In Slump, Networks Scramble Lineups

By STUART ELLIOTT and BILL CARTER

Each May, the big broadcast television networks invite advertisers, agency executives and affiliates to peek at their schedules for the coming season. But the awful economy threatens to spoil the party before it begins on Monday.

The recession has suppressed demand for commercial time during the shows the networks are planning for the 2009-10 season, which starts in September. That is particularly true for crucial advertising categories like automotive, retail and financial services.

As a result, the broadcasters are making some startling moves in hopes of shaking up the market, most notably a decision by NBC to replace traditional fare at 10 p.m. on weeknights with a comedy talk show hosted by Jay Leno.

“There’s no doubt in my mind that a lot of clients are holding back, really holding back,” said David Sklaver, president at KSL Media, which buys commercial time for advertisers.

Estimates are that sales on the five big broadcast networks could decline by as much as 15 percent from last spring, when they sold about $9.2 billion of commercial time ahead of the 2008-9 season.

An automaker or retailer might welcome a decline of only 15 percent. But in television, where arrows almost always point up, that steep a slide in the upfront market — so named because it takes place before each season begins — could be the most severe in eight years.

“There are still a lot of questions out there,” said Jeff Zucker, chief executive at the NBC Universal unit of General Electric. His NBC network is one of the five broadcasters that will announce their fall schedules this week, along with ABC, CBS, CW and Fox.

Some network executives said recently that they saw glimmers of improvement in the ad market, but Mr. Zucker is not that sanguine.

Although “we may have seen the bottom,” he said, “we don’t see an uptick.”
Rather than waiting for a turnaround, Mr. Zucker and NBC are taking what may be the biggest gamble of this — or any recent — upfront market: betting that viewers will want to watch Mr. Leno, the longtime host of “The Tonight Show,” in a prime-time slot earlier than he has ever had.

“People want more comedy,” Mr. Zucker said, explaining the rationale for the introduction of what is being called “The Jay Leno Show,” and “people love Jay.”

To help prove that, Mr. Zucker commissioned research on the prospects for Mr. Leno. “People tell us they will, or will make a significant effort to, watch three nights a week,” Mr. Zucker said, which would ensure the show’s success. Five nights of Mr. Leno a week would cost NBC Universal much less to produce than other types of shows at 10 p.m. like drama series.

NBC’s affiliated stations, which will meet with network executives on Wednesday specifically to discuss plans for the Leno show, commissioned their own research.

“It was mostly good news for us,” said Michael J. Fiorile, vice chairman of the Dispatch Broadcasting Group, which owns an NBC affiliate in Indianapolis. Viewers who said they liked Mr. Leno tended to be heavy viewers of local news, Mr. Fiorile said, which would benefit affiliates that offer 11 p.m. newscasts after the Leno show.

“In terms of our evening news, we always prefer a talk show as a lead-in,” he added.

The network’s executives are scrambling to counter the idea, put forth by competitors, that NBC is leaving the 10 p.m. hour open to be won by dramas on ABC and CBS.

CBS has been more successful than ABC in developing a popular lineup of 10 p.m. series. CBS is expected to shore up the time period with even stronger shows in its 2009-10 schedule; the network has been experimenting this spring by giving 9 p.m. hits like “The Mentalist” trial runs at 10 p.m.

The new Leno show is “clearly the highest priority for the network this fall,” said Alan Wurtzel, the president for research at NBC. He offered data showing that no conventional series introduced at 10 p.m. since the 2003-4 season has approached true hit status in the ratings.

“The 10 p.m. environment is just brutal,” Mr. Wurtzel said.

Executives at media agencies, who will help decide whether the Leno show is a hit or flop in terms of sales, offered mixed reviews.

“It’s a bold move,” said Steve Lanzano, chief operating officer for MPG U.S., part of the MPG media agency owned by Havas.
“I give NBC credit for trying something,” he added, even if “I’m not sure it’s the right move.” Mr. Leno’s arrival in prime time could affect viewership for the late-night shows that will follow him on NBC, Mr. Lanzano said, hosted by Conan O’Brien, Jimmy Fallon and Carson Daly.

Steven J. Farella, president and chief executive at another media agency, TargetCast TCM, said the prospect of Mr. Leno at 10 p.m. was welcome.

“Think about the alternative: another crime drama, another hospital drama,” Mr. Farella said. “We like things that are different, so we can sit in front of clients and say, ‘Let me tell you what I’m doing differently this year than last year.’ ”

Mr. Farella said he also liked NBC’s promise that Mr. Leno’s show would be “advertiser-friendly,” offering sponsors opportunities like commercials delivered by Mr. Leno and the inclusion of brands in skits.

Fox, part of the News Corporation, will make its upfront week presentation on Monday, followed by ABC, part of the Walt Disney Company, on Tuesday; CBS, a unit of the CBS Corporation, on Wednesday; and CW, owned by CBS and Time Warner, on Thursday. NBC, which has already been meeting with advertisers, will unveil its fall lineup on Tuesday.

Some major cable channels intend to crash the upfront week, scheduling presentations around those of their broadcast rivals. For instance, ESPN, owned by Disney, will go on Tuesday. And cable channels owned by Time Warner, including TBS and TNT, will present on Wednesday.

The cable channels are hoping they can be attractive alternatives for advertisers seeking to spend less in hard times; commercials in cable shows typically cost less than in broadcast shows.