APPENDIX M

Television Bureau of Advertising, *Competitive Media Pros/Cons*

Television Bureau of Advertising, *Radio is Sound, But...*

Television Bureau of Advertising, *Citizen Cane is Still Alive...or how newspapers use smoke and mirrors to hide the facts*

Television Bureau of Advertising, *Putting the Finger on Yellow Pages Advertising*

Television Bureau of Advertising & Bruskin/Goldring Research, *1990 Media Comparisons*

Television Bureau of Advertising, *Trends in Media: Audience, Cost, CPMs*

COMPETITIVE

Cons

Direct Mail **Targeting capabilities**—direct mail can target people, for example by household income, through the use of zip codes, lists sold by organizations which get high response or orders from their lists. It can target by location—households or people within cities or regions. **Frequency**—direct mail can be sent repeatedly to the same households or people. **Flexibility in use and marketing**—it can both range in size, content and quality as well as be geared to timeliness in new-product introduction, seasonal offers, sales price. **Sales results**—since direct mail generally asks for the order, it can achieve results which can also be measured to help advertisers plan for repeated results. **Media synergism**—work in tandem with other advertising media, direct mail can reinforce a campaign and strengthen the impact of other media. For example, as a print medium, direct mail can provide extensive details in size, price levels, number of items per package, and so on.

Radio **Personal**—radio stations are perceived as personal, one-on-one by listeners for two main reasons: Stations are formatted to one type of programming, and listeners tune to favorite stations based on personal programming preference. Radio is a sound-only medium, and this appeals to the individual imagination. **Station loyalty**—because of format preferences, listeners tend to tune to the same one or two stations the majority of the time. **Coverage**—radio signals are far-reaching, so advertisers can benefit by pulling potential customers from the full local marketing area a station serves. **Time spent**—listeners spend a lot of time tuned to their favorite radio stations. **Flexibility**—a strong advertiser advantage of radio is the ability to make last-minute copy changes, since radio is sound-only. **Selectivity**—because radio stations reach the same listeners repeatedly, an advertiser can use stations whose audiences match specific target customers. **Low cost**—radio can be relatively inexpensive to buy if few stations are used.

CONS

Direct Mail **Cost**—both physical production and mailing lists can be very expensive. Depending on paper quality, printing technique, numbers of pages and actual distribution costs—generally postage costs, but sometimes house-to-house delivery through carriers—production and distribution can run high. When lists are purchased, the cost per thousand can be costly. The larger and more extensive the campaign, the higher the investment. **Advance planning**—direct mail requires substantial lead time. It also calls for careful checking of wordage, pricing, any co-op agreements and merchandise offers must be well inventoried. **Impact**—literally billions of pieces of direct mail in all its forms are distributed to U.S. households in the course of a year. More than one third of all mail handled by the postal system is direct mail. The result of this barage on the average household is that much of it is never opened but placed directly into the waste basket. So impact is extremely difficult to achieve. **Competition**—the quantity of direct mail breeds competition for a share of the receiver's attention. Similar advertisers tend to use direct mail in much the same way, so it is difficult to establish identity. Seasonality creates competition, as companies pursue the marketplace with the same or similar products at the same times of the year.

CONS

Radio **Audience fractionalization**—because there are a great number of radio stations per market, each with its own loyal audience, the market delivered by radio is sliced in many segments. This makes reaching a substantial audience of different people difficult and expensive to buy. **Impact**—while radio gets the impact of sound, it cannot appeal to people visually as other media do. As a result, radio tends to be a background medium; the listener doesn't always give radio full attention but gets involved in other activities while listening. **Control**—radio's largest audiences are delivered in drive time—a morning audience. To reach substantial audiences at other times of the day is more difficult, so advertisers don't always benefit importantly from reach and frequency across the day or from other non-drive-time hours which could be of value to the retail advertiser in particular who must repeatedly build an audience for next-day sales.

Yellow Pages **Near-total coverage**—directories are distributed to almost every household, as well as businesses and many public places where there are telephones. **Immediate access**—their availability and the fact that they're generally kept as a reference source allows people to check them whenever their need is seen. **Extensive content**—their multiple listings and cross-listings answer broad business and consumer requirements. **Flexible in advertiser placement**—they provide multiple choices in ad size display, and often color (a blend of red and black inks on yellow can produce various color shades). They also provide a single, year-buy, for an ad placed in an annual directory will run uninterrupted for that year.

Out-door **Frequency**—outdoor advertising can reach the same audience, generally the car-driving public, repeatedly. If placed in a neighborhood, it can target people locally. If placed on major, long-distance highways, several outdoor ads from the same advertiser can reach the same drivers a number of times. **Recall**—the simplicity and dominance of outdoor advertising can establish a message, product, company in the viewer's mind. **Flexibility**—outdoor advertising can run to sizes which are so large as not to be missed. They offer color, and often choice location.

CONS

Yellow Pages **Competition**—there are in excess of 6000 yellow pages directories today, predicted to increase in number. In addition to telephone company publications, many of them now competing in both their own and other telephone companies' regions, other publishers issue single- and multiple-city editions to bring total publishers to over 180. **Duplication**—with a growing number of directories now being distributed to the same household or place of business, a choice must now be made as to which directories to check. Advertisers must decide whether to use one directory or several, in addition to choosing numbers of listings within single directories. **Passive**—unless a pre-need exists, yellow pages listings are not checked. **Lack of marketing capabilities**—there is no opportunity to promote seasonal selling or sales events. The only way to add advertising weight is to dominate in ad size within the extreme competition from other extensive advertiser listings.

CONS

Out-door **Limited reach**—in neighborhoods it reaches those who pass by the same location, but no new people. On major highways it reaches long-distance drivers but not local people. **Limited messages**—outdoor can only give a single, quick message which must be caught by the eye of the passerby. It does not allow for product details or more than a single, chief sales benefit or name identification. **Low public opinion**—in some areas of the country—such as cities and major highways—outdoor advertising is either currently banned or long-term actions to ban it are in process. Many people share the opinion that outdoor advertising is an eyesore which is destructive to the beauty of communities and the countryside.

Newspapers **Detail**—the newspaper advertiser can include as many facts about items, prices, sizes, locations as choice of space and type size can provide. **Flexibility**—depending on budget, newspaper space can run from double-truck ads—two full, facing pages—to a classified listing. Additionally, since a newspaper can be expanded to accept extensive advertising, the major, multi-page advertiser can run many ads in a single edition. **Upscale audiences**—of a newspaper's readers, newspapers do best in both reach and time spent with better-educated, upper-income people who are more interested in keeping informed. **"Clippable"**—as a print medium, newspaper ads as well as any coupons in the ads can be clipped, saved, referred to, used in shopping trips and price comparisons. **Coverage**—to extend coverage beyond circulation, many newspapers offer advertisers TMC—total market coverage—where newspapers may be delivered free to non-subscribers (generally on a weekly basis) or when an advertiser's special insert is delivered to non-subscribers of the newspaper.

Cable **Targeting**—homes subscribing to cable systems, which provide various programming formats, are considered by some advertisers to be an effective route to specific demographics. The local cable system, which brings over-the-air television into the home, also brings very specialized cable channels of all sports, movies, music video. If the home additionally subscribes to pay cable, it extends the selection of programming. Often, advertisers whose products or demographics match the type of programming carried on cable—i.e., sporting goods on sports programming—may see this as an ideal environment in which to advertise. **Attributes of television**—since cable is viewed on the television set, and is often perceived as regular, over-the-air television, it offers the same sight, sound, motion and emotional involvement of television. **Long commercials**—most over-the-air television broadcasters are hesitant about accepting commercials which run above standard lengths. But cable systems will accept messages which may run five minutes or longer. For the advertiser who believes a lengthy message will be of value to the viewer, cable offers this opportunity.

CONS

Newspapers **Decreasing circulation; increasing costs**—in most cities newspaper circulation has been steadily dropping. Simultaneously, the rising cost for a newspaper to do business has raised space costs. The result? The advertiser is paying a steadily higher cost per thousand circulation to reach fewer newspaper readers. **Reach and readership**—there has been a marked and dramatic erosion in the number of people reached by newspapers and the time people spend reading them. Most serious is newspapers' difficulty in delivering younger people—the active shoppers and buyers crucial to business today and tomorrow. **New prospects**—as essential as new customers are to advertisers, newspapers tend to be read by the same people, and newspaper advertising skews to reaching an advertiser's current customers. So expanding a customer base is difficult. **Competition**—every year, ads in newspapers widen their edge over editorial content—currently 62% advertising, 38% "other" on average. With so much advertising, it is difficult for an advertiser to dominate. **Dwindling newspapers**—many major newspapers have gone out of business, and in many cities there is only one newspaper in which to advertise. This has cut opportunity for reach and frequency. **Coverage**—major dailies reach the inner city and its immediately surrounding area—the retail trading zone—but they do not cover the vitally important suburbs. To reach suburban markets with newspapers, an advertiser must buy many local weekly newspapers.

CONS

Cable **Fractionalization**—often many different cable systems will carve up a market, so the system cannot reach the full market. For example, one part of a market may receive the system, while other parts of the same market do not. Also, there are above 7400 cable systems in the country, and very few—1.7% of total—have 50,000 or more subscribers. The majority have fewer than 1000 subscribers. In fact, of the major cable networks, none has a household coverage, total U.S., of 50%. And only one cable network—HBO—achieves at least a "1" rating in the U.S., based on looking at individual dayparts, viewed during the average minute, according to most recent quarter reported by A.C. Nielsen. **Coverage**—all cable households—both basic and pay—are as yet only equal to 47.7% of total television households. Pay cable is in 26.1% of television households. **Time spent**—while it is the television aficionado who subscribes to cable, expanding viewing levels, the vast majority of viewing is still to over-the-air television. **Advertising acceptance**—only some cable systems accept advertising. Of the major ad-supported cable networks, only three achieve within cable homes themselves at least a "1" rating (again, based on the same Nielsen report shown above). **Revenues**—with the true measure of advertiser belief in a medium the measure of revenues invested, cable ad volume is currently under 5% of television advertising, ...or slightly over $1 billion. Of all the media shown here, cable is by far the smallest in advertiser investments.

Tele-vision **Reach and time spent**—television reaches far more people far longer every single day than any other medium. A good nine of every ten adults view television more than four hours daily. **Coverage**—98.1% of homes have television, and daily viewing per television home is above seven hours per day. Television's wide-reaching signal gives advertisers access to the near-total number of homes with television where viewing is heavy. **Impact**—the sight, sound, motion and emotional involvement of television catches and holds viewer attention. **Targeting**—the size of television's audience and the fact that it includes all types of viewers makes it possible for advertisers to reach key markets of people. Television research, which tells which demographics of people are viewing when and in what quantities, becomes marketing information for the advertiser to use in targeting. **Results**—the enormous reach of target markets enables advertisers to reach potential customers repeatedly, or with frequency. As these potential customers see and re-see an advertiser's message, they are prompted to react by buying or using a product or service. **Cost**—experienced advertisers know that television is one of the most economical and efficient advertising media. It has one of the lowest cost per thousands of the media, and costs for television are based on the size of the audience delivered, making it highly affordable for the local or retail advertiser who wants to reach a single market through a local television station.

CONS

Tele-vision **Commercial production**—because of the great number of national advertisers who invest heavily in their commercial production, television production is often seen as expensive by the less experienced local advertiser. So until local, or smaller-budget, advertisers discover that low-cost production can be effective, they are often reluctant to capitalize on television's affordability in time costs. **Constancy**—as the most powerful and most direct link to the marketplace, television is a medium to be used regularly to achieve constant results. Unfortunately, some advertisers will use television only occasionally, see its benefits, and then pull out. **Uniqueness**—the size of television, and its combination of sight, sound, motion and emotional involvement, sets it apart from other advertising media. This becomes a concern to new-to-television advertisers who do not consider themselves capable of learning to use the medium. They often overlook the best example of their capability: that on their home screens there are many small-budget, local businesses using television effectively.

1276

TvB Television Bureau of Advertising, Inc.
477 Madison Avenue, New York, NY 10022
(212)486-1111

TVB

Radio Is Sound, but...

The fact that a radio station has the ability to reach a small segment of the population in its broadcast area has never been questioned.

But each year, due to an increasingly competitive retail environment, more local advertisers are investing more advertising dollars in broadcast television. Today, local advertisers invest $1.3 billion a year more in television than they do in radio. Why? Because these local advertisers know broadcast television advertising:

- reaches more of their prospective customers—whatever their sex, household income, education or occupation
- reaches more of their prospective customers for longer periods of time each day
- is perceived by more of their prospective customers as the most influential, authoritative, believable advertising medium.

On the following pages we have detailed for you all the latest facts and figures about the radio industry today...with comparable television data.

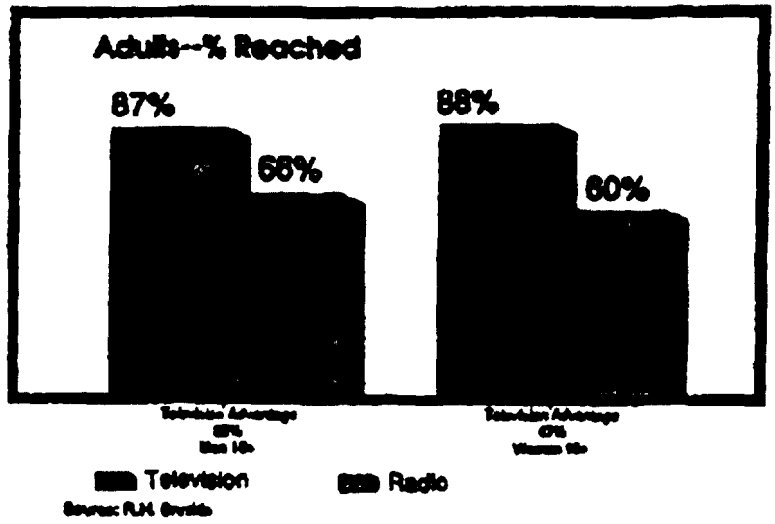
We have evaluated radio as an advertising medium by comparing it, point by point, with television.

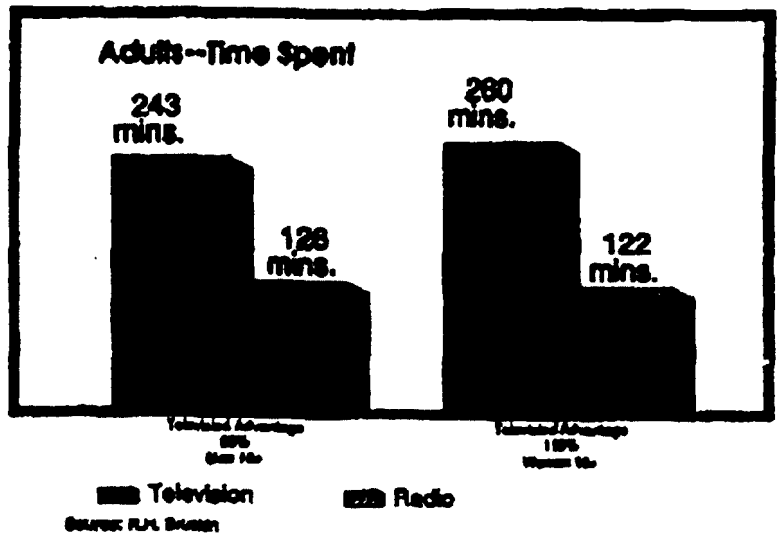
We think you will be able to judge for yourself which is the better medium to help you achieve your marketing goals and...the bottom line...which is the better medium for creating increased sales and profits.

TVB

Radio Is Sound, but... Your Customers Are Watching Television

More People Spend More Time With Television Each Day Than They Do With Radio





And every year your customers are spending more time viewing television

Daily TV Viewing
Per TV Home

1950	4 hours	35 minutes
1960	5 hours	6 minutes
1970	5 hours	56 minutes
1980	6 hours	36 minutes
1988	7 hours	3 minutes

Source: A.C. Nielsen, annual averages

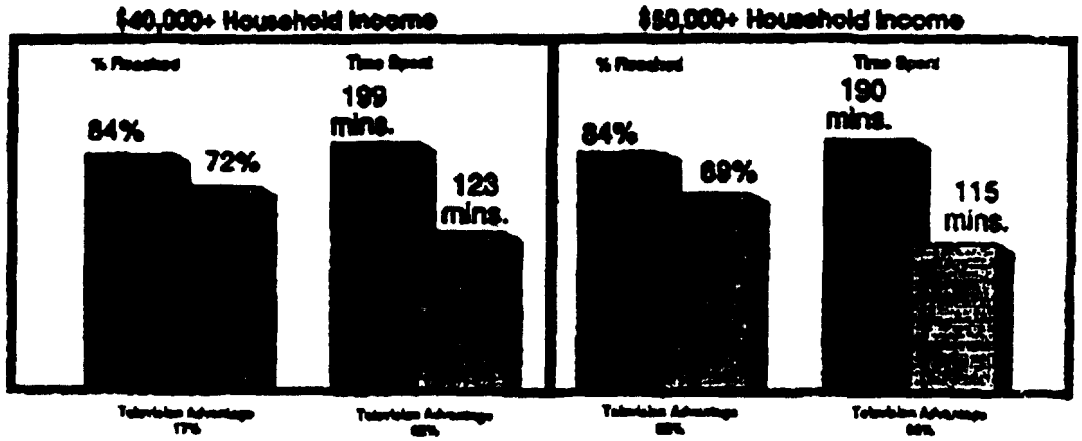
TVB

Radio Is Sound, but...
Your Target Audiences Are Watching Television

What segment of the market do you want to reach?

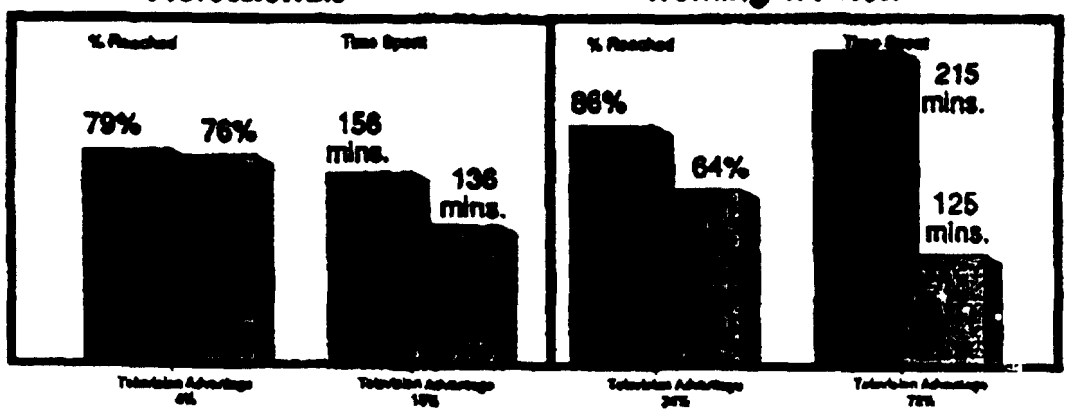
By sex, age, household income, education or occupation, you're reaching far more of them with your television advertising than you are with your radio advertising.

Upscale Adults



Television Radio
Source: R.H. Bruskin

Professionals



Working Women

Television Radio
Source: R.H. Bruskin

TVB

Radio Is Sound, but... Your Customers Believe In Television

Television's position as the number one information medium was confirmed once again by the Roper Organization in 1988.

This favorable public perception of television provides an important bonus to advertisers: prestige by association.

Which Medium Is The Source Of Most News?		Which Medium Is The Most Believable?		Which Medium Is Most Important During A Statewide Election?	
Television	**65%**	**Television**	**49%**	**Television**	**50%**
Radio	14%	Radio	7%	Radio	5%

Source: TIO/Roper, 1988

And R.H. Bruskin's latest survey confirms once again that the public perceives television to have special qualities.

These special qualities mean your advertising message is perceived as special tool

	TV	Radio
TV is 16 times more exciting	**81%**	5%
TV is 40 times more influential	**80%**	2%
TV is 10 times more authoritative	**57%**	6%
TV is 9 times more believable	**46%**	5%

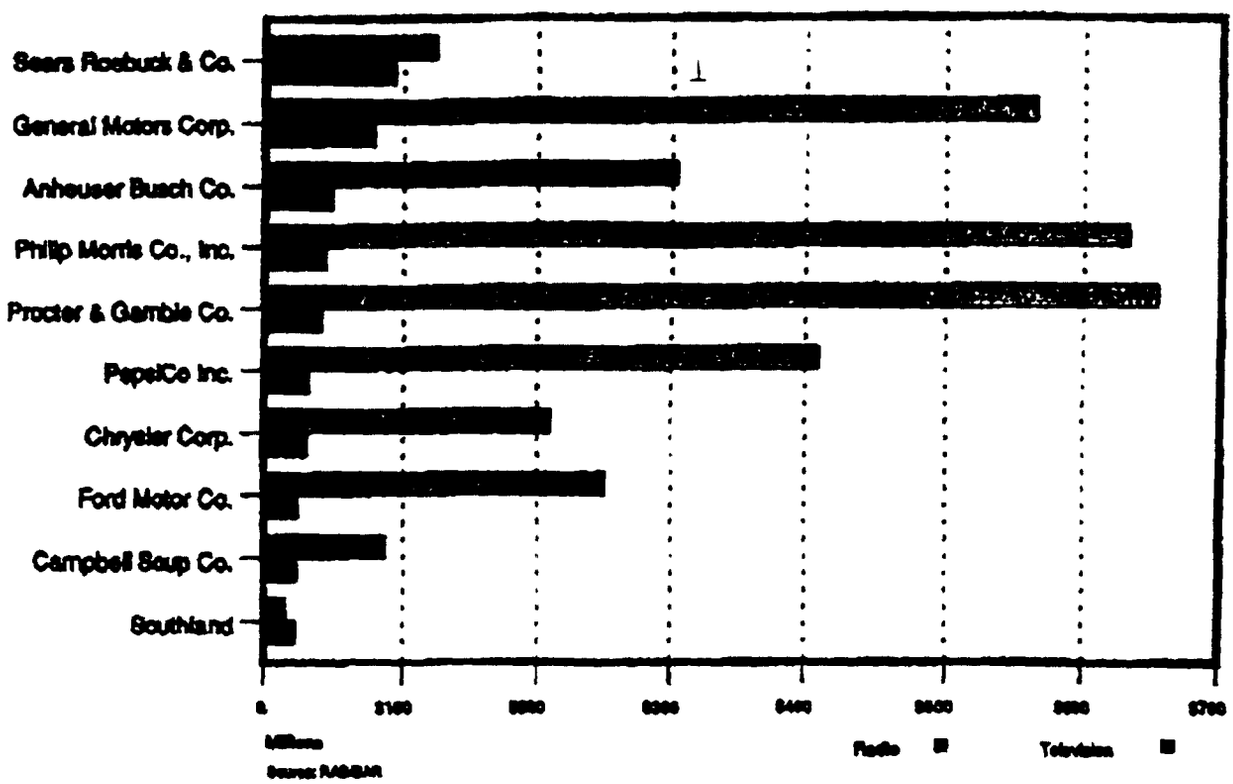
Source: R.H. Bruskin

TVB

Radio Is Sound, but...
It's A Secondary Medium

Corporate America makes its serious advertising commitment on television. Nine out of ten of the nation's largest radio advertisers spend more of their advertising dollars on television.

Radio's Top 10 Advertisers: 1988



(See figures for above chart on reverse side of this page.)

For every dollar these top 10 radio advertisers invested in radio in 1988 they invested $7.46 in their primary medium: Television

For every dollar these top 10 radio advertisers invested in radio in 1988, they invested $7.46 in their primary medium: Television

Radio's Top 10 Advertisers: 1988

		Radio	Television
1.	Sears Roebuck & Co.	$93,043,000	$123,656,400
2.	General Motors Corp.	78,440,000	564,926,400
3.	Anheuser Busch Co., Inc.	48,087,000	304,864,600
4.	Philip Morris Co., Inc.	43,562,000	633,679,800
5.	Procter & Gamble Co.	41,311,000	653,979,400
6.	PepsiCo Inc.	32,140,000	410,094,300
7.	Chrysler Corp.	30,605,000	209,785,900
8.	Ford Motor Co.	23,870,000	251,151,000
9.	Campbell Soup Co.	22,767,000	87,050,600
10.	Southland	22,108,000	14,824,000
Total		$435,933,000	$3,254,012,400

Source: RAB/BAR

TVB

Radio Is Sound, but... It Needs Television

Radio stations themselves are among TV's top 15 local television advertisers. They know the power of television to create new-listener growth.

Local Television Advertisers: 1988

1.	Restaurants & Drive-Ins	$803,967,600
2.	Auto Dealers	379,766,400
3.	Food Stores/Supermarkets	339,045,100
4.	Furniture Stores	237,920,800
5.	Banks/Savings & Loans	191,402,300
6.	Movies	185,989,100
7.	Department Stores	150,283,500
8.	Appliance Stores	138,909,700
9.	Medical/Dental Services	130,277,400
10.	Leisure Activities/Services	129,312,800
11.	Amusements/Entertainment	127,779,200
12.	Clothing Stores	121,151,500
13.	**Radio Stations**	**120,133,400**
14.	Discount Dept. Stores	115,457,700
15.	Education Services	112,062,900

Source: BAR

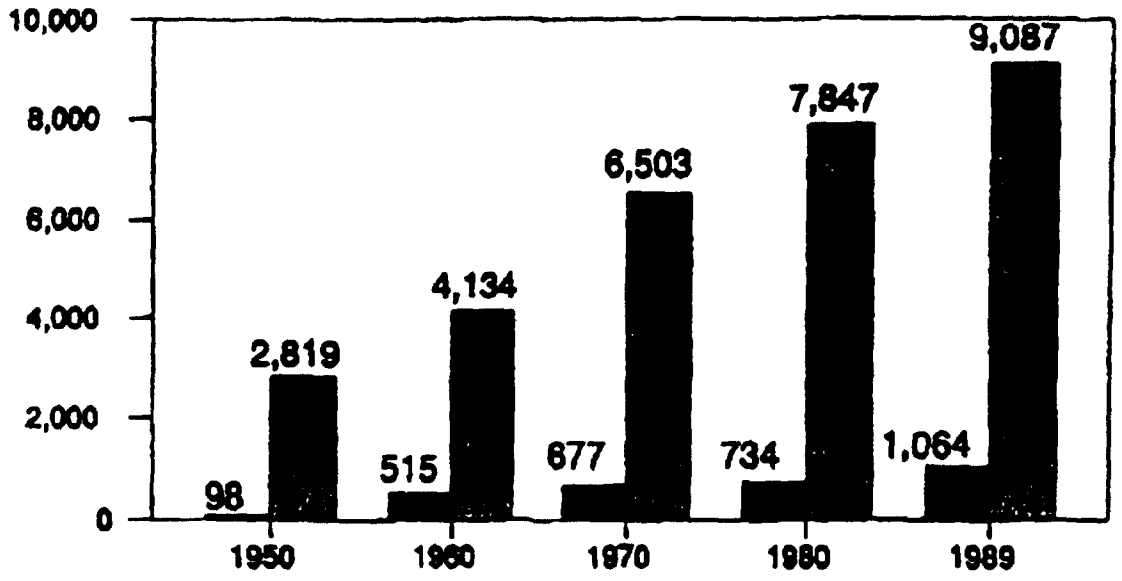
TVB

Radio Is Sound, but... It's Also Fragmented

The Number Of Radio Stations Continues To Burgeon!

More stations to choose from means an increasingly fragmented market...fewer listeners for each individual station...less impact for an advertiser's message.

Number Of Commercial Radio & Television Stations



Source: TV Digest, Broadcasting

Television Radio

There are 9,087 commercial radio stations in the country today...more than eight times the number of television stations.

More radio stations...combined with the fact that the average radio listener tunes to only two or three different formats in a week...means that any radio advertiser is facing an increasingly fragmented radio market...with fewer potential listeners for an advertising message.

Radio's near-exclusive audience per station makes it necessary for an advertiser to use almost all of the radio stations in a market to reach all the radio listeners.

With television, which is watched program by program, any individual station can cover an entire market area.

TVB

Radio Is Sound, but... It's Too Many Sounds

In addition to the abundance of radio stations in a market, radio advertisers face additional problems. The profusion of program formats means listener fragmentation.

AM/FM Stations Program Formats

Format	AM	FM	Total AM/FM
Adult contemporary	18.4%	21.0%	20.7%
Country	19.2	18.8	19.0
Rock/CHR	2.7	21.0	10.3
Album oriented rock (AOR)	0.9	9.4	4.4
Nostalgia/Big Band	9.0	0.7	5.6
Easy listening	2.0	7.8	4.4
Religious	12.9	3.9	9.2
News/talk	7.3	0.1	4.3
Black/R&B	1.7	0.5	1.2
Urban contemporary	2.4	3.6	2.9
Golden oldies	10.8	3.8	7.9
Spanish	3.6	0.7	2.4
Classical	0.4	1.6	0.9
All news	0.6	0.0	0.4
Soft contemporary (light)	0.8	2.8	1.6
Variety	1.0	0.0	0.6
New Age/Jazz	0.5	1.7	1.0

Source: Radio Information Center, March, 1989, based on 5,574 stations

Format Listening Shares

Format	AM	FM	Fall '88 Total AM/FM
AC/Soft/Oldies	5.93%	23.21%	18.39%
CHR/Top 40/Contem.	0.41	20.40	14.83
ACR/Classic	0.41	17.74	12.91
News/Talk	37.83	0.34	10.78
Country	6.82	11.63	10.29
Black/Urban	6.59	9.43	8.64
BTFL/EZ	1.30	10.27	7.77
MOR/Variety	16.31	NM	4.55
Hispanic	8.29	1.01	3.04
Nostalgia/Big Band	9.98	0.27	2.98
Jazz/New Age	0.08	2.43	1.78
Religion/Gospel	3.99	0.91	1.77
Classical	0.36	2.21	1.70
Others/Unknown	1.69	0.15	0.58

Source: American Radio/Duncan

With so many radio stations in a market, and so many different program formats, it is extremely difficult for a radio advertiser to reach more than a small segment of a target audience.

American Radio/Duncan lists 14 radio format definitions; Arbitron lists 16; Simmons lists 12. The radio industry itself is confused as to what constitutes a program format.

And with radio stations continually changing formats in hope of getting more listeners, it is becoming more difficult for a radio advertiser to know who the audience is...and who's listening to the advertising message.

A RESEARCH REPORT

CITIZEN KANE IS STILL ALIVE

...or how newspapers use smoke & mirrors to hide the *facts*

A Rebuttal to Newspapers' Claims

Prepared by the TVB Research Department

Television Bureau of Advertising, Inc., 477 Madison Avenue, New York, New York 10022 (212) 486-1111

A Rebuttal of Newspapers' Claims About Newspaper and Television Advertising

TVB's recent **Sales Power II Video Conference** featuring **John Mennenga,** of the newspaper rep firm **Sawyer Ferguson Walker,** offered you the opportunity to eavesdrop on the type of conversation that takes place between newspaper salesmen and their clients--who are your clients, or potential clients, as well.

Mr. Mennenga's comments are representative of the very way that newspapers respond to advertisers' questions regarding television. As frustrating as it is to hear those statements, we now have a much better opportunity than ever before to counter the anti-TV, pro-newspaper story as it is being told in your market today.

On the following pages you will find rebuttals to some of the larger issues such as "Newspaper Strengths" and "Television Weaknesses," which Mr. Mennenga raised in his presentation. We hope you will use these as a starting point with your sales staff to develop your own local market rebuttals.

While the information we have used is national in nature, you can replicate it with your own local market data. If you are missing any specific newspaper or television data for your market, call TVB's Research & Development Department; (212) 486-1111. We will try to fill in the blanks.

Refuting Newspapers' Claims

(1) Newspapers say *they "outreach" television.*

FACT:

During the average week, **television reaches 90 to 95%** of all adults while **newspapers reach only 70 to 80%** of all adults.

Source: TV Dimensions '91

(2) Newspapers say *their readership is increasing.*

FACT:

Between 1980 and 1990, newspaper readership continued its decline among adults in every demographic group.

Among adults 18 to 24, for example **readership declined** from 59.4% in 1980 to 53.0% in 1990.

Listed below are selected examples of the readership decline:

Daily Newspapers
Net One-Day Reach

	1980	1990	Decline 1980 - 1990
Adults:	66.9%	62.4%	-4.5%
18-24	59.4	53.0	-6.4
25-34	62.1	58.1	-4.0
35-44	70.0	65.7	-4.3
45-54	73.2	66.1	-7.1
55-64	75.1	68.7	-6.4
Men	69.2	64.5	-4.7
Women	64.8	60.5	-4.3
HH Inc.:			
$50,000+*	80.4	73.9	-6.5
H.S.Grad.	71.0	62.1	-8.9
Some College	73.8	69.0	-4.8
Mgr./Adm.*	78.5	74.6	-3.9

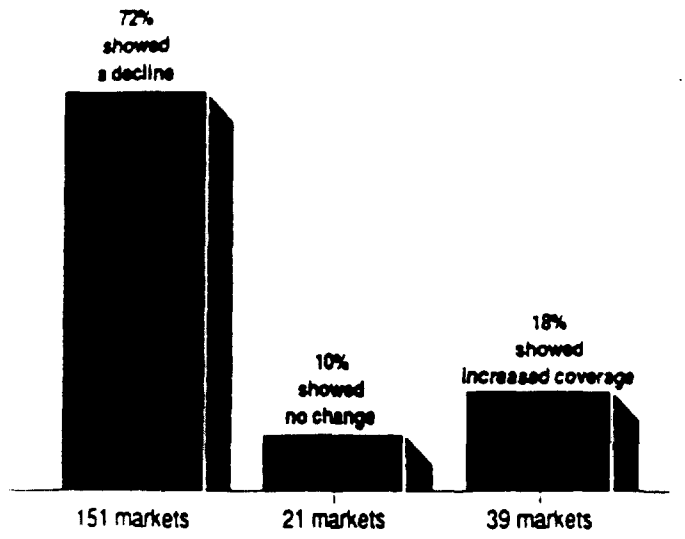
*1985 data; 1980 data n/a
Source: Simmons Market Research Bureau

FACT:

The chart illustrates the change in net household coverage by the major daily newspapers in the 211 television markets between 1985 and 1990.

Almost three-quarters of the markets **(72%) posted declines** during the five-year period, while only 18% recorded gains.

Changes in the net household coverage of the major daily newspapers in the 211 television markets 1990 vs. 1985:



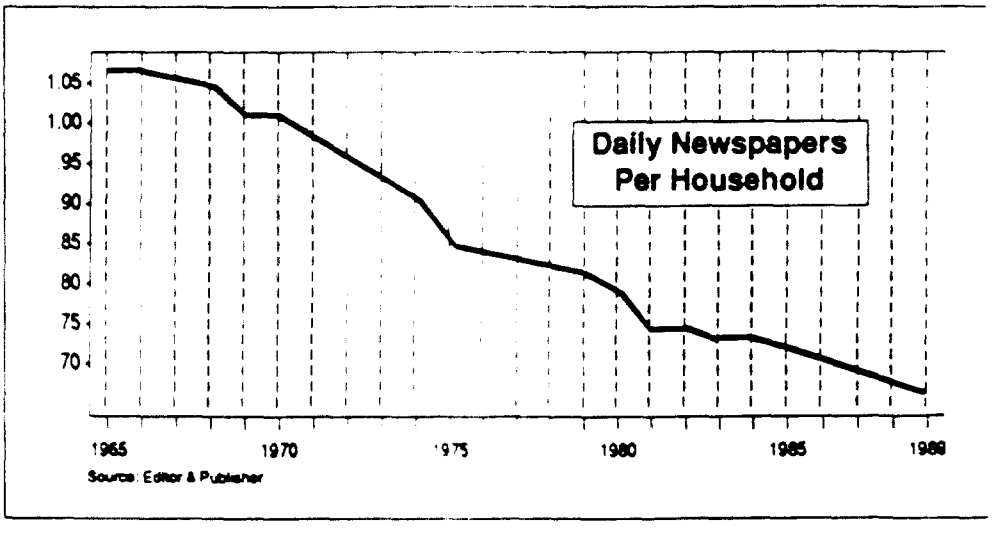
Sources: Market Statistics, Inc.; Audit Bureau of Circulation; Newspaper Advertising Bureau

FACT:

Between 1965 and 1989, U.S. households grew from 56.9 million to 92.0 million (+62%) while total daily newspaper circulation went from 60.3 million in 1965 to only 62.6 million in 1989 (+4%).

As a result, daily **newspapers per household declined** from 1.06 in 1965 to 0.68 in 1989.

Despite what newspaper representatives say, circulation **does count** as a valid benchmark of newspapers' ability to cover the marketplace. The chart below suggests that the ratio of daily circulation per household will continue its downward trend in the future



Source: Editor & Publisher

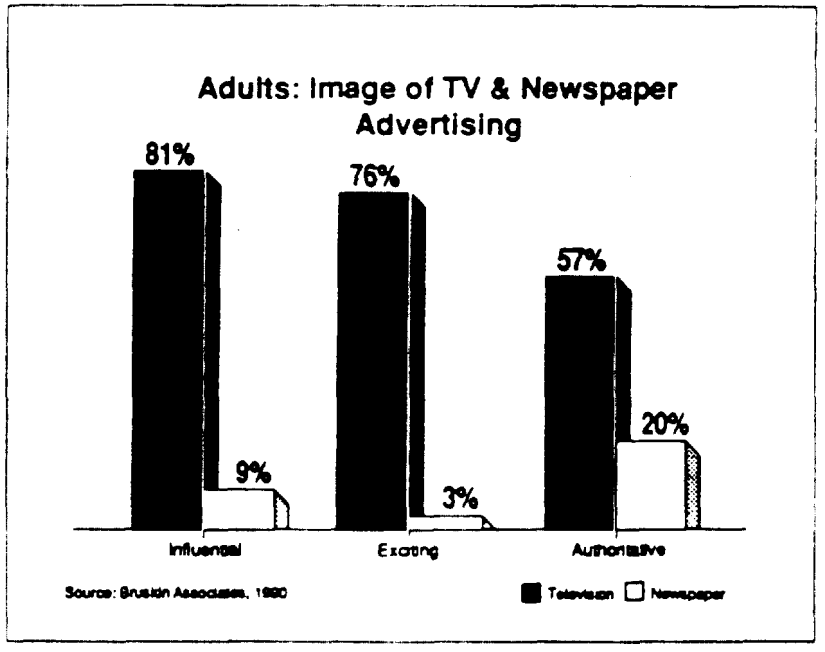
(3) Newspapers say *newspaper advertising is "more effective" and that "influential" is not a valid criteria of advertising effectiveness.*

FACT:

Television, with its sight, sound, motion and emotion, is significantly more effective for selling goods and services than newspapers. These inherent characteristics of television allow an advertiser to present a dramatic message that can be both more intrusive and impactful than advertising in any other medium. And these qualities determine the "effectiveness" of advertising and the ability of an advertising medium to influence the public's purchasing decisions.

The newspaper industry has misapplied the term "influential" to the advertised product or service rather than to the advertising medium itself. Instead, it is the environment in which an advertising message is carried that influences people to buy advertised products or services.

Which of these kinds of advertising (1) has the **most influence** on people, (2) is the **most exciting,** (3) is the **most authoritative?** Adults in each case voted overwhelmingly for television advertising over newspaper advertising. It is this perception of television advertising that creates added value for those products or services that are advertised on television.



(6) Newspapers say *television is a fragmented medium.*

FACT:

While more fragmented than in the past, over-the-air television is still the only medium that is able to deliver total market coverage.

Among all television households, including those with basic and pay cable, about **three-quarters of all the viewing is to commercial over-the-air television stations.**

And a television advertiser can be confident that **commercial over-the-air stations can reach over 90%** of the households in a market during the course of the week.

Source: A.C Nielsen

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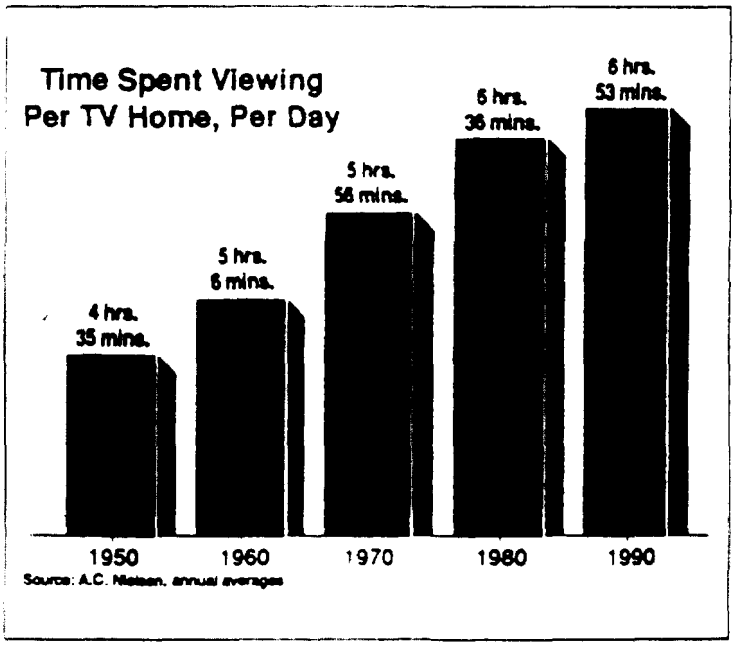
(7) Newspapers say *television's audiences are shrinking.*

FACT:

Rather than shrinking, television viewing has shown increases decade after decade.

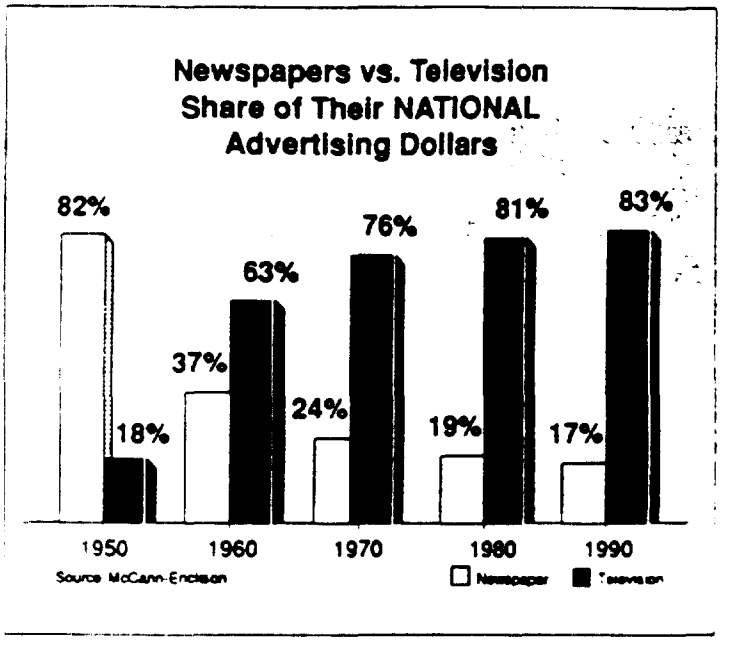


(12) Newspapers say *they are out to "steal share" of national advertising dollars from television.*

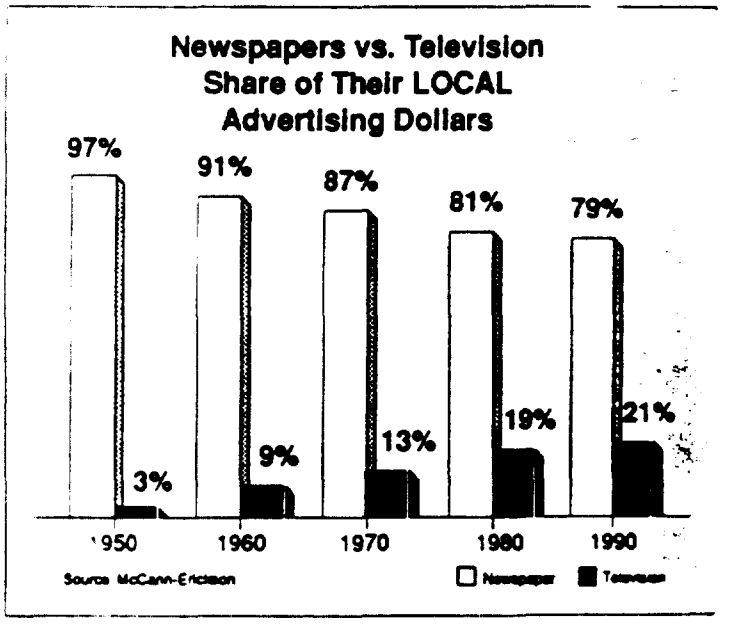
They are attempting to do this by using new creative strategies--color, electronic transmissions, standardized research, standardized advertising units (SAUs) and billing--as well as "creative pricing."

FACT:

In spite of all of these efforts, national advertisers continue to place their confidence--and dollars--in television advertising. As the chart indicates, television's share of newspaper and television national advertising dollars continues to increase while **newspapers' share continues to decline.**



And the local advertising picture...
Newspapers have traditionally enjoyed a large lead over television for a share of local advertising dollars (which includes classified advertising). While newspapers still account for the major share of newspaper and television local advertising dollars (79%), **television continues to increase its share of these local dollars.**



Therein Lies the Challenge for TVB And Its Member Stations:

Because newspapers are an "older" advertising medium as compared to television, they have an entrenched position within the local advertising community. This was true when television was first introduced, and it remains so today

While the television advertising community experiences continuing success in capturing an increased share of local advertising dollars from newspapers, the pace has been slow and we still have a long road to travel.

The challenge of the '90s for TVB and its member stations is to increase our efforts to gain an even greater share of local ad dollars from newspapers. If we commit ourselves to this goal--and dedicate ourselves to meeting this challenge--by the end of the decade, **television could account for 30% of local advertising dollars** placed in newspapers and TV.

While the **newspaper industry** states it is going "all out" to increase its share of national advertising dollars, the fact is it hasn't succeeded yet and **won't be successful** in the future

The television industry must do locally what the newspaper industry is trying to do at the national level. And TVB is committed to supplying you--our member stations--with whatever marketing, research and promotional tools it takes to help you gain a greater share of those local ad dollars.

Putting The Finger On Yellow Pages Advertising

While Yellow Pages advertising doesn't appear to be a direct competitor to broadcast television, it does, in fact, account for as much revenue as does local television advertising. Yellow Pages advertising might appear to be simply a directory of passive listings--a huge reference directory--rather than an aggressive competitor to television.

But the fact is, many local advertisers on limited budgets spend all or most of their advertising dollars in the Yellow Pages before other media are even considered.

An understanding of the scope of the industry...how it works...how it sells...who uses it...where it's headed...can help the television salesperson move local dollars out of the Yellow Pages and in to television.

Enclosed you will find:
(1) **Putting The Finger On Yellow Pages Advertising:** An analysis of the Yellow Pages industry today--its size--the leading companies and the number of directories they publish--who does and does not use the Yellow Pages--and the latest strategies the directory publishers have developed to maintain their share of local market dollars.

(2) **The Problems With Yellow Pages Advertising:**
How Television Can Help: The Yellow Pages industry is beleaguered with problems for any local advertiser. But if that advertiser were to put the majority of the ad budget into television, the effectiveness of the ad campaign would increase dramatically.

(3) **How 4 Television Stations Are Converting Yellow Page Dollars On To Television:** The strategies that four local television stations are using to get big local advertising dollars out of the Yellow Pages and in to their stations.

Putting The Finger On Yellow Pages Advertising

A Background On The Yellow Pages Industry

The free-market forces that shattered America's telephone monopoly also catapulted the lowly phone book into a multibillion dollar commercial enterprise teeming with local advertising listings.

When AT&T was split into seven regional Bell operating companies (ReBOCs or Baby Bells) on January 1, 1984, they kept their business in Yellow-Pages publishing and were freed to compete not only with independent directory publishers, but also with each other in markets where they did not offer phone service. As a result, the number of directories, including those aimed at particular demographic, professional or neighborhood targets, peaked in 1987 at 6,500 and now number 6,200. This represents an average of more than 29 directories for each of the 211 marketing areas (or ADIs/DMAs) in the country.