One of a series of units introducing secondary school students to business issues, this packet focuses on the television industry and its social and political influence. A teacher's guide and student materials are provided in two separate sections. Following an overview of objectives and activities, the teacher's guide outlines five daily lessons. Additional materials provided in this section are tips for extending the unit beyond five class periods, answer keys, background readings, student quizzes and handouts, and suggestions for using business people as classroom resources. The student materials section contains four classroom activities which recreate various aspects of the television broadcasting business. Following a reading on the industry, students simulate program network decisions. Analysis of a ratings sheet introduces students to the role of audience appeal in television programming. In a culminating simulation, lasting approximately five class periods, students take the roles of network executives, lobbyists for public interest groups, business people from independent production companies, and advertisers involved in the selection of a new television program. (LP)
INSIDE TELEVISION

Instructor's Guide

Author: Phyllis Maxey
Business Issues in the Classroom
Constitutional Rights Foundation
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INSIDE TELEVISION

OVERVIEW

Business Issues in the Classroom (BIC) introduces students to critical, difficult, and complex decisions that face the business community today. Case studies and activities help students understand the setting in which American companies must function. This business environment includes many groups with conflicting interests: stockholders, consumers, employees, special interest groups, business competitors and creditors, and government. These groups affect business and, in turn, are affected by business decisions. Each BIC lesson plan focuses on a specific issue which highlights a particular relationship in the business decision-making environment.

THE BUSINESS DECISION-MAKING ENVIRONMENT

This lesson introduces students to one of the miracles of modern technology, the television industry. Plug it in, turn it on, and a screen lights up with dazzling images and spell-binding sounds. Today commercial television reaches more than 75 million American homes with programs that entertain, enlighten and inform. Commercial messages tout the goods and services that we generally associate with an affluent, consumer-oriented society. Those who shape, select, and transmit the sights and sounds of television wield enormous power. How do they decide what will be seen and heard? That's what this unit is about.
During five class periods, your students will have an opportunity to simulate a programming decision by a network. A background reading on the television industry gives them the information they will need in the simulation. Analysis of a ratings sheet for the 7:30 p.m. time slot introduces students to the important role of audience appeal in television programming. After this introduction, simulation activities will take 4-5 class periods. Students will be taking roles as network executives, lobbyists for public interest groups, business people from independent production companies and advertising agencies. The level of participation is high as they move toward the selection of a new television program.

OBJECTIVES

Students will be able to:

1. describe the groups important in a television programming decision: networks, production companies, advertisers, audience, public interest groups.
2. explain and demonstrate how these groups interact.
3. exhibit their creativity and imagination as they outline new ideas for commercials and TV programs.
4. communicate and successfully present their ideas to others.

TIME FRAME

5 or more class periods.
CLASSROOM APPLICATIONS

Preparation for the simulation: Before introducing this unit to the students:
1. Read the Teacher Background material on p. 10-12 of this Guide, as well as the Student Materials.
2. If desired, arrange for a business resource person with expertise in the television industry to visit the class. See p. 8 of this Guide.
3. Duplicate the student handouts: 4 Fact Sheets and Role Cards for Rounds 1, 2, 3, and 4. All student handouts are in the back of this Guide, p. 14-32.
4. Bring a local TV listing to class.
5. Students should read Student Materials, p. 1-8 for homework.

The instructor may wish to share the historical information on television broadcasting found on p. 10-12 of this Guide.

DAY 1  INTRODUCTION

After students have finished reading the information on p. 1-8 of the Student Materials (for homework or in class), review the material with them by using the Reading Review questions, p. 9, and/or quiz on p. 13 of Instructor's Guide.

Help students analyze the ratings sheet for a QRS station on p. 7 of the student materials. Ask them what information the ratings sheet provides. Then ask more specific questions such as:
DAYS 2-5 SIMULATION

Round 1: Team Meetings

Duplicate and distribute Fact Sheets (p. 14-20) to each group and Round 1 Role Cards (p. 21-25). Each round's instructions are on separate role cards. Today students will be working in small groups preparing for the large group meeting tomorrow.

Round 2: Large Group Meeting, Presentations, and Team Meetings

Distribute Round 2 Role Cards (p. 26-27). The QRS executives should sit in the front of the class. Each of the nine teams will make a presentation to the QRS team while the others listen. Begin with the public interest groups, then the independent production companies and advertising agencies.

Assign students to one of two roles. Teams will be in about 9 groups with public interest groups somewhat similar in size than the others.

QRS Network Executives
Independent Production Company for Children's Programs
Independent Production Company for Game Shows
Independent Production Company for International Shows
Public Interest Group: Environmentalists
Public Interest Group: Minority Groups
Public Interest Group: Children's Advocates
Advertising Agency for Designer Jeans
Advertising Agency for Dishwashing Detergent
Advertising Agency for Cookies Marshmallow Cookies

Students should read activity description on p. 15 for homework.
Round 2: Team Meeting and Compiling

Distribute the Role Cards for Round 1 (p. 28-31) to each group. During this round, the public interest groups want to meet with independent production companies, advertisers, and QRS executives. The QRS team needs to meet with the public interest groups and advertisers near the end of the class period.

The teacher can use the chalkboard to establish meeting times for groups. Ask the public interest groups if they want to meet with the production company for children's shows. Set up times for any meetings that are desired. Write the name of the member from the interest group who will go to the meeting. Do the same for the other production companies and advertising agencies. One member of a public interest group should go to these meetings, rather than the whole team. Thus, several meetings can take place simultaneously.

This is the session in which the public interest groups really have the opportunity to influence the type of program or commercial message being developed. Encourage them to go to these groups and lobby on behalf of their causes.

Round 3: Presentation, Vote, Decision, and Debriefing

Distribute Round 4 Role Cards (p. 31-32) to each group. Four program ideas will be presented to the class:

- Informational program
- Game show
- Children's program
- QRS-produced program
As the advertisers to present their final ideas for commercials and have the class evaluate them in terms of their appeal.

As the QRS team to present their decision and the reasons behind it.

As the advertisers if they would want to buy time during that show.

Present the results of the students’ survey and compare the vote with the decision made by QRS management.

The following debriefing questions will help to review the main points of this simulation.

**Simulation Debriefing Questions**

1. **Which program did QRS network management decide to broadcast? Did the class make the same choice in their secret ballot vote?**

2. **What audience would be attracted to the program QRS chose? Do you think it will be more successful than the variety show was?**

3. **Did the public interest groups succeed in influencing the QRS team? The independent producers? the advertising agencies?**

4. **Are the advertising agencies interested in the program selected by QRS? Why or why not?**

5. **Each of the teams had information on their Fact Sheets that was not shared with the others. Let’s review that information together.**

    (a) **What steps do the production companies go through when they are trying to get a customer interested in a program?**

    (b) **Advertising strategies are based on USP and PA. Can someone from one of the advertising groups explain what these abbreviations stand for?**
4. Who decides what programs we see on television? The audience? the advertisers? the networks? the production companies? public interest groups? the FCC? In what ways do each of these groups exert influence?

5. What would you do if you object to a program or commercial? Why would an advertiser, local station, or network be interested in your opinions?

EXTENDING THE LESSON

There are several subjects that follow naturally from this simulation: (1) Students may be interested in the "curriculum of television." What are we actually learning from this medium? (2) They may wish to learn more about advertising and market research. (3) The role of government in the television industry is not limited to granting licenses. There are many rules established by the FCC that influence programming decisions; these could be investigated by students. (4) Another research project might involve contacting local public interest groups to learn what action they have taken to influence television programming. (5) Students may be interested in the technical aspects
Looking for RESOURCE PERSON IN THE CLASSROOM

The Business Issues in the Classroom Program (BIC) has a talented group of business professionals who are prepared to teach one day of this unit. At least two weeks before you want a resource person, call the Constitution & Rights Foundation at (213) 973-8691 and ask the BIC placement coordinator to arrange a classroom visit.

The business resource person could participate in the following ways:

Day 1: After students have completed the reading for homework, the business resource person leads a discussion of the television industry, using the review questions that follow the reading.

Day 5-6: The business resource person could debrief the simulation, using the questions in this Guide, p. 6-7.

Answers to Reading Review Questions, p. 9

1. Broadcasters need a large audience because that is how they keep the advertisers interested in buying commercial time. The commercials pay for the cost of producing the program. The more expensive the program is to produce, the greater the necessity for a big audience.

2. Television ratings are determined by a company such as A. C. Nielsen or Arbitron. They select a representative sample and determine their viewing habits. They project those findings to the whole population.

3. The Federal Communications Commission (FCC) grants licenses. There is a limit on the number of licenses because there are a limited number of broadcast frequencies that can be used before some start interfering with others.

4. Television networks are station groups that broadcast to their own stations as well as their affiliates. They produce some of their own programs and can license other broadcasters to show these programs.

5. Commercial television stations are operated by companies in business to make a profit. Public television is operated by non-profit organizations.
1. Market researchers study the viewing audience's needs, wants, tastes, and values. These findings influence the commercials as well as the design and packaging of products.

2. An independent production company develops and produces programs in response to station and network needs.

3. Television viewers influence television by what they watch and what they complain about. Complaints to the FCC or to the station can change programming.
Television -- A Historical View

If you had been producing programs during the early days of television, you could have sold them to three types of customers. First there were the networks -- NBC, CBS, and eventually ABC. Through modern technology, each network transmitted its programs live to many stations at the same time.

You also could have sold your programs to the many companies who sponsored entire shows in those days. Examples of such shows were the "Colgate Comedy Hour," the "Texaco Star Theater," and the "Kraft Playhouse," to name just a few. Soap companies generally sponsored daytime dramatic serials which is why they became known as "soap operas."

Finally, you could have sold your programs to the agencies that handled other companies' advertising campaigns. When an advertising agency bought a program, it also made commercials for its customers to be inserted in the show. Sponsors and their advertising agencies paid the networks for facilities and time to telecast their shows throughout the country.
During the mid-1950s, two developments changed the way the networks worked. First there was the rapid growth of the television audience. Since sponsors could now reach many more potential customers, the networks charged more for use of their time and facilities. Then programs began to be filmed before being sent out to the networks. This extra expense drove up the cost of programs even more.

Eventually most sponsors could no longer afford to buy entire programs. Advertising agencies also stopped buying programs when they discovered that commercials were more effective scattered throughout the broadcast schedule. So, for all practical purposes, the networks were left as the sole purchasers of television programs. Although that placed a great burden on the networks, the potential rewards were enormous. The networks could still sell commercial time in and around the programs they made and bought. Now that many programs were being produced on film (and eventually on tape), the networks could show them more than once on their affiliated stations. They could also syndicate them to other stations after their network runs.

**Developing Television Commercials**

Television commercials were first patterned after radio commercials. An announcer or the star of the show would read the advertiser's copy while holding up or standing next to the product. But by the mid-50s, advertising agencies began filming commercials and animating them. That resulted in snappier, more eye-catching commercials shot in locations more suitable to the products being sold. They could also be shown time after time without fear that someone would flub his or her lines.

The art of making commercials reached its apex in the late 60s when minute-long commercials evolved into elaborate production numbers costing tens and even hundreds of thousands of dollars. With spiraling costs, product managers realized that arty commercials did not always boost the sales of their products. They began demanding scientific proof that advertising campaigns really worked. Research also showed that 30-second commercials were two-thirds as effective as minute-long ones. As costs continued to rise, most commercials were scaled down to 30 seconds in length.
Public Interest Groups Complain About Stereotypes

Many public interest groups find fault in the portrayal of their members in television commercials and programs. The Native American International Caucus has complained of a romanticized image of native Americans perpetuated by such commercials as the Mazola Corn Oil ad showing Indians extolling the virtues of "maize." Nosotros, a Latino media group, has criticized the treatment of Latin women. They charge that stars such as Erik Estrada are not portrayed with a Spanish-speaking family or girlfriends. The solutions to these problems vary, but most groups try to make viewers and industry executives more aware of what they are doing. The National Black Media Coalition's executive director, Art Mooley, has urged more blacks to get involved in the production side of television to counteract what he finds to be degrading portrayals. All of the minority groups point to a power structure in the television industry that is dominated by white males. Sumi Haru of the Association of Asian/Pacific American Artists said, "It's hard for someone sitting in an ivory tower to think of people of color if the whole world is white."

Match each of the statements in the left column with the corresponding letter from the right-hand column.

| 1. Broadcaster | a. Own stations in five major cities |
| 2. ABC, NBC, CBS | b. Designs commercials |
| 3. A. C. Nielsen Co. | c. Makes television programs |
| 4. Advertising agency | d. Measures television audiences |
| 5. Independent production company | e. Transmits programs over the air waves |

Circle the letter next to any phrase which correctly completes each numbered sentence.

6. The FCC regulates the broadcast industry to
   a. protect broadcasters from foreign competition.
   b. prevent broadcast signals from interfering with each other.
   c. make sure that the news is reported accurately.
   d. make sure that stations operate in the public interest.

7. ABC, CBS, and NBC
   a. produce programs.
   b. transmit programs simultaneously to hundreds of stations.
   c. own groups of television stations.
   d. are examples of independent production companies.

8. Network programs are transmitted to
   a. independent stations.
   b. affiliated stations.
   c. network-owned stations.
   d. public television stations.

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Teacher's Key:
1) e; 2; a; 3) d; 4) b; 5) c; 6) b, d; 7) a, b, c; 8) b, c
Your goal is to fill that time slot with the most suitable program and sell advertisers the commercial time available to support that show. You have three concerns: the advertisers, the audience, and public interest groups.

Alternatives

You could keep the variety show you are now showing. You could acquire a new program from one of the independent production companies. Or you could develop and produce your own program.

QRS and the Public Interest Groups

As you know, the FCC requires stations to broadcast in the public interest. Therefore broadcasters become involved with various groups representing different causes in order to determine their needs and interests. Programming tries to meet some of their concerns. For example, if one of your dramatic shows has a character experiencing a heart attack, the American Heart Association could assist you in an accurate and helpful portrayal of this illness.

QRS and Independent Producers

There are three companies in this simulation that specialize in different types of programs: information programs, children's shows, and game shows. They present the network with several ideas. If the network likes one of them, the production company develops the idea further -- describing a pilot show and ideas for sequels. The next step is to commission a script. Then the show goes into production. One example of an actual independent production
In the middle of the United States is Normandy, an area well known for its history and culture. It was once a part of France and became a separate nation in 1795.

QBS and the Advertisers

In order to stay in business you have to sell commercial time at a high enough rate to meet your expenses and pay owners a reasonable return on their investment. According to the Television Code of the National Association of Broadcasters, you could sell sixteen 30-second commercial spots during a 30-minute show. Later on you'll meet with classmates representing potential sponsors. In order to sell commercial time to these advertising agency executives, you'll have to convince them that many potential consumers of their products will watch your program.
Introduction

Most television shows are produced by independent production companies. These companies employ key people year-round to develop new programs and oversee the production and distribution of current shows. The people in your group have been selected to play the roles of production company executives responsible for developing and marketing new programs.

Goal

The QRS network may need a new program to air Tuesday nights at 7:30 p.m. Your goal is to develop a program that meets QRS's needs.

What Do Production Companies Do?

Generally you don't produce a program unless you've already got a customer for it. How do you get a customer for a program that doesn't even exist? Gradually, and in steps.

1) To begin with, you have to know who your potential customers are and what their needs may be.

2) Once you've identified potential customers and inquired about their program needs, you meet with your staff to "brainstorm" program ideas. That is, you try to think of as many ideas as possible for programs which might satisfy potential customers' needs. Accept all ideas, no matter how strange or crazy. Then narrow down your list to those with the best chance of succeeding.

3) Eventually you meet with potential customers to "pitch" your ideas to them. If you're lucky, at least one potential customer will commission a script or an elaborate description of a sample program based on one of your ideas. That means that he or she will pay you a certain amount of money to cover script-writing expenses in exchange for the right to buy a sample program from you.

4) After you have completed the script, you submit it to the customer for review. If you're lucky, the customer will commission a "pilot" from you. In other words, you will be paid a sum of money to produce
a sample program to pilot from one script. In exchange, the customer will get the right to sell a certain number of programs (usually 13 at first) based on the pilot.

Industry experts say that of every 100 ideas pitched, one script is commissioned. For every 100 scripts, one pilot will be produced. For every 100 pilots, one series will result. And for every 100 series, only one will become a smash hit. Whether or not these odds are correct, they give you some idea of the risks involved in producing television programs.
ADVERTISING AGENCIES

Introduction

As you may recall, television commercials and other forms of advertising are devised by people working at advertising agencies on behalf of various corporate accounts. The people in your group have been selected to play agency employees assigned to a specific product account.

Goals

Your group is responsible for coming up with a commercial likely to persuade people to buy the advertiser's product. First, you'll have to determine which segment(s) of the population you're trying to reach. Then you'll have to figure out what message to communicate to the target audience. Next, you'll be asked to design a storyboard which specifies the sights and sounds to be incorporated into the commercial.

What Do Advertisers Do?

Research: Those in charge of marketing and advertising products engage in studies of the consumers of their products. They try to discover the psychological make-up of their customers. Rough versions of commercials are tested on sample audiences, sometimes using computers to monitor brain waves, pupil movements, and other physical responses. They interview prospective customers and ask them to fill out questionnaires. They also conduct surveys to see if commercial spots change buying habits.

The Strategy: Tests prove that most viewers cannot remember commercials that say two or more things about a product. So most advertising strategies are based on a USP (unique selling point) or a PA (product advantage). These devices make the product stand out from the rest of the competition in a favorable light. Sometimes the strategy consists of taking an established product and pointing out that it can do more than most consumers thought.

Commercial Writing: Although television is a visual medium and commercials frequently rely on eye-catching gimmickry for their effects, everything begins
whether you are engineering the sounds, music, or visuals of a commercial.

Commercials are constructed when describing every word, phrase, sound, and
image which will be seen and heard. Remember, only commercials cost
thousands of dollars per second; every word and camera angle must be planned
and executed to maximum effect. For the purposes of this activity, draw a
sketch showing a few images. Then describe the images and sounds in writing.
Broadcasting in the Public Interest

Every broadcast station operates with a license from the Federal Communications Commission (FCC), a government organization that regulates the industry. Since broadcasters use the public airwaves to transmit their programs, they must agree to "serve the public interest, convenience, and necessity." Licensees (station owners) are expected to have a sense of public responsibility.

Broadcast licenses must be reviewed every three years. At renewal time, the FCC tries to determine whether the broadcaster has lived up to his or her obligations and the promise(s) he or she made in obtaining permission to use the public airways. The Commission looks for evidence that the licensee has sought to determine community needs and interests and has tried to meet them through some of its programs. Although it rarely happens, the FCC can revoke a station's license because it has failed to perform in the public interest.

So you see, broadcast companies are obligated to listen to you. In fact, they should seek you out. If you represent a significant community interest or need, they're supposed to provide programs for your benefit.

Marketplace Realities

In spite of everything that's been said, television stations aren't terribly interested in filling heavily watched time slots with public interest shows. Such programs may cost stations as much as more popular entertainment shows, but they're bound to generate less advertising revenue. So while QRS's management team may sincerely want to provide programs to suit your group's needs and interests, their business sense might make them reluctant to do so.
1. Read the Fact Sheet which provides information on the role of network management in this simulation.

2. Using the Rating Review on page 7 of the Student Materials, fill out the following information:
   - What show is the QRS station now showing between 7:30-9:00?
   - What other programs are also shown during that time?
   - Which are the most popular? With whom?
   - What could you show that would attract a bigger audience?

3. Prepare for the meeting tomorrow by writing questions that you might want to ask each for the following groups:
   - Advertisers
   - Independent production companies
   - Public Interest groups

ROUND 1

Advertising Agency: Dishwashing Detergent

1. The product that you want to sell is dishwashing detergent. Answer the following questions about your product:
   - Who is most likely to buy your product?
   - What might these people want to know about your product?
   - What do potential customers need to know about your product?
   - What is special about your brand vs. other brands?

2. Read the Fact Sheet which provides information on the role of advertisers in the television industry.

3. Brainstorm ideas for commercials -- serious, funny, animated, live action, musical jingles, etc.

4. Select one of your ideas and write a one-page description of a 30-second commercial spot. Tomorrow you will present this idea to the QRS station management team, explaining the type of audience you want to reach.
The product that you want to sell is Cookies Cookies. Answer the following questions about your product:

- Who is most likely to buy your product?
- What might these people want to know about your product?
- What do potential customers need to know about your product?
- What is special about your brand vs. other brands?

2. Read the Fact Sheet which provides information on the role of advertisers in the television industry.

3. Brainstorm ideas for commercials -- serious, funny, animated, live action, musical jingles, etc.

4. Select one of your ideas and write a one-page description of a 30-second commercial spot. Tomorrow you will present this idea to the QRS station management team, explaining the type of audience you want to reach.
1. Decide whether you want to represent a specific group -- Native American, Hispanic, black, Korean, Jewish, or any other ethnic/minority group -- or generally represent minorities. Women are also a minority group in terms of their social role.
2. Read the Fact Sheet to find out how a public interest group can influence the television industry.
3. Look at the Ratings Review. Are there any shows now being shown between 7:30-8:00 p.m. that feature your minority group(s)?
4. Brainstorm some ideas for programs that would treat minority group members fairly. What do you think are unfair portrayals of your group(s)? Do you want programs to focus on problems or accomplishments?
5. Prepare some arguments for the type of programming you want to present to the QRS management team tomorrow. Assign someone in your group to present program ideas and arguments to QRS.
1. Your group wants better television programs and commercials for children. Read the Fact Sheet to determine what role public interest groups have in the television industry.

2. Look at the Rating Review. Which programs now being shown between 7:30-8:00 p.m. are suitable for children?

3. Brainstorm some ideas for programs or specials that you think would be good for children in that time slot. What do you want — informational programs, entertainment, serious dramas, non-violent, high ideals, good models for children?

4. Tomorrow you will present an argument to the QRS network team in which you spell out the types of programs your group wants. Make an outline of your arguments and decide who will present your point of view.

ROUND 1
Independent Production Company: Informational Programs

1. Your company's specialty is the design and production of informational programs that inform the public about animals, historic events, famous people, travel, and other reality-based subjects. Read the Fact Sheet to find out about the role of independent production companies in working with TV stations.

2. Look at the Ratings Review. Are there any informational programs now being shown between 7:30-8:00 p.m.? What would your competition look like if you were to offer QRS an information-based program at this time of the evening?

3. Brainstorm some ideas for information shows. You might want to use a magazine format like "60 Minutes" in which several topics are covered. What kind of show would be most competitive in this time slot?

4. Pick your best three ideas for information shows. For each idea, prepare an outline describing the show and why you think it would be attractive to an audience. These ideas will be presented to QRS tomorrow.
ROUND 1 Independent Production Company: Game Shows

1. Your company's specialty is the production of game shows. Read the Fact Sheet to find out about the role of independent production companies in working with TV stations.

2. Look at the Ratings Review. Are there many game shows now being shown between 7:30-8:00 p.m.? What would your competition look like if you were to offer a game show to QRS at this time?

3. Brainstorm some ideas for game shows. For each idea, prepare an outline and some degree of skill or knowledge. What new ideas can you come up with?

4. Pick your best three ideas for game shows. For each idea, prepare an outline describing the show and why you think it would be attractive to an audience. These ideas will be presented to QRS tomorrow. Be sure to include information on the suggested hosts, celebrity guests, the kind of contestants, or any other aspect of the show that makes it special.

ROUND 1 Independent Production Company: Children's Programs

1. Your company's specialty is the production of children's programs, including cartoons, puppet shows and serious dramas. Read the Fact Sheet to find out about the role of independent production companies in working with TV stations.

2. Look at the Ratings Review. Are there many children's programs now being shown between 7:30-8:00 p.m.? What would your competition look like if you were to offer a children's program on QRS at this time?

3. Brainstorm some ideas for children's programs that could fit into this time period -- adventure stories, comedies, cartoons, nature programs, sports, children news. What kind of show would be most competitive and fill QRS's needs at this time slot?

4. Pick your best three ideas for children's programs. For each idea, prepare an outline describing the show and why you think it would draw an audience. These ideas will be presented to QRS management tomorrow.
ROUND 2

QRS Management Team

1. Today you will be looking for ideas for a new show at 7:30 p.m. and finding sponsors interested in buying commercial time.

2. Listen to the presentations of the independent production companies, the advertisers, and public interest groups. Ask questions.

3. Meet with your QRS group and decide the following: for each independent production company, select ONE of their best program ideas. Have each company develop that idea further.

4. Announce which program ideas you want the individual production companies to develop further. They will then prepare a one- to two-page description of the program and an outline of subsequent shows if a series is being planned.

ROUND 2

Advertising Agencies

1. Listen to the presentations from the independent production companies and the public interest groups. Take notes on ideas that are in line with your own objectives of trying to get your product sold.

2. Present your idea for a commercial selling your product. Explain the type of audience and the types of programs which your advertising agency is most interested in.

3. Meet with your advertising group after the QRS network management team has announced which program ideas they want developed further. Make a list of these programs and rank them in order of most to least valuable in terms of selling your product.
Public Interest Groups

1. Listen to the other public interest groups' presentations and the program ideas of the independent production companies and advertisers. Makes notes of acceptable and unacceptable ideas for programs and commercials from your group's point of view.

2. Present your group's ideas for programs and arguments for why your interests should be a number one priority of QRS management.

3. After the presentations are finished, meet with your public interest group to compare notes on any of the group members' objections to the presentations.

Independent Production Companies

1. Listen to the presentations by other production companies.

2. Present your three ideas for programs to the QRS management team.

3. Listen to the presentations of the advertisers and special interest groups.

4. QRS executives will tell you which idea they prefer, and commission your company to develop a script on that one idea. Tomorrow you will be working on further development of the idea.
1. Today you will be working with your QtS group. Divide the following two tasks among group members.

a. **Attracting advertisers:** Based on the program ideas being developed further and the needs of the potential sponsors, prepare a list of arguments showing WHY these sponsors should be interested in buying time during the various shows. Use the Ratings Review to project the kind of audience interested. During the last part of the period one of you should meet with the advertising agencies and "make your pitch." Listen very carefully to their reactions and report back to your group.

b. **Developing a new network-produced program:** Your station can produce its own program to replace the one you are now showing. Based on the statements of the public interest groups, develop a program that would satisfy one or several of their interests. Meet with members of relevant interest groups to get a reaction to your program idea. Report back to your group on the reactions of each interest group.

2. Select a member of your group to present the new network-produced program idea to the class tomorrow.
1. Meet with members of public interest groups to get their reactions to your presentation of a 30-second commercial.

2. Change your commercial if necessary, given the feedback from public interest groups. Try not to offend the audience you want to reach -- that doesn't sell products.

3. Prepare a storyboard: draw a series of rough pictures of what the viewers will see in your commercial. Underneath each picture, write what they will hear.

SAMPLE STORYBOARD for Arm and Hammer Baking Soda:
ROUND 3: Public Interest Group

1. Meet with advertisers who are developing commercials that would help or hurt your interests. React to the commercials they presented yesterday and make suggestions of ways they could change their commercial to help your cause.
2. Meet with your public interest group and compare notes on the program ideas that QRS selected for further development. Of these, which are helping and which are hurting your cause? Select people from your group to go talk with production companies about your group's concerns.
3. Prepare a written statement that will go in the QRS licensing file as evidence that the network has listened to public interest groups. State your group's concerns with programs and commercials and your recommendations for improvements.

ROUND 3: Independent Production Companies

1. Given the program decision of QRS yesterday, develop that program idea further. If it is going to be a series, how would each episode develop the story? What would be the high point of your program? Why do you think the audience would watch this show?
2. Given the concerns of the public interest groups and advertisers, how could you change your program content? Does your program use unfair stereotypes, offensive language, etc.?
3. By the end of class today, you should have a 2-page description of your pilot program and an outline of subsequent shows. Tomorrow one of your group will read the description to the entire class and they will rate it in terms of its appeal. Choose someone to make tomorrow's presentation.
ROUND 3  

QRS Management Team

1. Begin the last round by asking each group to present their program ideas to the class:
   a. Informational program
   b. Game show
   c. Children's program
   d. Network's proposal for new program.

2. Make your final decision about which of the four programs you will use.

3. Announce your decision as to which program you will air. You will then learn which, if any, of the advertising sponsors wants to buy commercial time during your program.

ROUND 4  

Advertising Agencies

1. Listen to the presentations of program ideas. Decide which program you would not want to sponsor given the market you want to reach. Keep it secret.

2. While QRS staff is deciding which program to air, present your story board and commercial message to the rest of the class. Explain why you decided to sell your product in that way. Do not announce which programs you would or would not sponsor.

3. When QRS informs the class about which program they have decided to air, announce to the class whether or not you want to sponsor the program, and explain why you have made that decision.
1. Listen to the presentations of the program ideas. Did your group succeed in influencing program content?

2. Listen to the proposed commercial spots. Did your group influence the advertising agencies?

3. When QRS announces which program they will air between 7:30-8:00 p.m., decide if your public interest group was successful in influencing that decision.

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**ROUND 4: Independent Production Companies**

1. Listen to the presentations of the program ideas.

2. Make your group's presentation.

3. Listen to the ideas for commercials.

4. QRS and the advertisers will then decide if they will use your show.
INSIDE TELEVISION

Student Materials

Author: Phyllis Maxey
Business Issues in the Classroom
Constitutional Rights Foundation
Los Angeles, California
Revised, 1983
INSIDE TELEVISION

Click. You turn the television on. Click...Click...Click. You switch to your favorite show, or whatever happens to please you at the moment. Before you know it, you're totally engrossed in the program. Then a commercial flashes on the screen, breaking the spell before briefly casting one of its own. That's the way it goes -- hour after hour, night after night.

Television exerts a powerful influence over our lives. It makes us laugh. It makes us cry. It creates fads, fashions, heroes, and celebrities. For some, it is their only source of news; for others, their only company. For most of us, however, it's a never ending stream of entertainment and information to divert us from our daily concerns.

If you're like the average person, you probably talk about television with your family and friends. But do you ever wonder who controls this powerful medium? Who decides what programs we'll see? or never see? Do you ever wonder how they make their decisions? What they consider when selecting or rejecting programs? Do you ever wonder whether you count or not? Whether anyone cares what you like or want to see?

During the next few days you're going to participate in classroom activities which recreate various aspects of the television broadcasting business. You'll play the role of someone who influences or affects the production and distribution of television programs and commercials. Although the real world of broadcast television is much more complicated than the one in which you'll be participating, these activities will help you understand it better. You'll probably never look at television the same way again.

This unit includes the following learning activities:
1. **READING:** Everything You Always Wanted to Know About Commercial Broadcast Television and More
2. **REVIEW:** Questions to Answer
3. **ACTIVITY:** Interpreting the Ratings
4. **SIMULATION:** QRS Programming Decision
In order to participate effectively in this activity, there are a number of things you should know about commercial broadcast television. First and foremost, it is a business—a very big business. Every year billions of dollars change hands. Some say that we are the principal products being bought and sold. What do they mean by that?

The Advertising Function

In order to profit financially from transmitting programs, broadcasters have to sell commercial time to advertisers. The price they charge generally depends on the number of people who may be watching when the commercial is aired. Therefore broadcasters try to present programs which will attract the largest possible audience. In effect, they're selling us (actually our viewing impressions) to advertisers who hope we'll be influenced by their commercials.

The Ratings

How do those who buy and sell commercial time know how many people are watching at any given time? They rely upon two companies, A. C. Nielsen and Arbitron, to estimate and report the size of viewing audiences. These companies use the same research techniques that all survey or polling organizations employ. They select a small but representative sample of the population and determine their viewing habits. Then they project those findings to the total population. Those estimates of viewing audience size and composition are known as the "ratings."

The ratings are the main factor that determines the price of television advertising spots. In prime time, from 8:00 to 11:00 p.m., when the viewing audience is the largest, a 30-second spot can cost between $9,000 and $12,000. Advertisers are looking for maximum exposure to potential buyers of their products. An old movie at 1:00 a.m. might cost $50 for a 30-second spot, but there will be very few viewers. You may have noticed that only one brand of car, beer, or soap is advertised during some programs. For a "special" such as the NFL pre-season games, companies will compete among themselves for
exclusive rights during those football games. Such competition also drives the cost of advertising higher.

Broadcasting

Viewing audiences can be huge because of the special nature of broadcasting. Program sights and sounds are miraculously converted into electro-magnetic waves by the broadcast station for transmission through the air at the speed of light. Any television set within the radius of the station’s broadcast frequency can receive the program. The same holds true for radio broadcasting.

The Federal Communications Commission

There are a limited number of radio and television broadcast frequencies which can be used without some interfering with others. The Federal Communications Commission, a government agency, was established in 1934 to prevent such interference. Since broadcasters use the public airwaves, the FCC was also given the responsibility of making sure that stations operate in the public interest. It fulfills both functions by licensing only a limited number of broadcast stations in each area and by regulating their operation.

License Owners

As of January 1, 1980 there were 267 public and 746 commercial television stations licensed to operate in this country. Public stations are operated by community supported, nonprofit organizations while commercial stations are operated by companies in business to make a profit. Some companies own single stations; others own groups of stations.

The most important station groups are owned by three companies: the American Broadcasting Company (ABC), the Columbia Broadcasting System (CBS), and the National Broadcasting Company (NBC). Each of these firms owns stations in New York City, Chicago, Los Angeles (our largest cities) as well as in two other major metropolitan areas. Each station reaches about 22% of the U. S. audience. Many stations are not network-owned or network affiliates.
They are independent stations who produce their own programs and buy others from distributors.

Networks

ABC, CBS, and NBC are industry giants in another way too. Each company has a "network" division that transmits programs simultaneously to hundreds of stations (including the five it owns) via microwave, coaxial cable, and satellite links. The stations that receive these programs and broadcast them to their local audiences are called network affiliates. They have signed agreements with the network which entitle them to carry the network's programs when they want to do so.

Although network affiliates aren't obligated to carry the network's programs, they usually do. That's because the network pays its affiliates according to the amount of network time carried and the size of the affiliate's audience. The network also lets its affiliates insert some local commercials into its programs. That generates even more revenue for local stations.

Additional Network Powers

In addition to owning five important stations and distributing programs to hundreds of others, each network also produces some of its own programs. Most national news, public affairs, and sports programs transmitted by the networks are produced by them. So are the early morning and late night programs such as "Good Morning, America" and "Today."

Commercials

No discussion of commercial broadcast television would be complete without further mention of commercials themselves. Though scorned by many, commercials are often better made and more compelling than the programs in which they're placed. That's probably because much more time and money is spent on their development and production than on the same amount of program time.

Advertising agencies pay market researchers to study our needs, wants, tastes, and values. Copy writers conjure up the sounds and images sponsors hope will keep us riveted to our seats during commercial breaks. Fortunes are
spent on the productions themselves, which incorporate the most advanced film and video techniques. Additional sums are spent placing commercials in programs where potential customers are most likely to see them. All that money is either paid to or spent by advertising agencies, the companies responsible for developing commercials and other forms of advertising.

Our Role as the Audience

Many forces influence what we see on commercial television. But those of us in the viewing audience exert the greatest influence of all. If enough of us watch a particular show, sponsors bid up the price of its advertising time and it stays on the air. If not enough watch, sponsors shun it and cancellation may result. Although the system is far from perfect, it does reflect the realities of the marketplace and our democratic values.

Our influence could be even greater if we realized how much power we really have. Remember, since broadcasters use the public airwaves, they must operate in the public interest. If we believe strongly that our airwaves are being misused, we can make our views known to the offending parties, and we can petition the government to redress our grievances.

Independent Production Companies

Most of the programs you see on television have been produced by independent production companies. Employing from several to several hundred people, these companies develop and produce programs in response to station and network needs. They're highly specialized. Some provide only game shows. Others specialize in situation comedies or dramatic series. A relatively small number of firms produce most of the programs we see year after year.

Who Pays for What?

Television programs are very expensive to produce. Even a simple one-camera, unrehearsed studio interview show costs thousands of dollars. The kinds of programs airing during prime time (when the most people are watching television) cost hundreds of thousands of dollars.
Since television shows cost so much to make, they must be seen by large numbers of people before their producers benefit financially from them. Only in that way can enough advertising revenue be generated to cover production and distribution costs as well as the profits all concerned expect to make. A program is likely to be seen by many people if it's broadcast on a frequently watched channel in a major metropolitan area during prime time. Naturally, many more people will see it and more commercial time can be sold if it's broadcast all around the country. Repeat showings (reruns) further enlarge the audience and fatten the pot.

In order to squeeze the maximum financial benefits from their programs, producers hardly ever sell them outright. Instead they sell broadcast rights. They license broadcasters to show their programs a certain number of times over a specified period in a particular market. At the end of that period the may resell those broadcast rights to another customer in the same area. To put it simply, producers rent their programs to broadcasters as many times as they can.

Interpreting the Ratings

The table on the following page is similar to a page from an A. C. Nielsen audience measurement report. It indicates which programs are being offered Tuesday nights from 7:30-8:00 p.m. by hypothetical television stations in one of the nation's largest broadcast markets. More importantly, it provides information regarding the audience's viewing preferences during this period. Since this activity focuses on the QRS network, let's take a closer look at the information for one of its stations, KNET.
<table>
<thead>
<tr>
<th>STATION</th>
<th>TYPE OF PROGRAM</th>
<th>RATINGS (% of TV Households)</th>
<th>SHARE (% of viewing audience)</th>
<th>WOMEN (18+)</th>
<th>MEN (18+)</th>
<th>CHILDREN (2-11)</th>
<th>TEEN (12-17)</th>
<th>TOTALS</th>
</tr>
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<tbody>
<tr>
<td>KAAA</td>
<td>MOVIES-variety</td>
<td>9</td>
<td>14</td>
<td>249</td>
<td>245</td>
<td>61</td>
<td>56</td>
<td>68%</td>
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<tr>
<td>(Network)</td>
<td>of feature films</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>KPH</td>
<td>NEWS and PUBLIC AFFAIRS ANALYSIS</td>
<td>1</td>
<td>2</td>
<td>33</td>
<td>28</td>
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<td>0</td>
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<td>(Public TV)</td>
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<td></td>
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<tr>
<td>KBBB</td>
<td>POLICE DETECTIVE ADVENTURE</td>
<td>6</td>
<td>9</td>
<td>188</td>
<td>153</td>
<td>58</td>
<td>40</td>
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<tr>
<td>KVIC</td>
<td>TALK SHOW-people and events</td>
<td>11</td>
<td>17</td>
<td>393</td>
<td>285</td>
<td>44</td>
<td>53</td>
<td></td>
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<tr>
<td>KSPA</td>
<td>SPANISH LANGUAGE DRAMA</td>
<td>4</td>
<td>5</td>
<td>153</td>
<td>125</td>
<td>105</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>KNET</td>
<td>VARIETY SHOW</td>
<td>4</td>
<td>6</td>
<td>187</td>
<td>105</td>
<td>29</td>
<td>7</td>
<td></td>
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<tr>
<td>(QRS Network)</td>
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</tr>
<tr>
<td>KDOD</td>
<td>SITUATION COMEDY</td>
<td>14</td>
<td>20</td>
<td>408</td>
<td>359</td>
<td>343</td>
<td>112</td>
<td></td>
</tr>
<tr>
<td>(Network)</td>
<td>father raises three children alone</td>
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<tr>
<td>KEEE</td>
<td>GAME SHOW</td>
<td>10</td>
<td>14</td>
<td>284</td>
<td>211</td>
<td>147</td>
<td>143</td>
<td></td>
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<tr>
<td>KFFT</td>
<td>SITUATION COMEDY</td>
<td>9</td>
<td>13</td>
<td>283</td>
<td>182</td>
<td>97</td>
<td>73</td>
<td></td>
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<tr>
<td>(Off-network reruns)</td>
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<td></td>
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<tr>
<td>high school teacher</td>
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<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td><strong>68%</strong></td>
<td><strong>100%</strong></td>
<td><strong>2,178</strong></td>
<td><strong>1,693</strong></td>
<td><strong>884</strong></td>
<td><strong>530</strong></td>
<td></td>
</tr>
</tbody>
</table>
INTERPRETING THE RATINGS

First we learn that KNET is broadcasting a variety show in this time slot. The "rating" figure in the next column tells us that 4% of all TV households were tuned to KNET each Monday night at 7:30 p.m. during the survey period. The "share" figure in the next column means that 6% of all the households actually watching TV at this time were tuned to KNET.

The next series of numbers, when multiplied by one thousand, tells us how many women, men, children, and teens were watching the shows. As you can see, it drew approximately 187,000 women but only 7,000 teens and 29,000 children. It is not a very popular show.

Now take a few minutes to compare KNET's program offering and rating with those of its competitors.

- Of those actually watching TV at 8 p.m., what programs attract the most viewers?
- What programs are most popular with:
  - Women?
  - Men?
  - Children?
  - Teens?
- What percentage of TV households were not watching television at this time?
READING REVIEW

1. Why do broadcasters need to attract as large an audience as possible if they want to stay in business?
2. How are television ratings determined?
3. What federal agency grants licenses to broadcasters to use the public airwaves? Why are licenses limited in number?
4. What are television networks? What powers do networks have?
5. What is the difference between commercial television and public television?
6. What do advertising agencies pay market researchers to do?
7. What is an independent production company?
8. What power do television viewers have in influencing what is shown on TV?
THE QRS PROGRAMMING DECISION
A 3-DAY SIMULATION GAME

A hypothetical TV network, QRS, is looking for a replacement for their unsuccessful variety show at 7:30 p.m. In addition to the network management, there are many others who have a concern and an interest in this decision: advertisers, independent producers, and special interest groups.

Your class will be divided into ten (10) groups to simulate the actual people who would be involved in this type of prime time programming decision.

MONDAY NIGHT VIEWING AUDIENCE
7:30-8:00 p.m.

QRS TELEVISION NETWORK

ADVERTISERS
Glokker Marshmallow
Cookies
Designer Jeans
Dishwashing Detergent

INDEPENDENT PRODUCERS
Children's Programs
Game Shows
Informational Programs

PUBLIC INTEREST GROUPS
Environmentalists
Minority Groups
Children's Advocates