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N.C. Media In Top Financial Health

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North Carolina's newspaper, radio and television management is comparable to a group of jewel collectors: Nobody's bragging about it, but most believe they have something valuable.

A *Financial Times* survey of publishers and station managers produced the consensus that the state's media industry is in excellent health.

Business has been very good in 1976 following an overall slump last year. A few executives even said they were relatively unharmed by the recession.

Advertising revenues are up and newspaper circulation is generally climbing after a dip in 1975.

TV and radio stations in the state's largest markets are attracting more national advertisers than before. And millions of North Carolinians still remain glued to the tube or the car radio for significant periods every day.

The three main branches of the media are not without their headaches. Newspapers fret over escalating newsprint costs, which have jumped about 50% since 1973. TV stations worry about competition from cable and pay systems.

Many small radio owners are concerned about low advertising rates, which haven't risen much because of competition among radio stations themselves.

North Carolina, with more than 250 radio outlets, has the highest number of radio stations per capita in the nation.

"There are probably too many stations in some towns," said Frank Maruca, general manager of WKIX in Raleigh. "Some small towns have three or four stations."

But pessimism is almost foreign to the newspaper, radio and TV industry right now.

"This is an excellent time to be in the newspaper business," said Frank Daniels, board chairman of the *Raleigh News & Observer* and *Times*. "If you don't think so, try to buy a daily newspaper."

Says Stan Kaplan, owner of WAYS in Charlotte: "Radio is booming. We had our best year ever in '75. Our new station WROQ (FM), doubled its sales volume last year."

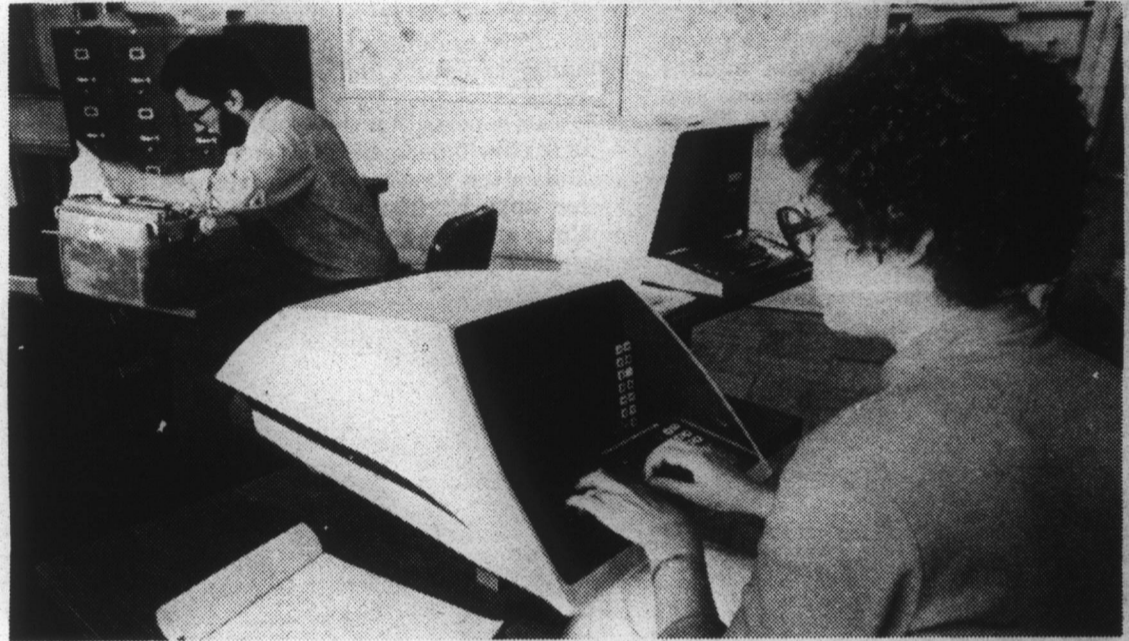
Wallace Jorgensen, executive vice president of Charlotte's WBTV and WBT radio, says TV and radio advertising was up about 25% nationwide for the first quarter of 1976.

"The radio and television industry is experiencing a resurgence," said Jorgensen, "and we are experiencing it, too."

But Norman Suttles of Smiles Associates, a radio management and consulting firm in Fayetteville, says some small stations are lagging behind.

"The big problem with smaller stations is that revenue is not going up as fast as inflationary costs," said Suttles. "And most stations are small. It's still a viable business, but profits are being squeezed."

"Price increases in advertising have not kept up with inflation, and the reason in many cases is that radio is tremendously competitive."



OLD AND NEW ways of typing newspaper stories are shown in this scene of the Raleigh Times newsroom. One reporter uses an old manual typewriter while another sets a story on a new computerized CRT, part of the new technology at newspapers.

Neal Cadieu, owner of one daily and three weekly newspapers in the Sandhills region, says small weeklies face the same problem.

"The weekly business is only fair," said Cadieu. "Times are harder for weeklies than in the past and many weekly papers are selling."

"The cost of production has been a real problem. Their income is limited because they can only sell to a few local merchants. The number of weekly newspaper sales shows it is getting increasingly difficult."

But most newspapers and radio and TV stations are apparently quite profitable. They believe this year has been very good for them because of a general upsurge in the economy, especially retail sales.

Much of their advertising comes from retailers, and North Carolina's retail business has picked up considerably over the depressed levels of 1975.

The state's sales tax collections, considered the best indicator of retail activity, jumped 19% in May over the same month in 1975.

Here's a sample of the three media industries:

Newspapers

Rolfe Neill, president and publisher of the *Charlotte Observer* and *News*, thinks newspapers need to be more appealing to readers. Daily circulation has fallen the last two years in the United States. The *Charlotte Observer's* circulation is up over last year but *News* circulation has been dropping for several years.

"Obviously, we're not telling people what they want to know as well as we could, or we'd be selling more newspapers," said Neill. "There are no dull stories, just dull writers. The trick is to present it so people will want to buy it."

"Our major problem is getting people to buy the paper. We want 100%. We want everybody to buy one and we don't have that."

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A CFT Special Issue On:

Press, Radio, TV

SPECIAL SUPPLEMENT TO:

The Anson Record (Wadesboro)
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Gates County Index (Gatesville)
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