

UNWIRED BASEBALL NETWORKS CROWD DIAMOND

Three unwired networks, so far, prepare to slug it out with CBS and ESPN for advertising; some fear three is a crowd and that unwireds will battle among themselves more than with networks

Just as Major League Baseball is preparing to expand, so are the one-stop shopping operations designed specifically to combine local-regional MLB ad inventories for sale to national advertisers. Normally, these unwired networks compete with the big three networks, cable and syndication for ad dollars. However, with at least three unwireds looking to sell baseball, they may find themselves competing with each other more than with CBS and ESPN.

The latest such media broker is the Raycom Baseball Network, an operation modeled on Raycom Sports's own success selling college basketball telecasts in six conferences that, combined, reach 80% of the nation. It is also modeled on Don Stuart's New York-based National Baseball Network, which has been selling national ad inventory for local rightsholders for 18 years. Baseball Net, an unwired that is a partnership of Marathon Entertainment and Kassel Marketing, is in its second year of operations.

Ken Haines, executive vice president of Charlotte, N.C.-based syndicator Raycom Sports and Entertainment, said his company, like Stuart's, has reached agreements on ad rates with the 24 broadcasters that hold local-regional rights to MLB teams based in 20 markets. Those markets comprise 15 of the top 20, and the other five rank in the top 30 markets in the U.S. (The network does not include teams in Montreal and Toronto.)

Linking together inventory from all 24 MLB teams, Haines said, provides "a method by which national advertisers

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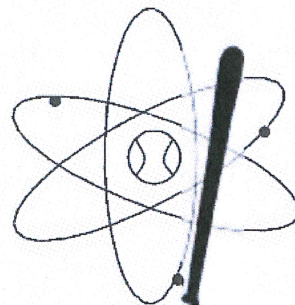
RAYCOM

can buy Major League Baseball time with local teams's identities and ratings...generally double" the ratings garnered by national telecasts. Although the great majority of Raycom sales will be strictly national, said Haines, some advertisers will likely buy only segments of the 24 teams.

According to rightsholders contacted by BROADCASTING, Raycom has agreed not to pursue any advertiser that does business with Don Stuart. Stuart, who estimates he has done close to \$300 million in deals over the last 18 years, has strong loyalty among rightsholders.

Besides loyalty to Stuart, rightsholders are also concerned that too many unwired networks selling baseball could confuse advertisers. Jim Winters, director of broadcasting, San Diego Padres, said that when Raycom first approached the team, he "expressed concern about whether there would be enough business [for Raycom and Don Stuart.]" Winters

BASEBALL NET



said Raycom's proposal stated: "Raycom will not solicit any of Don's advertisers." Winters told Raycom that if they "live by that, I have no problem. But I don't want anyone else calling up current clients. I do not want confusion...I would like everybody to have a piece of the pie, but the pie may not be large enough."

Kennen Williams, station manager and director, sales and marketing, KPIX-TV Oakland, Calif., said he has yet to do any business with Raycom and that the station, which holds the rights to the American League champion Oakland Athletics, is "not interested in a lot of unwired business and has a long-standing relationship with Stuart."

Baseball Net's Dan Spiwack, director of operations and administration, is confident there is enough business for two networks (CBS, ESPN), three unwireds and all the local rightsholders. Said Spiwack: "We are confident that there is a significant resource of advertisers who don't know about this opportunity who can be added to existing clients. This is not a price war but an expansion of the market; we are not looking to undercut anybody." Last year, however, business for Baseball Net was negatively impacted by the owner lockout and the threat of a strike.

Besides the possibility of flooding a limited market with unwireds, some media buyers are also concerned the unwireds may not all "speak the same language" when it comes to clearances and regional networks.

The unwireds, as well as local rights-

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Continues on page 47.