

WB 100+ stations act locally

Net personalizes central-casted signals for small markets

By Jesse Hiestand

Viewers in Palm Springs, population 44,140, see the WB Network on KCWB, channel 5. While it appears to be a hometown broadcaster, KCWB is available only on cable, as are WB outlets in 109 of the 111 smallest U.S. television markets, where each signal is personalized with unique call letters and local references to give the impression of being based in the area.

In fact, the WB has almost no physical presence in these markets as its virtual stations are all programmed from a single distribution hub in Los Angeles.

More than a clever branding trick, the WB 100+ Station Group serves several strategic functions for the network by attracting local advertising, boosting the WB's ratings and national audience reach and acting as a test bed for such cutting-edge technology as central casting and ad insertion.

"With the digital technology we used at 100+, we were able to create something that was very low-cost to operate and will grow to a very profitable part of our business," said Jamie Kellner, chief executive of the WB, its majority owner Turner Broadcasting and WB-affiliated station group ACME Communications.

From his experience helping to launch the Fox network, Kellner knew he did not want the WB to be a generic national network in those areas where cable access was the only option because existing stations were already affiliated with other networks.

Several technical advances were required to launch the 100+ group four years ago as a complement to the WB's top 99 markets, where the network, a venture of AOL Time Warner's Turner Broadcasting and Tribune Co., is broadcast over the air.

First, the WB worked with IBM to build a nationwide data network so that ads, mailed by small businesses to a WB control center near Los Angeles International Airport, could be digitized and transmitted back to computers at cable headends in their original markets.

Advances in MPEG video splicing then allowed the spots to be inserted at predetermined times

into the WB 100+ national signal, which is sent by satellite to cable operators. The splicing is handled automatically by a PC-based "station in a box," or SIB, that is the WB's only physical presence in the market.

"You have to view this as an ATM machine that, instead of cash, plays video," said Russell Myerson, general manager of the 100+ station group. "Excluding the cost of news, which we don't do, we've shaved 88% of the cost



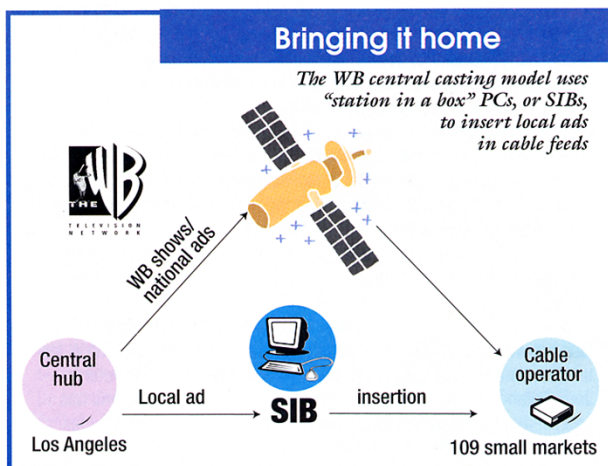
Kellner

um rates for its highly rated network — delivering another revenue stream, Kellner said.

The 100+ group, which recently added a central time zone feed to complement its East and West Coast time schedules, has also benefited the network in other ways.

Its advances in "store and forward" central casting are being adopted in broadcast markets, typically to distribute syndicated shows for easier access by affiliates.

The 100+ group was also designed to meet Nielsen's definition of a local station, so its ratings get counted with the WB's over-the-air affiliates,



off operating a station in a local market."

In addition to ads, the SIBs, which cost \$45 million to deploy, store each market's personalized promotional graphics and sometimes short documentaries about the area. The current box is limited to 90 minutes of video, though a more powerful second-generation computer might be developed to customize program schedules and add local sports and news. The latter would be supplied by the local market Big Four affiliate that already handles ad sales for the 100+ group.

The sales partners get a percentage of the WB's local ad revenue, as do cable operators, who continue to get the WB for free as an incentive to carry it. When the first of those free carriage agreements expire in about six years, the WB expects to charge premi-

boosting the network's overall numbers and the amount it can charge for national advertising. The WB covers 92% of the U.S. television market, with the 100+ group accounting for about 7% of that.

"By shifting the mix a little more to local ads, it can insulate them a little more from swings on the broadcast side," Barrington Research analyst James Goss said. "Having as complete coverage of the country as is possible also helps the network on the revenue side and ratings." ■

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