

against broadcasters knowing they need [the show] versus giving it the time period it needs to get visibility and ratings."

Though less extreme, similar scheduling patterns are evident with network series. These series are often shuffled around in the schedule by either the network or the affiliates. They are also more likely than other shows in the Saturday lineup to be pre-empted by sports programming. NBC's *Name Your Adventure* airs at 8:00 AM in the crucial Los Angeles market. Though generally satisfied with the network's handling of the show's content, producer Kerri Friedland said: "I'm not happy with the scheduling, because we're a teen show. As a teen I didn't get up till 11" (personal communication, Jan. 10, 1994). Though 92 percent of the affiliates air the show, explains Robin Schwartz, Manager of Saturday Morning and Family Programs for NBC, "everyone airs it at different times" (personal communication, Jan. 7, 1994). ABC's *Cro* has a similar scheduling problem. On most ABC stations it is shown at 7:00 AM, according to CTW's Marjorie Kalins. "The fact that anybody is watching it is amazing" (personal communication, Jan. 10, 1994).

As several sources explained to us, any program on the Saturday schedule after 11:00 AM runs a very high risk of being pre-empted by network or regional sports programming. This is especially a problem for the West Coast. If the network carries a football game that begins at 2:00 PM in the afternoon on the East Coast, it will knock out all the regular children's shows after 11:00 AM on the West Coast. Typically, "FCC friendly" shows found themselves in this "pre-emptible time slot". The ABC series *Citykids* was a casualty of such scheduling. Debuting on the network in fall, 1993, the series was scheduled first at 11:30 on Saturdays. A few weeks later it was shifted to noon. Off the air for several months, it was put back on the schedule at 11:30 AM in early 1994. During its checkerboard run on the network, the show was repeatedly pre-empted by college football games. It finally disappeared from the schedule altogether in February, officially in "hiatus" according to networks executives (Schatz, 1994).

In its first season on CBS, *Beakman's World* has also suffered the vicissitudes of unfortunate scheduling. Stations reschedule *Beakman's World*, but most carry it at 12 noon (11:00 AM West Coast), where the potential audience is good but pre-emption is always a threat (personal communication, Linda Kazynski, CBS, Jan. 14, 1994). Between the beginning of December 1993 and the end of March 1994, the show was pre-empted on the West Coast 14 out of 17 weeks, due to sports programming, including CBS coverage of the Winter Olympics.

- 5. Current business practices -- especially in the syndication market -- have made it almost impossible for educational and informational programming to gain entry and survive in the marketplace.**

Though many of the practices described to us by the respondents in this study have apparently gone on for years, we were told that they have intensified recently, creating significant barriers for new programming that does not conform to the highly successful formulas currently dominating the children's TV marketplace.

Most series in today's children's television market are part of a merchandising and licensing package, with heavy financial and creative participation by major toy companies that manufacture and market "licensed characters" and other products related to the show. The series are, in effect, advertising vehicles for the licensed products, as many of those we interviewed frankly admitted.

These elaborate merchandising packages can reap enormous profits. The most recent illustration is the highly popular *Mighty Morphin Power Rangers*, produced by Saban Entertainment for the Fox Children's Network. Toy licensee, Bandai Company (one of 40 companies with licensed products based on the show), grossed \$25 million to \$30 million in wholesale revenues last year, according to industry trades. Typically the series producers receive between 6 and 8% of the gross earnings. Stations carrying the

show will also receive a percentage of merchandising revenues (Freeman, Dec. 20, 1993).

None of these successful product sales would occur without the exposure to the child audience provided by television.

In the syndication market, with toy companies underwriting much of the production and promotion costs, television series are generally offered to stations on a "barter" basis. This means that the station gets the show free, along with half of the advertising time (usually between 2 1/2 to 3 1/2 minutes for a half-hour show) which it sells to local or national advertisers. The remainder of the time is sold by the distributor to national advertisers who generally need to reach between 75 and 80% of the country in order to participate. For the station, no outlay of cash is required, and the sale of its portion of ad time can generate considerable income. One of the interviewees informed us that many stations have no programming budgets at all for children's programs, since they can fill their schedules with free programming.

Because there is so much money to be made in merchandising and because toy companies depend on television to market their products, competition for access to the child viewer has become particularly fierce in recent years. As a result, it has become commonplace for toy companies to use their substantial resources to strike elaborate deals in order to guarantee a good time slot. In big cities such as New York, Chicago, and Los Angeles, which are crucial for a national market, television stations often demand that in addition to the program, the toy manufacturer associated with a series spend a million or more dollars for advertising time on that station's overall schedule. "You need to have a program that's paid for, first, but then you also need further support, to get stations to clear [or carry] it," explained Squire Rushnell, former Vice President of Children's Programming at ABC and now President of his own distribution company. "*Sonic the Hedgehog* doesn't make it because it's a good program. It makes it because Sega is willing to put in extra dollars for advertising and promotion. So if

you're going, say, to a station in Chicago, the company has to be ready to put more advertising dollars into that market because otherwise, the station might go with a Hasbro-related program." Rushnell says that his company decided to leave the field because of the complexity of the dealmaking (Personal communication, March 10, 1994).

In addition to demands for ad dollars, stations may insist on cash payments from the distributor to get a program scheduled during an advantageous time period. "It has become so competitive that people are doing everything to get their programs in a good time slot," explained Allen Bohbot. "If that means pledging advertising, if it means doing incentives, cash payments, whatever it takes, that's what you do. It's not a good practice, but it's reality" (personal communication, March 14, 1994).

These conditions are further compounded by the fact that there is very little room in the syndicated children's schedule anyway, with a few large distributors controlling most of the market. "Fox Kids' Network dominates the market," explained Robert Jennings, Vice President of Research and New Media Development for Warner Brothers. "Disney is the only other player with a significant hold on the five-day-a-week market." He also pointed out that with Paramount and Warner Brothers launching new networks of their own, there would be even less room on independent stations for other programmers (Personal communication, Jan. 6, 1994).

These practices have placed almost insurmountable obstacles before the producers and distributors of educational and informational programs. One producer, who was only willing to speak off the record, bitterly related his experience with the children's syndication market. After agreeing to a million dollar ad time buying arrangement to get a good time slot on a TV station in a major market, he was approached halfway through the season by the same broadcaster, who demanded another half million to keep the show on the air. Unable to pay such a price, and deeply disturbed by the request, the producer decided to pull the show entirely. "It's ultimately blackmail and extortion," he charged, "and it's unconscionable."

Scheduling is a life and death matter, because national advertiser dollars depend on ratings, which are powerfully affected by time slots. The teen show *Scratch*, which had received a "Service to Children" award in 1992 from the National Association of Broadcasters, was a typical casualty of scheduling that reflected low priorities for educational and informational programming. It managed to clear 85 percent of the country, but went out of syndication in January 1994 because stations put the program on either very early or, less commonly, in the noontime pre-emption zone. The show couldn't make its teen rating guarantees.

"The stations all love the show, but they don't want to make the commitments," said Bob Muller, *Scratch* syndicator and President of Muller Media (personal communication, Jan. 5, 1994). "If 25 decent sized stations out of our 134 gave us a later time period, we and they would be very successful. There's nothing you can do. You're at their disposal." Producer Kent Takano, a survivor of two seasons and profoundly discouraged, said, "We can't make it work because the stations don't comply with their whole heart. I work out of a station, so I understand the dollars and cents, but as a producer, sometimes you want to say, if you're going to treat the show like this why take it at all?" (personal communication, Jan. 4, 1994).

Other programmers of syndicated programs find cavalier station treatment of the programming both discouraging and financially devastating. *Peppermint Place's* Jerry Haynes noted that although 108 markets eventually took the live-action show for young children, stations usually placed it in early morning hours. "It was a gimme," he said. "They put it on in order to say, 'This is our children's show.'" *Peppermint Place* now reaches 10 markets, mostly through the station group where it is produced (personal communication, Jan. 4, 1994). Even on rock-bottom budgeting, *What's Up Network*, a Kansas City-produced tween reality show, is not financially viable, because placement discourages national advertisers. They are uninterested both because station clearances have not reached 80 percent and also because the show is placed at very early hours

(Kristi Boyer, personal communication, Jan. 5, 1994). Another producer, describing why he refused to put his series on the market on a barter basis, said: "They stick it on in the 5:00 AM time slot to meet the FCC requirements, and then they don't deliver the ratings. They get something for nothing and we get screwed."

The fate of Turner Broadcasting's *Real News for Kids* dramatically illustrates how the brutal mechanisms of the syndicated marketplace, combined with half-hearted station compliance with FCC regulations, can doom a show to fail. A half-hour weekly news program developed in response to the Children's Television Act, *Real News for Kids* features children reporting on current news stories each week. The show is targeted to 8-13 year olds. To guarantee stations would carry the show, it was offered during its first year on a barter basis. Because stations were getting it for free, it cleared 100% of the markets, enabling Turner to sell its portion of the commercial time to national advertisers.

However, because the other shows with lucrative merchandising deals were able to buy their way into the best time slots, *Real News for Kids* found itself relegated on many stations to the pre-dawn periods that were becoming the ghetto of so-called "FCC-friendly" shows. John Walden, Senior Vice President of Marketing and Sales at Turner Program Services, explained, "We're never going to be able to compete with money, so they are not our competitor. It would be like a fencer going up against a football player. They play a different game" (personal communication, April 1, 1994). Many stations didn't even try to sell the ad time they got with the free show, instead just running public service announcements. It was clear that they were treating it only as a regulatory obligation. Not surprisingly these marginal time slots failed to generate a sizable national audience and the advertisers who had bought time in the series for the first year were not interested in doing so for the second season (personal communication, Jerry Krieg, April 21, 1994).

Without enough national advertisers to underwrite the show, distributors were forced to offer it on a "cash" basis the following year. This meant that stations would have to pay for the rights to air the show, but would then be able to sell all the ad time. Only half of the stations in the line-up would agree to pay money for the series and it was canceled effective September 1994 (personal communication, Jerry Krieg, April 21, 1994).

6. The impact of government and public pressure on compliance with the Children's Television Act appears to have been short-lived.

By the late January 1994 NATPE convention, at least six of the syndicated shows among the 20 viable ones on *Electronic Media's* July listing had been withdrawn from the market; NATPE business in the remaining shows was wan (Anonymous, 1994; Charles Sherman, National Association of Broadcasters, personal communication February 3, 1994) (Freeman, 1994c, p. 28). Only two "FCC-friendly" shows -- *3-2-1 Contact*, -- and the NBC-station-group *News for Kids* -- were featured in *Electronic Media's* reporting of the convention (*Electronic Media*, Jan. 31, 1994). "Major syndicators are only introducing five new educational series for Fall 1994," reported *Broadcasting & Cable*, "compared with nine such shows this time last year" (Freeman, 1994b).

The explanation offered by many in the industry is that these shows simply couldn't garner sufficient ratings to survive in the marketplace. The performance of many of the weekly syndicated programs, and some of the network shows, was poor. But as this report has documented, it should hardly be surprising that educational and informational fare, after a bold start at the beginning of 1993, made such a weak finish. It entered the market under a brutal financial and scheduling handicap, supported at the outset by the promise of regulatory vigor. The failure of most educational and informational programming demonstrates the weak commitment of broadcasters to such programming. The prevailing belief that "kids won't watch educational programs"

has become a self-fulfilling prophecy. Broadcasters by and large made room in their schedules only at hours when most children were not yet awake or when sports programs regularly pre-empted them. They mostly invested little in programs, often accepting barter syndication deals by deal-hungry syndicators, and did virtually nothing to promote them. Networks, where a small handful of new, well-researched shows were developed, demonstrate the outer limits of broadcaster efforts.

7. However, regulation did have an effect on the market, when broadcasters believed it might be enforced.

It is clear that when regulatory commitment to the spirit of the Act was demonstrated, the market responded. The controversy generated in early 1993 by children's and public interest organizations, followed by a flurry of government gestures, resulted in a dramatic network appetite for new production, a clutch of station-produced syndicated programming, and a dozen or so successful first-run syndication ventures.

Producers with a commitment to educational and informational children's television repeatedly emphasized the importance of regulation to their aspirations. For instance, Robby London at DIC hopes that further enforcement might make possible preschool programming that DIC has long wanted to do, but which broadcasters have always regarded as unprofitable because the age group has so little spending power. Joe Benty, producer of ill-fated teen live action show *Mental Soup*, believes that the Act helped the show get into the 65 percent of U.S. markets that it cleared before disappearing in July 1993. He was hoping for an early decision on the FCC Notice of Inquiry, and when no action was taken over the summer he said, "I think that really slowed things down. People felt they had a little while longer, and didn't really have to comply" (personal communication, Jan. 10, 1994).

The network announcements for the 1994 television season suggest that many of the patterns identified in this study are continuing. While NBC's *Name Your Adventure* is scheduled for 10:00 AM, the other networks have placed their Saturday morning "FCC friendly" programs in pre-emptible time slots and have also put several of them at the same time. ABC's *Cro* will be on at noon, followed by the *ABC Weekend Special* at 12:30 PM; *Beakman's World* retains its noon slot, followed by *CBS Storybreak*. And Fox's *Where on Earth is Carmen Sandiego?* will be on at 11:30 AM (McClellan, April 11, 1994).

There is also some indication, however, that pending FCC action on the current Notice of Inquiry may be influencing programming decisions. One of the hopeful signs of the new season is Fox's recent announcement of a 5 day a week "stripped" series of half-hour children's programs. Entitled *Fox Cubhouse*, the series will air at 8:00 AM weekdays, and will feature three different programs: a twice-weekly nature program, co-produced by Henson Productions and a British company; *Johnson and Friends*, a co-production of WQED and Film Australia; and a pre-school program from DIC, called *Rimba's Island*, focusing on music and movement (McClellan, April 11, 1994).

Fox is the first network to launch a daily children's program since passage of the Children's Television Act in 1990. The decision may well be related to Fox's recent move to expand its ownership stake into a number of stations now affiliated with the CBS network. Requests by Fox affiliates had influenced the network's earlier decision to launch *Where on Earth is Carmen Sandiego?*, according to Ann Knapp, Director of Programming for the Fox Children's Network. In deciding on the weekday children's educational series, Fox seemed to be anticipating a decision by the Federal Communications Commission to specify a daily or weekly programming minimum. "Six days a week -- at least a half hour a day -- of educational programming," Knapp noted. "We think that's what the FCC may very well require" (personal communication, Jan. 13, 1994).

8. **The FCC's implementation rules for the Children's Television Act must be strengthened and clarified in order to counter the powerful forces of the commercial television marketplace.**

The children's television marketplace today is not a level playing field for educational and informational entrants. It is heavily skewed toward programs with licensed product possibilities, which can attract deep-pocket, usually toy-company investors. The million dollar deals that toy companies make to get their shows on at desirable time periods raise disturbing questions about who is really setting the agenda for what America's children will see over the public airwaves. It is because the powerful marketplace forces work against children, that we need effective public policies to counter them.

The current rules for implementing the Children's Television Act, which were issued in 1991, are clearly inadequate. If the Act is going to have a lasting and meaningful impact, the rules will need to be clarified and strengthened: stations should not be getting credit for token "FCC-friendly" programs that air before 7:00 AM; the definition for what is educational or informational must be clarified; and a processing guideline of an hour a day of educational and informational programming must be instituted to ensure that all children will have access to a diversity of programming designed to meet their needs.

Just as deregulation in the early 80s significantly affected the children's marketplace, the Children's Television Act -- if given more force and clarity -- could alter the current dynamics of that marketplace in a way that will benefit children.

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