

News

Light at end of media recession

Top advertising industry prognosticator projects a solid turnaround

By Barry Layne

NEW YORK — While network and local television broadcasters have been suffering through a dismal recession, top economists, forecasters and industry executives agreed Tuesday that a turnaround is on the horizon.

Painting a relatively rosy picture for the near future, economists from two leading Wall Street brokerage houses said they expect the overall recession that has disrupted the media industries to improve in coming months, adding that such key indicators as moderate interest rates and low levels of inflation point to a healthier general economy by the end of this year.

At the same time, the advertising industry's best-known prog-

nosticator, McCann-Erickson's senior vp and director of forecasting Robert Coen, projected a solid turnaround for virtually all ad-supported media.

Citing an abnormal swing in the supply-and-demand relationship between the media and advertisers, Coen said the momentum in that area "is swinging in the other direction," and added that, from his vantage point, "super bargains are disappearing."

The recession "is not likely to get worse," he said, predicting "the direction is on the upside."

Disputing the purely empirical data cited by Coen and the economists — Stephen Roach, a principal and senior economist at Morgan Stanley & Co., and Dr. Neal

Soss, managing director and chief economist at First Boston Corp. — Robert Sillerman, head of New York-based Sillerman Cos., which sponsored the panel discussion, said the turnaround late this year will come when consumer confidence rises.

"The advertising recovery in late '92 will be as a result of higher consumer confidence levels which will presage the macroeconomic reversal," Sillerman predicted.

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Mr. Stone goes to Washington on 'JFK' crusade

By Kevin Phinney

A few weeks ago, the notion that Oliver Stone's "JFK" could lead to further developments in the 1963 assassination of President John F. Kennedy seemed absurd to some, remote to others. But as Stone takes his case to the National Press Club in Washington today, congressmen are beginning to take seriously his demands to release all files pertaining to JFK's murder.

After taping "The Oprah Winfrey Show" in Chicago Tuesday, the director seemed gratified. "The fact that the film has been

See **"JFK"** on page 6

Curtis hosting syndie 'Babylon'

Tony Curtis is set to host a new syndicated series, "Hollywood Babylon," which received a firm go Tuesday. The series, set for a fall 1992 debut from the Producers Entertainment Group, is based on the Kenneth Anger books of the same name.

Worldwide distribution rights to the show outside of Canada have been picked up by Pandora, it was

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E! pushing its new news bites

E! Entertainment Television exec will attend next week's NATPE confab in New Orleans to seek broadcast affiliate partners for a new one- to two-minute, pre-produced entertainment news feed, it was announced Tuesday.

See **E!** on page 56

Cannes crew puts nail in reports of fall move in '93

By Pia Farrell

PARIS — Organizers of the Cannes Film Festival have laid to rest industry talk that the date of the event might be changed to September or October by 1993.

A source close to Cannes president Pierre Viot told The Hollywood Reporter earlier this week that the dates for 1993 have already been set for May 13-24. (This year, Cannes will run from May 7-18.)

The Cannes source said that a date change isn't likely to happen in the future: "The issue will be raised each year, and each year the festival will take place in May."

Last year, Cannes buyers complained of the dearth of films with strong boxoffice appeal while a number of auteur-type films of

questionable quality took center stage.

At the time, Gilles Jacob, Cannes general director, said it was becoming increasingly difficult to get top-rated films in the May lineup: "We need more films of real international scope like Bernardo Bertolucci's 'The Sheltering Sky' and the type of films that David Puttnam produces."

Quality fare from the United States was also noticeably absent from last year's crop.

The criticism pushed Viot to look into a possible date switch and the Cannes official said in June that a "feasibility study" would be conducted in concert with industry professionals to see if a date switch was viable.

See **CANNES** on page 56

Intro fees hurt King World net

By Jeffrey Daniels

King World Productions Inc. posted a scant 1% profit rise in its fiscal first quarter, citing higher costs from its recent introduction of "Candid Camera" and promotional costs for "The Oprah Winfrey Show."

The New York-based TV syndication giant reported net income in the three months ended Nov. 30 of \$36.6 million, or 94 cents a share, compared with \$36.2 million, or 93 cents per share, in the same comparison period a year ago.

Revenue for the quarter amounted to \$204.4 million, a 17% rise from the year-ago \$175 million.

"These results were a little better than we were expecting," said entertainment analyst Jeffrey Logsdon at the Los Angeles brokerage Seidler Amdec Securities Inc. "In a tough advertising environment and with an expensively promoted new show they did fairly well."

Absent the dilution of 4 cents a

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The Audit Bureau

Lasers

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it's a profitable niche. Suppliers don't shoulder big budgets to bring out laser titles, but simply ride the coattails of the home video campaigns, said Tom Adams, video analyst for Paul Kagan Associates.

Such strategizing succeeded in pumping 9 million laser units into the market last year, compared with 6 million in 1990.

Despite its limited reach, laser's future looks bright. Penetration is already at 20% in Japan, which is generally recognized to be an accurate barometer for electronics trends. Japanese software sales for the year 2000 are expected to hit \$3 billion according to a recent study by U.K.-based marketing company BIS Strategic Decisions.

Now the format is catching fire in Western Europe, according to BIS' Sairoze Hemani.

Hemani, who recently completed a study of laserdisc activity in the world's major video markets, predicted that Western European player penetration will hit 0.3% this year, comandeering some 350,000 homes.

In the United States, the fledgling laserdisc format has hit a high water mark with 9 million software units sold in '91. That number is expected to hit 13 million units, worth \$390 million, this year, climbing further to 19 million units worth \$551 million retail in 1993, according to the BIS study.

Retail revenues generated from domestic software sales are expected this year to be in the \$390 million range.

"Everybody's talking about a recession, but our response is 'What recession?'" said David Wallace, marketing executive with Pioneer's LaserDisc Corporation of America software supply company.

"Our biggest month ever was in October, and in December LDCA did 50% more than record-setting October," Wallace said.

John Thrasher, video buyer for the 50-store Tower Video chain, said laser unit sales were up 24% last year, while videocassette sales had a single-digit increase.

At the HMV Video Superstore in Manhattan, laser sales went from 5% to 45% of the store's business, according to manager Steve Barret, who said the upsurge is due largely to first-time player purchasers who are building laser libraries.

Wallace said his firm's sister hardware unit, Pioneer Electronics, has been selling out of its entire stock of hardware inventory every month.

Though U.S. hardware penetration of laser players is still low, conservative estimates see growth averaging 40% to 50% a year.

Unit shipments to European dealers is surging, however, with 210,000 units hitting the marketplace this year, an 83% uptick in volume over the prior year.

Player penetration in the major continental cities is expected to hit 1% by 1995, and 6% by the year 2000.

Germany and France are leading the pack in terms of acceptance, Hemani said.

Wade pointed out that in the United States, unit sales on top-selling titles were up dramatically in 1991, when Pioneer's "Terminator 2: Judgment Day" shipped over 160,000 units, and Image Entertainment's "Fantasia" shipped over 200,000 units.

"In '90, the biggest-selling titles were hitting 60,000 units. What you're seeing now are the larger numbers becoming the norm," Wade said.

Wallace said "Terminator 2" will actually be breaking the 200,000 unit barrier "very quickly."

Adams observed that while laser's growth is impressive, the \$162 million suppliers got from laser revenues pales compared with the \$3.9 billion suppliers drew from videocassettes.

But every major video label is releasing product to laserdisc, and Disney recently took an option to purchase up to a 25% stake in its laser distributor, Image Entertainment. Why do they do it?

"It's a niche, but still a money-maker," said Adams, who estimated suppliers are making about \$10 a disc in margin. "With basically no marketing costs associated with it, it's worth it," he noted.

"It's growing. It's a small portion of our business, and it's really too soon to tell whether it will at any point be a significant portion of our business," said Warner Home Video senior vp and general manager James Cardwell, who characterized it as in the single-digit percentage range in terms of division revenues for WHV.

Though some naysayers argue that laser will always be a buff's medium, and one entrenched primarily in the cosmopolitan coastal cities, the 300-store Camelot chain, concentrated primarily in the Midwest, has had great success marketing the format.

Adams noted that the new wide-screen sets being introduced by companies like Phillips and Thomson and, later, HDTV, will indeed bode well for laserdisc. □

Briefs

No new deals for Telso

TVS' distribution and co-production arm Telso International will cease operations Feb. 1, ruling out the company's option of continuing life as a distributor. Telso will make no new deals after Feb. 1 and will lose its three key executives by the end of February.

Granada serial sales

Granada Television International will explore the possibility of selling its serial drama formats like "Coronation Street" internationally with the appointment of Bernard Macleod as sales and marketing consultant.

'Hare Jordan'

The Warner Bros. cartoon character Bugs Bunny is to team with the National Basketball Assn.'s Chicago Bulls' Michael Jordan in a new Nike 60-second commercial, which is set to debut Jan. 26. The commercial, dubbed "Hare Jordan," was created over a period of five months by 25 Warner Bros. animation artists.

Amman vp at New Line

Alan Amman has been named vp field publicity and promotion for New Line Cinema Corp. He will report directly to senior vp publicity and promotion Christina Kounelias. Amman has served as director of field publicity and promotion since July 1990.

MGM-Pathe ups Neiman

MGM-Pathe Communications Co. promoted Michele Desoer Neiman to vp litigation, an area where the studio has seen lots of action. MGM-Pathe stated it is embroiled in 14 separate major legal actions in its latest Form 10-Q regulatory filing issued Monday. □

'JFK'

Continued from page 5—

helpful in shifting the momentum makes me very proud," Stone said, "but obviously this must include all the files without exemption, and if the CIA, FBI and military intelligence were to join suit, then I believe the whole truth would be known to the American people."

Among those weighing Stone's request is Rep. Louis Stokes, D-Ohio, chairman in the 1970s of the House Select Committee on Assassinations which investigated the murders of Kennedy and the Rev. Martin Luther King Jr. Some 840 boxes of files pertaining to Kennedy's assassination have been sealed by the committee until the year 2029. A vote of Congress could rescind that decision.

One congressional aide said Monday that comments by Sen. Edward Kennedy, D-Mass., about the film and the files have played a pivotal role in the growing demand for publication of all documents relating to the assassination. Sen. Kennedy is the sole surviving brother of the slain president and Sen. Robert Kennedy, who was murdered during his presidential campaign in 1968. In an interview Friday, Kennedy said he has no

plans to see "JFK," but agreed the secret files should be released.

Frank Mankiewicz, who handles non-entertainment-related press for the film, said that Robert Kennedy told him prior to his assassination that any files pertaining to the president's murder should be made public. Mankiewicz was Robert Kennedy's press secretary during his 1968 White House bid.

"All I can tell you is that opinions on Capitol Hill are shifting right now on this issue," one congressional aide said Monday. "We won't know what's happening for another couple of days yet."

President Bush recently denounced the film's allegations that Kennedy was ambushed by a wide assortment of internal government traitors. □

Clarification

Contrary to a statement from a National Board of Review spokeswoman, Robert Mitchum is in good health and was unable to attend the Feb. 24 D.W. Griffith Awards ceremony in New York because "the National Board of Review does not provide transportation or accommodations, and Mr. Mitchum is not interested in being responsible for the costs," the actor's publicist said (HR 1/14). □