
Sports Pages

The New York Times

FRIDAY, JANUARY 31, 1992

C O L L E G E B A S K E T B A L L

TV SPORTS/Richard Sandomir

Raycom Sends ABC to a Profit

The future of network sports comes into a slightly sharper focus Sunday when college basketball returns to ABC at 1 P.M., Eastern, with a doubleheader package of games featuring U.C.L.A.-Louisville and Kentucky-L.S.U.

It will dribble and quack like network college basketball. But it won't be. The games are produced by Raycom Inc., the Charlotte, N.C., sports syndicator, in what is called a time buy.

Raycom is paying ABC \$1.8 million for six weeks of network air time to put on 26 games that will be shown regionally, like ABC's college football schedule. Raycom controls the games and sells the advertising. ABC sheds virtually all of its overhead and makes an easy profit, a reversal from recent losses on basketball.

Last spring, ABC was telling colleges how much it would reduce its rights fees to them when Rick and Dee Ray, the husband-and-wife owners of Raycom, approached the network with their time-buy concept.

"We were looking to reduce rights fees by 40 to 60 percent," said Tony Petitti, programming director of ABC Sports. "We lost millions last year. This was a good way to turn a loser into a financial contributor to ABC."

ABC's disappointing 3.0 Nielsen rating for college basketball last year was attributed to the glut of games on network, local and cable dials. "Ratings were down and rights fees were growing," said Petitti.

Enter Raycom, which this season will produce 462 college basketball games that will be seen on outlets like ESPN and the Prime Network or syndicated to local stations.

"We've always wanted a national sell on basketball," said Ken Haines, executive vice president of Raycom. "Our history has been regional sales and combining regional sales for an almost national buy for advertisers."

Crucial to the Raycom-ABC deal is the difference in corporate economics. Because Raycom is not a union shop, it can produce the games for at least 25 percent of what they would cost ABC. Raycom also had the collegiate and conference connections to secure the rights to games that ABC wouldn't normally get on its own.

Said Petitti: "We've taken all the risk out of college basketball."

That's the idea. Networks are struggling to get out from under the burden of big sports losses. NBC is losing money on pro football. CBS is losing about \$500 million from the value of its

\$1.06 billion major league baseball deal.

In every nook and cranny of the sports divisions, small and large cuts are being made to nudge events toward or into profitability.

But in the world of the time buy, the networks see possibilities spawned by outsider producers like Raycom to shed the risk of paying for rights while gaining a guaranteed profit by renting their time for a few hours at a time.

The litany of time-buy events on the networks is growing. Last December, for example, Raycom bought time on CBS to show the Blockbuster Bowl.

Others showcase a mix of legitimate made-for-TV programming like "The Skins Game," and "The Tournament of Champions," a seniors ski event. Still others are trash sports, like the "Reebok Arnold Schwarzenegger Classic," a bodybuilding competition that aired last October.

Bob Horowitz, vice president and general manager of GGP, one of the most active outside producers buying time on the networks, said, "A network feels it can get a network quality show from our outfit or IMG or Don Ohlmeyer, and delivered in a way that everybody wins in the end."

Of course, what makes the outside-produced programming seem more like it emanates from the networks is that the productions often employ network talent. Among the announcers on ABC's Raycom games are Brent Musburger, Dick Vitale, Jim Valvano, Gary Bender, Cheryl Miller and Mark Jones. The networks' hope is that the presence of their own broadcasters won't simply be masking a chintzy nonnetwork production.

Haines wants the ABC package to be a harbinger of Raycom's future. "This gives us another means of distribution that has long been the sacred domain of the three major networks," he said. "There's certainly every indication that other sports will be packaged like this. But the TV marketplace has been so unpredictable that it's foolish to think it will happen for sure."

The future of sports may see more arrangements like the ABC-Raycom deal, or joint ventures between networks and outside producers, or instances in which networks create and market their own event without paying fees to a league or sanctioning body (as NBC has done with its beach volleyball).

What is certain is absolutely nothing. Even the presence of the networks themselves.