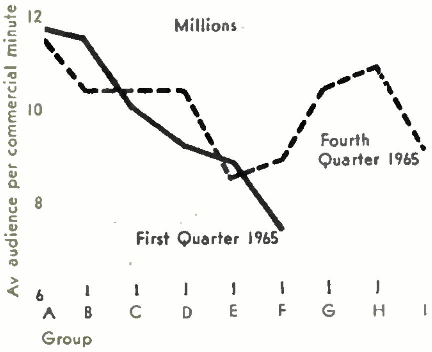


Fig. 4. A is the group of largest advertisers; F (for the first quarter, 1965) and I (for the fourth quarter, 1965) are the groups of smallest advertisers

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

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

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

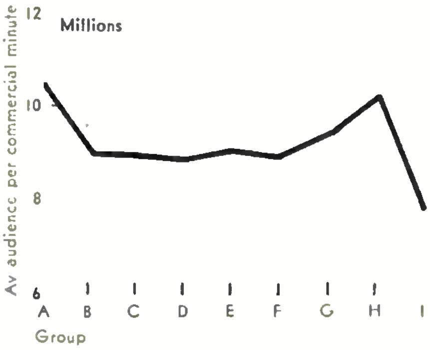


Fig. 5. A is the group of largest advertisers; I is the group of smallest advertisers

All of the original attacks on alleged network discrimination defined this discrimination in terms of variations in price paid *per unit of time*. It is obvious that these charges were invalid. Even more important, these charges were actually irrelevant, since it is clear that advertisers in recent years were not buying units of time but, rather, audiences of various sizes and characteristics. If the charge of discriminatory pricing were to have any meaning, it must be in terms of audience values, rather than units of time.[33]

[32] Comparisons of prices *actually* paid by different advertisers for minutes in a specific program have been extraordinarily difficult, both because purchases are usually made at different times and because most purchases are usually made for minutes in several programs and at a single combined price. Valid comparisons, then, must be made in terms of aggregate prices and audiences, as we do in this paper.

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

"Respondent seeks to belittle the impact of the television discounts available to S.O.S. after the acquisition by contending that as a matter of fact Brillo was more efficient in its television advertising and that its television costs were lower than those of S.O.S. (Respondent's Brief on Appeal, pp. 49–51). We reject this argument on its facts and on its logic. Respondent's calculations of relative costs and efficiency are based on Nielsen's estimates of actual viewers after the program has been contracted, paid for and shown. Thus, if the program attracted more viewers than originally estimated, respondent would equate the resulting lower per viewer cost with greater efficiency. What respondent is in fact equating with efficiency is the popularity of a program not originally anticipated and therefore not paid for. We do not believe that this is a proper basis for determining costs and efficiency of advertising. If the figures relied upon by respondent show anything, they demonstrate that for the programs selected by respondent for its cost/efficiency calculation, S.O.S. spent far more on advertising after the merger than Brillo and its commercials reached many more viewers than Brillo's. S.O.S. was able to reach 700,120 viewers by spending $1,999,300 on the pro-

Indeed, at a very late stage in the discussion and after some critics became at least partially aware of the inaccuracy of the initial charges, that is, that large advertisers paid less per unit of time, a few critics did in fact shift their attack to argue that large advertisers paid less per unit of audience.

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

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

One such value clearly relates to the particular demographic characteristics of the people watching the program, with some advertisers valuing men over women, or young people over older ones, etc. A second presumably relates to the environment provided for the advertiser's commercial—with, for example, programs carrying star talent perhaps creating more effectiveness than others, or comedy programs having different effectiveness than action programs, etc. There may well be many other

Average cost per thousand per evening minute for all evening advertisers, ranked by evening outlays on CBS. (First and fourth quarters, 1965)

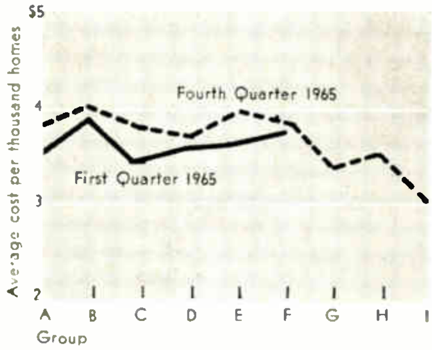


Fig. 6. A is the group of largest advertisers; F (for the first quarter, 1965) and I (for the fourth quarter, 1965) are the groups of smallest advertisers

Average cost per thousand for all evening advertisers, ranked by evening outlays on NBC. (March 1966)

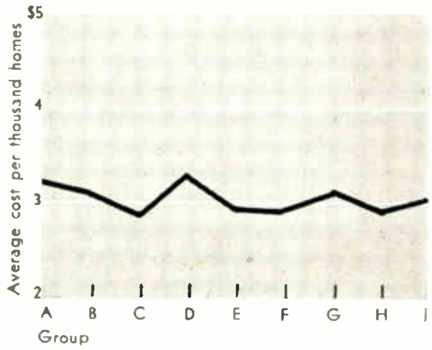


Fig. 7. A is the group of largest advertisers; I is the group of smallest advertisers

values. But these are such complex and, in some cases, intangible and unmeasurable attributes of the commodity the networks sell that it is difficult to see how any process other than that of bargaining in the actual market place could yield a measure of the inherent value of each program. Without such a measure, it would be impossible to determine whether equivalent prices are being charged on all network sales. But if we accept the measure provided by the market place, then, by definition, all sales are made at equivalent prices! In brief, the problem is that networks simply do not sell homogeneous products whose prices to different purchasers can be directly compared.

However, even if we accept the crude but not totally unrealistic measure of cost per thousand, that is, cost per thousand homes reached per commercial minute, as our measure of price, we find no evidence of any discriminatory pattern in network prices during the years under attack. In earlier periods, when participations represented a minority of total purchases, cost per commercial minute and audience per commercial minute tended to decline as size of advertiser declined. As a consequence, one tended to offset the other, and the ratio of the former to the latter (which ratio is the cost per thousand homes per commercial minute) turned out to be fairly stable for the various sizes of advertisers (Fig. 6 and 7).[34]

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

Thus, if we examine the CBS data for the first quarter of 1965, we find that the range of cost per thousand for the six groups of advertisers was only from $3.43 to $3.88; the highest group average was only 13% above the lowest group average. The group with the highest cost per thousand ($3.88) was the second group; that is, that comprising the 10 advertisers ranked 10th to 20th in terms of size. Indeed, the fourth and fifth groups had costs per thousand that were quite close to the group comprising the largest advertisers $ (3.55 and $3.60 vs. $3.56).[35]

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

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

grams enumerated, whereas Brillo was able to reach only 336,459 persons as the result of its expenditure of $934,385 on the programs listed on which its commercials appeared (CX 170)."

That the cost per thousand for S.O.S. was $2.86, compared with only $2.77 for Brillo, was apparently unimportant in the eyes of FTC! And the fact that actual audiences may differ from forecast audiences on individual programs is of minor consequence when an advertiser spreads his sponsorship widely through the mechanism of participations.

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

[35] The two largest evening advertisers on the CBS network were Procter & Gamble and General Foods. Procter & Gamble had an average cost per thousand for evening programs of $3.25; General Foods had a cost per thousand of $3.35. Fourteen other evening advertisers (out of total 63) had lower costs per thousand than $3.25, and 17 had lower than $3.35.

NETWORK PRICES

from page 43

groups with lowest cost per thousand were the five comprising the smallest advertisers!

Without repeating the same analysis for Accas's samples of package purchases, let us simply quote his conclusion: "There is no apparent effect of budget size on . . . the performance (of the package) in cost per thousand and delivered homes."[36]

Conventional and Participating Purchases

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

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

If we first look at conventional sales in the first quarter of 1965—that group of sales to which time discounts did apply—we find that cost per thousand for the three groups of largest advertisers varied inversely with size of advertiser (Table 1 and Fig. 8).[37] However, the average outlay per minute showed no obvious relationship to size of advertiser; it ranged between $43,300 and $47,200 for the first three groups of advertisers, with the second group having the highest average ($47,200) and the first and third groups somewhat lower outlays ($43,300 and $44,200).[38]

TABLE 1

Average Outlay per Evening Minute and Average Cost per Thousand for Conventional Purchases and Purchases of Partipating Minutes of Advertisers Ranked by Evening Outlays on the CBS Television Network, First Quarter, 1965.

Groups of Advertisers*	Numbers of Advertisers Making Specified Type of Purchase	Average Outlay† per Commercial Minute ($ Thousands)	Average Audience per Commercial Minute (Millions)	Average Cost per Thousand Homes
	Conventional Purchases			
A	9	$43.3	12.3	$3.52
B	9	47.2	11.9	3.96
C	4	44.2	10.9	4.10
D	.....	.....	.....	.....
E	1	33.7	6.8	4.93
F	2	23.1	5.0	4.58
Total	25	.....	.....	.....
	Participations			
A	8	$33.2	8.7	$3.82
B	3	30.9	9.0	3.44
C	7	30.0	9.5	3.17
D	10	32.3	9.1	3.55
E	9	31.4	9.0	3.47
F	11	29.2	8.2	3.56
Total	48	.....	.....	.....

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

† After deduction of discounts but before deduction of commissions.

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

Fig. 8. A is the group of largest advertisers; F is the group of smallest advertisers

When we turn to sales of participating minutes (Table 1), we find that there was no relationship at all between size of advertiser and any aspect of participating minutes—average cost per minute, average audience per minute, and average cost per thousand. Indeed, the group of largest advertisers paid the highest average price per minute ($33,200), obtained the next-to-lowest audience per minute (8.7 million), and suffered the highest cost per thousand ($3.82) of any of the six groups of advertisers.

The relationship, then, in the first quarter of 1965 between size of advertiser and total outlays per minute or cost per thousand was a function of the separate relationships that have been established for each of the two pricing methods and the relative amounts of expenditure that advertisers of various sizes placed in conventional sponsorships and in participating minutes. The fraction of outlays of the 20 largest advertisers accounted for by conventional purchases was in excess of 84% (Fig. 9, pg. 45). Accordingly, the average over-all cost per thousand to such advertisers was largely determined by the cost per thousand of their conventional purchases. The third group made 42% of their purchases in conventional form, so their over-all cost per thousand was affected by both their cost per thousand on conventional purchases and the cost per thousand on participations. The final three groups of smaller advertisers made three-fourths or more of their purchases in participations, and, therefore, their over-all

[36] Accas, *op. cit.*, p. 78.

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

[38] CBS's two largest evening advertisers, Procter & Gamble and General Foods, had average outlays per minute not much different from these two group averages—$45,000 for Procter & Gamble and $43,100 for General Foods.

David Frost talks with the next President of the United States.

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

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

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

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

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

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

GROUP W Westinghouse Broadcasting Company Program Sales
240 West 44th Street, N.Y.,
N.Y. 10036 (212) 736-6300

FOCUS ON COMMERCIALS

1) Fade in on a very elegant party. A chorus and orchestra off camera sing to the tune of the William Tell Overture (theme-song of radio and TV's Lone Ranger)*: "Have a Piz, Have a Piz. Have a Pizza Roll. . ."*
2) Camera pans along the guests holding up Pizza Roll packages. Chorus: "Up till now you couldn't take a hot hors d'oeuvre without a qualm. It was something you discretly dropped into a potted palm. Suddenly the Jeno's Pizza Roll is here to save the day. . ."
3) A waiter pushes in a cart with the sign, "Show us your PIZZA ROLL pack!" a clear take-off on the Lark truck. Chorus: "Appetizers now at last are edible, that's why we say: Have a Piz, Have a Piz. Have a Pizza Roll. . ."
4) A shot of a man lighting a cigarette from a nondescript, red pack. Man with cigarette: "I'd like to talk to you people about that music you're using."
5) The Lone Ranger and Tonto step into the shot. Lone Ranger to man with cigarette: "That's funny. I've been meaning to speak to YOU people about the same thing!" Tonto: "Have a Pizza Roll, Keemosavy?"
6) Chorus resumes: "Now that Jeno's Pizza Rolls are here, you'll have no fear. . ."

Freberg's satire helps put Jeno's on grocer's shelves

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

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

Prior to that decision, Paulucci spent 20 years building the Chun King Corp. to where he sold it to Reynolds Tobacco for $64 million. He was impressed with Freberg's work for Chun King's Chinese food products and credits Freberg with much of that company's success. When Paulucci turned his attention to Northland Foods Inc., whose products include Jeno's Pizza and pizza rolls, he again sought Freberg's talents.

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

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

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

Jeno's agency is MacManus, John & Adams, which handles the print campaign, but stays pretty much out of Freberg's way on the commercials. Freberg's contract gives him complete artistic control. The client is given the choice of taking or leaving Freberg's work, but no one can legally tamper with it. "I am very much of a loner. I can't get along with the various creative people I have hired from time to time," Freberg explains. "I am not a creative team. I just hate that word 'team.'"

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

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

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

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

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

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

END

There is no best way to present ideas to the client

by Granger Tripp

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Continued on page 64

Tripp is VP-creative supervisor at J. Walter Thompson, New York.

Article from Television, May, 1968.

AGENCY CREATIVITY

from page 29

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

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

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

Group plan

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

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

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

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

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

Invisible ads

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

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

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

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

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

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

Organization charts

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

Richard Tully, president of Foote, Cone, & Belding, feels that trade comment in the last few years has corrected a bad situation to some extent: "As a client's organization becomes more complex, there is a tendency for the client to want an organization at the agency to match." The result, he says, is unnecessary personnel and an inefficiently used staff. "I personally think there has been some easing of this in the last few years," Tully says. "Some clients have become sensitive to it and have tried to avoid that sort of thing."

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

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

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

Parkinson's Law Extended

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

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

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

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

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

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

This is not to say that top management's interest in the creative climate is never genuine. Everyone concedes that an open management attitude is a fundamental condition for a creative operation. Even the stodgiest of agencies must make occasional creative noises. "Management attitude is unquestionably the most important thing," McCann's Posey believes. Speaking of his agency's creative people: "They feel support, recognition and reward. And in many cases they have a voice in top management."

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

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

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

Creativity today is a business necessity. It's ironic that such a thing needs to be asserted about the advertising industry. But it wasn't always a necessity. McCann's Posey sums up: "A big agency must try to recapture the colaborative spirit that almost any personal service agency has when it starts." END

"Reproduced for Students in C84 only"

SMALL MARKET TV

from page 33

market?

Are people in the larger markets more responsive to advertising, to new products, to change?

Do they have greater basic needs, more disposable income, than their counterparts in the smaller cities?

In spot television, does the axiom that has come down from the newspaper field still hold—the smaller the market, the less efficient?

Isn't the American more and more tending to group in the larger areas (see the growth of Los Angeles) and isn't it true that even the biggest markets will ultimately meet and recombine into a concept commonly known as Megalopolis? (Under this concept, four of the top-10 markets, accounting for 22.3% of total spot revenue in 1966, would be just one huge marketing area. If you bought those four—New York City, Boston, Philadelphia and Washington—and got that percent of the country and possibly 75% of that corridor running north and south, you probably wouldn't think too much about New Haven or Manchester.)

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

Equivocal answers

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

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

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

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

But all analysts and planners today are agreed on one crucial point: Mere market size is no longer the major or sole criterion in determining what will be bought. Such gross figures as television homes or net weekly quarter-hour circulation are considered old hat, the obvious and increasingly uninteresting things that are known about a market. Indeed, most agency media strategists advise station managements to drop their efforts to prove that they're really in the top 75 by one yardstick, by another in the top 55.

Marketing criteria

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

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

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

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

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

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

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

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

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

Big market receptive

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

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

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

JWT's Antonowsky beleves that the trend away from th small market can be attributed to economics. "As the costs of spot went up, rather than cutting back on rating point levels in the major markets, advertisers kept shrinking their lists. Years ago we'd buy the top 75 or 100. Now, it's the top 50 or even 25."

Another factor working against the smaller market getting major advertising dollars, says Antonowsky, is that spot increasingly is being used as network replacement weight—after making national buys, spot is added to the big markets where network performance generally is lower.

This country-cousin relationship of spot to network has had a decided effect on the small market, of course. Erwin Ephron, vice president, director of media research at Papert, Koenig, Lois, notes that for many major advertisers "most spot spending is either compensatory or to provide additional impact to high-potential markets." In that sense, at least on a national level, spot becomes totally secondary to network.

What is even more disastrous for the economic well being of the small market is that the national advertiser, in making his network commitments, is increasingly convinced he has also covered himself in the smaller localities. His energies and money then are centered on the big markets where sales tend to bulk and where his competition is at work.

Most media planners are convinced that network is actually the best way of getting into the small market. PKL's Ephron says that network television tends to do better in the small markets on a gross-rating-point basis so that "if you get in the market at all, you do very well." Moreover, it is indisputable that the cost of a long line-up of network stations is cheaper, but not necessarily more efficient in terms of delivered audience, than a comparable line-up in spot.

Nevertheless, several media planners say that if their spot dollars are limited they go into the larger markets and they just have to assume that the network buy is giving small-market exposure.

Several of the media/analyst/planners report that from a cost standpoint they can buy more markets on the network than they can in spot for the same money, that at a certain point down the market line *it makes sense* to buy network. FC&B's Gromer says he hasn't done it recently but he remembers how he used to compute a breaking point—that magic time when the cost of the number of spot markets purchased equals the cost of a comparable network minute. It could be 75 or 85 markets when the cost of a network participation is approached. By turning to network at that point, say several agency media specialists, they get the spot market line-up they want, and the rest of the country thrown in as a bonus.

Yes, argue the spot representatives, but what do they get for that money? Perhaps the third station in the market, possibly the wrong time period for the kind of audience they want and markets that don't even have distribution in. Moreover, what do bonuses have to do with real efficiency? Isn't it true that spot on a cost-per-thousand

---

Candy is dandy but salacity breeds mendacity

by Gerald Gardner

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

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

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

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

But how could such a book become a film suitable for television?

"The eroticism in the novel will be merely suggested in the film," says the producer.

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

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

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

I immediately phoned my agent.

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

"You must be crazy," said Irving, trying to win me over with flattery. " 'Fanny Hill' on television?"

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

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

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

"Fanny Hill has no teen-age brother—"

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

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

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

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

"I've already got 13 episodes sketched out. Fanny Hill refuses to pay a parking ticket. Fanny Hill enters a slogan contest for a breakfast cereal. Fanny Hill offers to entertain the sick kids at the hospital—"

"Just who do you see in the role?"

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

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

"What classic?"

"Dante's 'Inferno'."

SMALL MARKET TV
from page 57

basis is more efficient than network?

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

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

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

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

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

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

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

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

Uniform approach

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

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

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

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

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

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

Sales district vs. market

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

But once the sale can be reported back to the client relatively quickly and economically on a more accurate and refined basis, then the small and medium markets may once again get their proper share of the national spot dollar.

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

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

WHY BUY GOLF?

from page 31

higher income. Michael Presbrey, head of sports sales at NBC, calls him "the country-club type."

In golf-tournament viewing (which is higher and only slightly more select than golf series viewing (something of an even "golfier" golf audience) 46% of the viewers were adult men, 34% adult women, thus virtually eliminating any youthful audience. And of the men, 75% of that audience was over the age of 35.

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

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

Viewer's profile

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

So what do these statistics mean in terms of buying advertising?

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

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

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

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

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

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

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

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

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

Network TV golf

Program	*Net-work*	*Cost per minute*	*Share of audi-ence*	*Average rating*	*Average households*	*Cost-per-thousand households*	*Men reached*
CBS Golf Classic	CBS	$18,000	19	5.8	3,250,000	$ 5.54	2,930,000
Masters Golf	CBS	50,000	28	8.4	4,700,000	10.64	4,230,000
Canadian Open	CBS	15,000	22	5.3	2,970,000	5.05	2,670,000
Bing Crosby Trn.	ABC						
Jacksonville Open	ABC	23,000					
Trn. of Champions	ABC	23,000	23	6.0	3,360,000	6.85	3,120,000
Byron Nelson Golf Classic	ABC	23,000					
Eastern Champion Trn.	ABC	23,000					
Colonial National	ABC	23,000	18	5.7	3,190,000	7.20	1,970,000
Memphis Open	ABC	23,000	21	4.8	2,690,000	8.55	2,420,000
US Open	ABC	35,000	25	7.0	3,920,000	8.93	3,530,000
US Women's Open	ABC	10,000	14	3.3	1,850,000	5.41	1,670,000
British Open	ABC	23,000	13	3.1	1,740,000	13.22	1,570,000
PGA Championship	ABC	35,000	23	6.5	3,640,000	9.62	3,280,000
American Golf Classic	ABC	23,000	20	5.5	3,080,000	7.47	2,772,000
US Men's Amateur	ABC	10,000	12	2.7	1,510,000	6.62	1,360,000
Andy Williams Golf Trn.	NBC	24,000					
Big 3 Golf Trn.	NBC	23,000	18	5.7	3,190,000	7.20	2,870,000
World Series of Golf	NBC	29,500	23	6.7	3,750,000	7.87	3,380,000

Average cost-per-thousand households $ 7.41

Average cost-per-thousand men $ 8.43

Source: NTI Reports

WHY BUY GOLF?

from page 59

for United Air Lines.

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

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

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

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

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

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

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

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

There is also, to be sure, quite a bit of individual product advertising on golf shows, but it too almost always is matched to the special demographics of the golf audience. "You don't find tobacco advertisers buying much golf because they appeal to a broad cross-section," points out NBC's Presbrey.

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

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

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

Galaxy) which makes slacks; Cluett, Peabody & Co. (CBS Masters Tournament) for its Arrow shirt division; General Cigar Company (NBC's Andy Williams Tournament); the Gillette Co. (also Andy Williams Tournament) for its razors and blades, and Colgate-Palmolive (CBS's Canadian Open) for its Rapid Shave foam.

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

Package deals

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

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

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

"A golf advertiser doesn't want to buy one minute in 10 events and be lost. He wants to buy one big one," NBC's Presbrey says.

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

Shooting over par in network golf

	Golf	Professional Football	Regular Season Baseball	National Professional Soccer League
Average ratings	5.5	12.8	8.9	3.4
Average homes	3,080,000	7,170,000	4,980,000	1,900,000
Cost-per-thousand homes	$7.41	$6.49	$5.82	$4.74
Adult men	2,770,000	6,810,000	4,430,000	1,480,000
Cost-per-thousand men	$8.43	$6.83	$6.55	$6.08
Adult women	1,850,000	3,590,000	3,040,000	1,440,000
Cost-per-thousand women	$12.27	$12.95	$9.54	$6.25

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

Presbrey says that for many advertisers televised golf provides a method for a company to promote itself to its own personnel as well as the general public.

This would seem to be the case with insurance companies: the company is advertising both to the general public and its own salesmen, who are likely to be golfers.

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

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

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

Both are golf series rather than individual tournaments.

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

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

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

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

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

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

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

TELESTATUS

COLOR PENETRATION

Papert, Koenig, Lois projections for May show U.S. color penetration at 27% of television homes. At current growth rates, color ownership will soon pass multiset TV ownership, now at 29%. In the Pacific, South and West Central territories, color penetration already exceeds multiset TV penetration, hinting at the national future (for multiset-TV data see April "Telestatus."

The following local-market color-ownership figures are Papert, Koenig, Lois estimates of color-TV ownership as of May 1968. They are projections from NSI February/March 1968 sweep data, adjusted to regional growth patterns developed by Nielsen from Census and Nielsen survey data. They have also been adjusted (lowered) to include no-phone households.

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

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

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

		PKL Projections	
		May 1968 Color-TV ownership	
Market	Sept. 1, 1967 NSI area TV households	%	Households
1 New York	5,651,530	26	1,469,100
2 Los Angeles	3,591,710	37	1,328,900
3 Chicago	2,463,540	30	739,100
4 Philadelphia	2,234,940	31	692,800
5 Boston	1,870,650	24	449,000
6 Detroit	1,604,980	29	465,400
7 Cleveland	1,368,010	33	451,400
8 San Francisco-Oakland	1,546,910	33	510,500
9 Washington	1,585,220	24	380,500
10 Pittsburgh	1,303,720	24	312,900
Average for markets 1–10		**29**	
11 St. Louis	841,930	26	218,900
12 Dallas-Fort Worth	878,890	26	228,500
13 Minneapolis-St. Paul	737,840	25	184,500
14 Baltimore	979,390	26	254,600
15 Indianapolis	776,850	31	240,800
16 Houston	632,470	26	164,400
17 Cincinnati	828,470	30	248,500
18 Hartford-New Haven, Conn.	1,049,850	29	304,500
19 Milwaukee	613,580	32	196,300
20 Buffalo, N.Y. (U.S. only)	589,110	24	141,400
Average for markets 11–20		**28**	
Average for markets 1–20		**28**	
21 Seattle-Tacoma	635,100	29	184,200
22 Miami-Fort Lauderdale	628,400	27	169,700
23 Atlanta	626,480	24	150,400
24 Kansas City, Mo.	613,020	25	160,800

PKL market rankings based upon average quarter-hour, prime time, station total homes reached - all stations combined, NSI October/November 1967 survey.

NSI area housholds are as of September 1967 and are reprinted with the permission of A. C. Nielsen Co.

WHY BUY GOLF?

from page 61

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

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

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

Most of the major golf advertisers remain loyal and apparently satisfied despite the relatively low audiences and high costs.

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

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

In addition to the big-three network shows, Sports Network Inc. carries another dozen tournaments, from the Doral Open to the Sahara

Market	Sept. 1, 1967 NSI area TV households	PKL Projections May 1968 Color-TV ownership %	Households
25 Sacramento-Stockton, Calif.	665,950	39	259,700
26 Columbus, Ohio	538,220	35	188,400
27 Portland, Ore.	552,820	35	193,500
28 Memphis	532,730	17	90,600
29 Denver	448,960	35	157,100
30 New Orleans	457,630	24	109,800
Average for markets 21–30		**29**	
Average for markets 1–30		**29**	
31 Tampa-St. Petersburg, Fla.	497,140	24	119,300
32 Birmingham, Ala.	515,930	21	108,300
33 Nashville	513,250	19	97,500
34 Albany-Schenectady-Troy, N.Y.	612,120	24	146,900
35 Providence, R.I.	1,526,660	23	351,100
36 Grand Rapids-Kalamazoo, Mich.	605,160	30	181,500
37 Charleston-Huntington, W. Va.	442,160	21	92,900
38 Syracuse, N.Y.	570,040	27	153,900
39 Oklahoma City	387,630	21	81,400
40 Dayton, Ohio	532,910	34	181,200
Average for markets 31–40		**24**	
Average for markets 1–40		**28**	
41 Louisville, Ky.	432,430	20	86,500
42 San Antonio, Tex.	413,190	18	74,400
43 Wichita-Hutchinson, Kan.	264,160	29	76,600
44 Norfolk-Portsmouth-Newport News, Va.	345,990	21	72,700
45 Phoenix	344,560	28	96,500
46 Greenville-Spartanburg, S.C.-Asheville, N.C.	670,930	21	140,900
47 Salt Lake City	294,050	29	85,300
48 Greensboro-High Point-Winston-Salem, N.C.	502,800	20	100,600
49 Omaha	342,070	30	102,600
50 Charlotte, N.C.	613,160	19	116,500
Average for markets 41–50		**24**	
Average for markets 1–50		**27**	
51 Orlando-Daytona Beach, Fla.	405,220	27	109,400
52 San Diego	356,400	36	128,300
53 Tulsa, Okla.	395,870	21	83,100
54 Lancaster-Harrisburg-Lebanon-York, Pa.	582,770	38	221,500

Market	Sept. 1, 1967 NSI area TV households	PKL Projections May 1968 Color-TV ownership %	Households
55 Toledo, Ohio	425,940	33	140,600
56 Wilkes Barre-Scranton, Pa.	406,620	34	138,300
57 Davenport-Rock Island-Moline, Ill.	342,620	35	119,900
58 Little Rock-Pine Bluff, Ark.	310,740	22	68,400
59 Shreveport, La.	307,260	23	70,700
60 Rochester, N.Y.	368,630	26	95,800
Average for markets 51–60		**30**	
Average for markets 1–60		**27**	
61 Green Bay, Wis.	379,560	31	117,700
62 Richmond-Petersburg, Va.	328,890	17	55,900
63 Flint-Saginaw-Bay City, Mich.	469,870	29	136,300
64 Champaign-Springfield-Decatur, Ill.	312,910	32	100,100
65 Des Moines-Ames, Iowa	301,580	30	90,500
66 Mobile, Ala.-Pensacola, Fla.	292,390	24	70,200
67 Cedar Rapids-Waterloo, Iowa	312,710	29	90,700
68 Paducah, Ky.-Harrisburg, Ill.-Cape Girardeau, Mo.	296,400	26	77,100
69 Johnstown-Altoona, Pa.	1,075,550	27	290,400
70 Jacksonville, Fla.	270,740	21	56,900
Average for markets 61–70		**27**	
Average for markets 1–70		**27**	
71 Raleigh-Durham, N.C.	378,070	21	79,400
72 Knoxville, Tenn.	290,640	18	52,300
73 Fresno, Calif.	235,080	37	87,000
74 Spokane, Wash.	289,940	30	87,000
75 Roanoke-Lynchburg, Va.	310,740	20	62,100
76 Chattanooga	229,750	24	55,100
77 Portland-Poland Spring, Me.	415,720	24	99,800
78 Youngstown, Ohio	275,470	34	93,700
79 South Bend-Elkhart, Ind.	265,990	36	95,800
80 Jackson, Miss.	277,890	23	63,900
Average for markets 71–80		**27**	
Average for markets 1–80		**27**	

PKL marked rankings based upon average quarter-hour, prime-time, station total homes reached—all stations combined, NSI October/November 1967 survey.

NSI area households are as of September 1967 and are reprinted with the permission of A. C. Nielsen Co.

Invitational, which are distributed through almost the entire range of golf-show ratings.

And some local stations are copying the networks and putting on their own tournaments, such as KMTV (TV) Omaha. KMTV sells out advertising (last year to the Farmers Insurance Group and Western Electric Co.) for the two-and-a-half-hour coverage it gives the Saturday and Sunday finish of its annual amateur open tournament.

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

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

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

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

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

Until the growth stops or that break-off point is reached, televised golf seems to be driving the advertising messages of major advertisers right down the middle of the fairway. END

Market	Sept. 1, 1967 NSI area TV households	PKL Projections May 1968 Color-TV ownership %	Households
81 Peoria, Ill.	245,790	34	83,600
82 Madison, Wis.	280,980	33	92,700
83 Albuquerque, N.M.	196,540	24	47,200
84 Mason City, Iowa-Austin-Rochester, Minn.	247,330	26	64,300
85 Fort Wayne, Ind.	237,760	34	80,800
86 Honolulu	168,990	23	38,900
87 Evansville, Ind.-Henderson, Ky.	215,180	25	53,800
88 Wheeling, W. Va.-Steuben ville, Ohio	990,240	24	237,700
89 Lansing, Mich.	554,950	31	172,000
90 Lincoln-Hastings-Kearney, Neb.	232,960	28	65,200
Average for markets 81–90		**28**	
Average for markets 1–90		**27**	
91 Sioux Falls, S.D.	173,720	19	33,000
92 Baton Rouge	361,100	23	83,100
93 Duluth, Minn.-Superior, Wis.	146,580	30	44,000
94 Amarillo, Tex.	141,880	30	12,600
95 Beaumont-Port Arthur, Tex.	178,890	26	46,500
96 Greenville-New Bern-Washington, N.C.	230,930	20	46,200
97 Columbus, Ga.	291,510	21	61,200
98 Binghamton, N.Y.	267,020	25	66,800
99 Wichita Falls, Tex.-Lawton, Okla.	168,890	22	37,200
100 Fargo-Grand Forks-Valley City, N.D.	159,340	24	38,200
Average for markets 91–100		**24**	
Average for markets 1–100		**27**	
101 Rockford, Ill.	227,330	37	84,100
102 Joplin, Mo.-Pittsburg, Kan.	176,750	21	37,100
103 Waco-Temple, Tex.	160,240	19	30,400
104 Springfield, Mo.	179,770	19	34,200
105 Colorado Springs-Pueblo	124,220	30	37,300
106 El Paso	126,340	28	35,400
107 Erie, Pa.	205,310	22	45,200
108 Bristol, Va.-Johnson City-Kingsport, Tenn.	217,230	19	41,300
109 Monroe, La.-El Dorado, Ark.	213,870	20	42,800
110 Springfield-Holyoke, Mass.	406,460	26	105,700
111 Terre Haute, Ind.	212,600	28	59,500
112 Tucson, Ariz.	153,080	29	44,400
113 Monterey-Salinas, Calif.	950,720	35	332,800
114 Charleston, S.C.	183,520	22	40,400
115 Columbia, S.C.	225,370	21	47,300
116 Corpus Christi, Tex.	125,930	26	32,700
117 Quincy, Ill.-Hannibal, Mo.-Keokuk, Iowa	139,210	30	41,800
118 Harrisburg, Pa.	430,490	37	159,300
119 La Crosse-Eau Claire, Wis.	226,690	25	56,700
120 Sioux City, Iowa	192,180	26	50,000
121 Augusta, Ga.	258,020	21	54,200
122 Lubbock, Tex.	126,620	33	41,800
123 Burlington, Vt.-Plattsburgh, N.Y.	211,640	20	42,300
124 Montgomery, Ala.	179,720	21	37,700
125 Lafayette, La.	215,310	23	49,500
Average for markets 101–125		**26**	
Average for markets 1–125		**27**	
126 Abilene-Sweetwater-San Angelo, Tex.	113,090	28	31,700
127 Wausau-Rhinelander, Wis.	163,700	26	42,600
128 Columbia-Jefferson City, Mo.	132,530	23	30,500
129 Odessa-Midland-Monahans, Tex.	113,630	32	36,400
130 Lexington, Ky.	149,340	19	28,400
131 Cadillac-Traverse City, Mich.	183,420	22	40,400
132 Savannah, Ga.	121,150	19	23,000
133 Las Vegas	84,940	42	35,700
134 Huntsville-Decatur, Ala.	143,460	19	27,300
135 Bakersfield, Calif.	157,440	38	59,800
136 Yakima, Wash.	139,410	30	41,800
137 Boise, Idaho	97,160	30	29,100
138 Austin, Tex.	166,380	21	34,900
139 Harlingen-Weslaco, Tex.	80,720	19	15,300
140 Bangor, Me.	131,700	21	27,700
141 Chico-Reading, Calif.	137,450	32	44,000
142 Alexandria, Minn.	111,000	21	23,300
143 Topeka, Kan.	141,870	21	29,800
144 West Palm Beach, Fla.	281,760	30	84,500
145 Eugene, Ore.	138,090	34	47,000
146 Macon, Ga.	121,700	21	25,600
147 Albany, Ga.	162,070	20	32,400
148 Wilmington, Del.	186,730	23	12,900
149 Beckley-Bluefield, W. Va.	289,860	22	63,800
150 Tallahassee, Fla.	177,400	21	37,300
Average for markets 126–150		**25**	
Average for markets 1–150		**26**	
151 Florence, S.C.	217,9[illegible]0	22	48,000
152 Reno	81,310	33	27,800
153 Alexandria, La.	154,200	20	30,800
154 Meridian, Miss.	116,670	17	19,800
155 Idaho Falls, Idaho	63,980	33	21,100
156 Utica-Rome, N.Y.	233,900	23	53,800
157 Billings, Mont.	68,510	20	13,700

PKL market rankings based upon average quarter-hour, prime-time, station total homes reached—all stations combined, NSI October/November 1967 survey.

NSI area households are as of September 1967 and are reprinted with the permission of A. C. Nielsen Co.

FOCUS ON COMMERCIALS

from page 53

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

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

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

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

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

Super 8 movies have one other advantage, too: Actually putting an

Market	Sept. 1, 1967 NSI area TV households	PKL Projections May 1968 Color-TV ownership %	Households
158 Aberdeen, Miss.-Florence, Ala.	73,550	21	15,400
159 Dothan, Ala.	121,740	20	24,300
160 Great Falls, Mont.	56,920	30	17,100
161 Roswell-Carlsbad, N.M.	73,100	28	20,500
162 Medford, Ore.	63,400	31	19,700
163 Rapid City, S.D.	64,650	23	11,900
164 Fort Smith, Ark.	96,390	13	12,500
165 Mankato, Minn.	120,940	21	25,400
166 Clarksburg-Weston, W. Va.	145,840	19	27,700
167 Marquette, Mich.	65,300	19	12,400
168 Ottumwa, Iowa	99,590	24	23,900
169 Cheyenne, Wyo.-Scottsbluff, Neb.-Sterling, Colo.	129,260	30	38,800
170 Santa Barbara, Calif.	200,680	40	80,300
171 Eureka, Calif.	51,400	29	14,900
172 Watertown, N.Y.	75,490	24	18,100
173 Ensign-Garden City, Kan.	48,980	32	15,700
174 Bismarck, N.D.	55,450	20	11,100
175 Minot, N.D.	41,840	15	6,300
Average for markets 151–175		**24**	
Average for markets 1–175		**26**	
176 Columbus, Miss.	94,760	14	13,300
177 St. Joseph, Mo.	188,420	24	15,200
178 Panama City, Fla.	137,800	23	31,700
179 Butte, Mont.	69,320	26	18,000
180 North Platte-Hayes-McCook, Neb.	58,100	30	17,400
181 Greenwood, Miss.	96,540	19	18,300
182 Mitchell-Reliance, S.D.	57,040	16	9,100
183 Tyler, Tex.	129,200	19	24,500
184 Hattiesburg-Laurel, Miss.	124,150	22	27,300
185 Casper, Wyo.	46,400	24	11,100
186 Manchester, N.H.	1,132,440	24	271,800
187 Grand Junction-Montrose, Colo.	50,350	22	11,100
188 Biloxi, Miss.	128,440	21	27,000
189 Harrisonburg, Va.	108,500	21	22,800
190 Salisbury, Md.	56,340	22	12,400
191 Ardmore, Okla.-Sherman-Denison, Tex.	76,230	17	13,000
192 Fort Myers, Fla.	45,330	27	12,200
193 Lake Charles, La.	87,250	22	19,200
194 Hays-Goodland, Kan.	64,170	24	15,400
195 Lima, Ohio	95,150	34	32,400
196 Twin Falls, Idaho	33,030	29	9,600
197 Yuma, Ariz.	32,470	25	8,100
198 Tupelo, Miss.	69,870	10	7,000
199 Missoula, Mont.	59,700	26	15,500
200 Lufkin, Tex.	50,210	14	7,000
Average for markets 176–200		**22**	
Average for markets 1–200		**26**	

Market	Sept. 1, 1967 NSI area TV households	PKL Projections May 1968 Color-TV ownership %	Households
201 Ada, Okla.	106,600	20	21,300
202 Jonesboro, Ark.	102,680	18	18,500
203 Williston, N.D.	31,670	20	6,300
204 Presque Isle, Me.	23,990	18	4,300
205 Jackson, Tenn.	93,560	16	15,000
206 Fort Dodge, Iowa	57,190	21	12,000
207 Zanesville, Ohio	51,290	36	18,500
208 Florence, Ala.	35,460	15	5,300
209 Klamath Falls, Ore.	26,210	28	7,300
210 Bellingham, Wash.	118,010	28	33,100
211 Dickinson, N.D.	30,160	18	5,400
212 Laredo, Tex.	15,550	14	2,200
213 Lafayette, Ind.	58,060	26	15,100
214 Parkersburg, W. Va.	43,790	19	8,300
215 Riverton, Wyo.	14,600	17	2,500
216 Bowling Green, Ky.	180,240	20	36,000
217 Pembina, N.D.	23,850	15	3,600
218 Glendive, Mont.	4,170	17	700
219 Muncie-Marion, Ind.	129,890	42	54,600
220 Selma, Ala.	15,170	19	2,900
Average for markets 201–220		**21**	
Average for markets 1–220		**25**	
Akron, Ohio*	298,980	35	104,600
Worcester, Mass.*	181,850	30	51,600
Anderson S.C.*	27,320	27	7,100

** Not included in PKL ranking.*

PKL market rankings based upon average quarter-hour, prime time, station total homes reached—all stations combined, NSI October–November 1967 survey.

NSI area households are as of September 1967 and are reprinted with the permission of A. C. Nielsen Co.

NIELSEN ESTIMATES OF MAY 1968 COLOR-TV OWNERSHIP

Nielsen Territory	TV households	May 1968 Color-TV ownership %	Households
Northeast	14,723,910	27	3,898,900
East Central	9,034,590	28	2,570,300
West Central	10,102,510	29	2,897,400
South	13,619,820	23	3,094,500
Pacific	8,568,360	34	2,943,200
Total U.S.*	56,049,190	27	15,402,300

** Excluding Alaska and Hawaii.*

idea on film, even in home movie style, may reveal to the creator of the idea, difficulties he had not foreseen in the comfort of his office. In this sense, it is a highly educational technique, and much to be recommended for beginners and experts as well.

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

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

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

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

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

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

"Reproduced for C84 Students only"

EDITORIAL

The network commodity market

The FCC: its future is in doubt

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

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

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

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

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

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

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

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

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

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

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

The FCC itself will probably make little contribution to the dialogue about the future of communications regulation. It lacks the resources in money and manpower to do much long-range thinking on specific subjects, let alone on the general future of regulatory management. And that in itself may be a clue for the Congress to pursue.

We produce and broadcast more kid shows than any other TV station around. And we do it well. For instance, our Bozo Show has 3 clowns, a ringmaster, a 13-piece band and a live studio audience of 200 hollering kids.

WGN
TELEVISION · CHICAGO

There's no TV station like our TV station.

Serendipity

That's the plus you get with every Reeves Color Videofilm* tape-to-film transfer. It's that little extra that makes the difference. True blues, real reds, white whites, and all. Excellent color rendition and absolutely consistent quality that assures you of exact, uniform reproduction in every market. Everything that you've come to expect from Reeves.

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

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

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

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

REEVES
SOUND STUDIOS
A DIVISION OF REEVES BROADCASTING CORPORATION
304 EAST 44TH STREET, NEW YORK, N.Y. 10017. (212) OR 9-3550 TWX 710-581-4388

*TM Reeves Sound Studios