

Primetime underwriting may need major overhaul

Adding flexibility: first fix for public TV daypart, which lost 40% of corporate support in a few years

By Steve Bass

Corporate underwriters of some of our most important and valued primetime programs have gone missing. Since 2003, we've seen a drop in national sponsorship revenues of more than 40 percent for our package of "icon" primetime series such as *Masterpiece Theatre*, *Nova*, *The NewsHour with Jim Lehrer*, *Nature* and *American Experience*.

It's never been easy to attract corporate underwriters to public television and retain them, but it used to be easier. In the 1980s and 1990s, PBS could count on producing stations to leverage NPS investments. Not infrequently, single corporate underwriters would carry the full freight of entire series. Mobil fully sponsored *Masterpiece Theatre*, for example, and Chevron carried the *National Geographic Specials*. Stations could count on these efforts multiplying the value of their National Program Service dues several times over.

Producing stations also had a reliable Rolodex of prospects. Some of these prospects were so inclined toward supporting public television that they had their own organization—Corporations in Support of Public Television (CSPT)—which was active for most of the 1980s.

Today, corporate underwriters are harder to find, harder to keep and less likely to cover the full production budget of a series. The generation of philanthropy-minded corporate executives, including those who formed CSPT in the 1980s, has long retired. Their successors often have different values, and most face unrelenting pressures for strong earnings in every quarter of the year.

The attrition among national underwriters not only undercuts the programs we value today; it also impacts those we need for tomorrow. Today, public televi-

sion must commit a significantly higher proportion of station-contributed NPS dues to backstop our major series. With less outside funding to match our investment, we're paying more and getting less. Station purchasing power has eroded by nearly \$20 million since 2003, and no one knows how many opportunities for new programs we have lost.

The difficulties in the corporate underwriting market also increase the risk that producing stations face, delaying if not discouraging needed productions. With less corporate underwriting, producing stations must either receive greater funding from PBS (difficult in an era of scarce resources) or be willing to bear the substantial risk of green-lighting productions without full funding in place.

It's no business for the faint of heart, and it's probably no coincidence that fewer than a half-dozen stations today are regular contributors of regular or limited series to the PBS National Program Service compared to a dozen or more in the late 1980s. Most stations today are unwilling to take on the extra risk, or they cut back on local services to support aggressive national production agendas.

When we've faced challenges in national underwriting before, we've often found the solution in relaxing guidelines and extending credit length. In recent years, PBS allowed 30-second credits for major underwriters, a move designed to give them greater value and induce them to stay and/or invest more. Allowing these longer credits may have forestalled more severe erosion of corporate support, but it's clear that relaxing credit restrictions hasn't adequately increased total underwriting revenues.

We're not the only ones facing challenges. The entire advertising and sponsorship market is changing dramatically.

Network television is finding it more difficult to compete against highly measurable and targeted online advertising opportunities. Even the granddad of TV sponsorships, coverage of the Olympics, is having a tougher time signing and maintaining major sponsors for 2008.

How can we adapt quickly to changed circumstances? First, we need to stop believing that the problem will fix itself.

Second, we should accept that this challenge affects all of public television, not just PBS and a few producing stations, and we must address it accordingly. This may require investing the system's shared resources and its attention in the production process. In the past, that effort largely has been borne by a handful of producing stations, rather than by the entire system that benefits from it. Given the huge losses and the challenges ahead, this is a problem that each of us owns.

Third, we need to work cooperatively to find new ways of packaging, pricing and soliciting underwriting. Some of the best options may have been rejected as unpopular or heretical in years past. What kind of options? It's worth looking to public radio for a recent success story.

More options, more sales

NPR and public radio stations have seen significant increases in corporate support over the last decade. Some of these gains undoubtedly came from public radio's audience growth, but another major factor is public radio's sales and trafficking systems. These systems give underwriters a single point of contact for buying underwriting, making it easier for them to buy specific schedules or intensify their placements to fit their needs. I suspect many corporations and media buyers find the public radio marketplace more flexible and easier to enter than public television's.

What can we borrow from this experience?

■ **Let's sell public television national underwriting under shorter contracts, allowing corporations exposure at the times they select.** In the past, the only choice we give national underwriters is to buy into an entire series or nothing at all. PBS and producers are beginning to sell more creatively, and the system needs to encourage that, even if it sometimes causes inconve-

nience or requires operational changes.

■ **Instead of selling underwriting program by program, let's give companies the opportunity to "heavy up" their exposure in short flights on a variety of national programs without having to deal with a different sales force for each.** We could offer a "saturation" schedule as short as a week or two, packaging a variety of programs during primetime.

■ **Instead of being satisfied with maximizing underwriting for individual programs, we need to begin to maximize the value of our entire portfolio of primetime opportunities.** This isn't possible with our current system of producers individually selling individual programs.

These would seem to be easy ways to augment public television's selling proposition, but adopting them would require us to make significant changes in our traffic and interconnection systems. For the flexibility that underwriters want, for example, we would need to end our current practice of sending national productions to PBS with fully packaged underwriting credits. Aspects of the so-called Next Generation Interconnection System may need to be modified to assure that the correct programs and underwriters are fed by PBS to stations and by stations to their viewers.

But perhaps the biggest change required would be in the relationships and responsibilities among PBS and the hand-

ful of major producing stations. Creating flexibility in our underwriting product will require unparalleled coordination among what are now separate sales forces at separate stations. No unified sales force represents all programs and producers, which makes public television more confusing and difficult for prospective funders than it should be.

Maximizing the whole

The time may have come to truly unify the public television sales force into a single entity. A decade ago, WNET, WGBH, WETA and PBS set up the PBS Sponsorship Group as a step in this direction, but it ultimately failed for several reasons. First, it didn't work well for all of the major producers, which caused OPB and others to set up a separate sales effort (which also eventually failed). Second, the alliance didn't improve revenues or reduce the costs borne by producing stations because each station maintained its own sales force.

Rather than reinvent the Sponsorship Group, we need to seriously consider taking things a step further and having a single sales entity attached to PBS that will take responsibility for selling all PBS programming. Rather than relying on producers to find corporate underwriting on their own, PBS would guarantee the budgets of

desired programs, sharing the risk among a broader group of stations.

This centralized sales organization would focus on maximizing the return for the full portfolio of programming opportunities rather than having to worry whether one particular program or another would be underwritten, thereby replenishing the pot of money PBS has to invest in other programs. This would give public television the greatest possible flexibility and spread the overhead burden of underwriting sales more equitably throughout the entire system.

Making this happen will be difficult and complex for public television. Some may view it as unusual for the head of one of public television's major producing stations to suggest such a radical change in the dynamics of national productions. But the alternative to these changes is the continued erosion of corporate underwriting and further weakening of the National Program Service. That would benefit no one. ■

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