



## **Tough Competition for Free Television Time Leads Charities to Weigh Paid Commercials**

by Elizabeth Klein

Stiff competition for donations of public service advertising on television has prompted many of the nation's major charities to consider paying for broadcast time and to explore other ways to get their messages on the air.

If charities such as the Boy Scouts of America go ahead with their plans to pay for TV time, that would mark a major shift in public service advertising. Traditionally, charities have asked television stations to donate such time and in a recent year cable and broadcast stations gave about \$532 million worth of time for public service advertising. Although a few charities, such as Save the Children, have paid for advertising, the practice is not widespread.

### **Precedent for Payment Could Be Set**

The possibility of such a shift has some charity officials and other experts on public service advertising worried. They fear that the tradition of donated time could be threatened if large charities begin paying for advertisements. And that once such a precedent is set, only those groups that can afford to buy broadcast time - or persuade a corporation to buy it for them - will get it.

For many large charities, public service announcements are a critical vehicle for fund raising, volunteer recruitment, and public education. Officials say they are willing to try paid broadcast time, even at the risk of losing free time, because they feel the free time they are getting is too limited and increasingly regulated to hours of low viewership.

"It has been our policy not to buy airtime because we were afraid we would lose the free air time," says Susan Islam, director of broadcasting and advertising for the American Cancer Society. But she says the society has organized a committee to examine its public service advertising guidelines and is likely to seek corporate sponsorship of public service advertisements.

"PSA time is becoming less and less available", says Ms. Islam. "The stakes are lower because there's not as much free time around. The networks and stations have come to accept that non-profit organizations can have people paying for commercials."



### Charities' Strategies

Here are some of the strategies charities are using to get greater access to broadcast time:

- Several groups - including the American Cancer Society, the American Red Cross, and United Way of America - are looking into the possibility of getting corporations to buy broadcast time for them. The American Heart Association began getting corporate support for the distribution of public service messages three years ago.
- The Boy Scouts of America is considering buying broadcast time for its public-service advertisements as part of a major marketing campaign to attract new scouts.
- Local affiliates of the United Way and Big Brothers/Big Sisters of America are paying stations to broadcast public service advertisements and making the cost of advertising a regular part of their annual budgets.
- Other charities have persuaded corporations to underwrite their public service messages. For example, United Way of Tri-State got the International Business Machines Corporation to pay for its messages to be broadcast in New York City metropolitan area.
- The National Easter Seal Society recently hired a communications consulting company, Goodwill Communications, to distribute its public service advertisements more effectively.

Many non-profit groups are reaching beyond the major national television networks and distributing their PSAs to cable television networks, whose broadcast schedules are comparatively less crowded with commercial advertisements.

Charity officials overwhelmingly blame the Federal Communications Commission for the increased competition for free broadcast time. In 1984, the commission dropped its guidelines for public service advertisements as part of its efforts to deregulate the broadcast industry.

It scrapped standards for the content of PSAs and eliminated a requirement that broadcasters issue reports detailing their daily broadcast schedules. Those changes have made it difficult to monitor exactly where and when PSAs are aired, charity officials say.



"We used to get accurate PSA reports from the three networks, but I don't anymore," says Elaine Chapnick, director of creative services for the American Lung Association. "We have great difficulty getting an accurate count. The best we can do is with our own eyeballs, and our sense is that we're not getting shown as much anymore."

Save the Children is one of a handful of national charities that has been buying broadcast time for PSAs for years. Officials there view advertising as a necessary fund raising cost. The charity buys "direct response" advertising, which costs less than other commercial advertising because it can be pre-empted if a commercial advertiser wants to buy the spot at full price.



In a recent year Save the Children spent \$2.1 million on advertising, says its director of advertising, Andrew Mollo, who played a key role in the charity's decision to start paying for advertising. The charity made the switch when it was concerned about a drop in contributions.

He says the paid advertisements "are much more effective in terms of volume of response," pointing out that 98 percent of the money the charity raises through the PSAs is for paid advertisements, while only 2 percent results from free PSAs.

Charities are not the only groups stepping up efforts to get out their public-education messages. In the past year, several state governments have begun to buy public service broadcast time to inform the public on a number of health issues, such as AIDS, high blood pressure, high cholesterol, and smoking.

## Effect of 'Mega-Campaigns'

Aside from deregulation by the federal government and competition from state agencies, other factors that are squeezing the availability of public service time, say charity officials. These include economic pressures in the broadcasting industry, which is losing viewers to cable television, and the presence of "mega-campaigns" about AIDS prevention and illegal drugs that are put together through collaboration of many non-profit groups and government agencies.

"Given the choice, the media is certainly going to go for the higher-visibility issues, like AIDS and drugs," says Eleanor Hangle, executive vice-president and director of operations for the Advertising Council. "Our figures for public service advertising were up last year, but despite that, it's an ever-more-competitive environment, due to the nature of the problems."

## Ad Council PSA Data

An Advertising Council study found the contributions of public service advertising by all media had risen 22 percent, and TV PSA donations were up 5 percent. At the local level, some charities have had trouble getting free broadcasts of their messages because many stations are adopting a single public-service campaign each season, and devoting the bulk of their donated time to one issue.

Many charities are looking to cable television to broadcast their messages, because cable networks typically sell fewer commercial spots than do the broadcast networks, and therefore are more likely to have space to run PSAs.



"The cable stations have much more white space available and are very cooperative," says Ted Accas, director of marketing for the Boy Scouts of America. "Of course, charities are going to them because they are the point of least resistance."

But cable television officials say that as their channels become more popular and gain subscribers, they will attract more commercial advertisers and have less unsold time to give public service messages. Says Ms. Chapnick of the American Lung Association, "We're all looking for ways to get access to airtime, because the PSA system as it stands now is very hit or miss."



Although most public service directors at the major networks and cable television companies say they have not reduced the amount of free airtime available, one network programming-standards official, who asked not to be identified, said that the FCC's changes had squeezed donations of broadcast time.

"In a deregulatory environment the government isn't holding stations to 'the public interest, convenience, and necessity' as the bottom line for licensing renewal," he said, referring to phrases in the Communications Act of 1934, which established the commission.

Traditionally, charities have distributed their PSAs to networks or, at the local level, to individual stations. The broadcasters screen the advertisements to insure that they comply with their PSA requirements, which often call for the charity to have met the standards of the Better Business Bureau's Philanthropic Advisory Service or the National Charities Information Bureau, private groups that evaluate the fund raising and management practices of charities.

Once approved, the PSAs typically are put on a "rotation schedule," along with scores of other messages, and are broadcast, without charge, whenever there is empty broadcast time that has not been sold to commercial advertisers.

### **Control Called an Advantage**

Charities that are considering paid or sponsored PSAs say that the main advantage of buying broadcast time is that the buyer can control where and when the advertisements run. "We would be able to reach those we want to reach, which is adults over 18 who are employed," says Lucy Seal, director of advertising and promotion for the United Way of America. Ms. Seal says that United Way has not decided whether to buy broadcast time, but had developed a paper outlining the advantages and disadvantages of doing so.

But some charity officials say they are worried about the high cost of buying advertisements. The cost of broadcasting a 30-second ad on national network television can range from \$4,000 to over \$300,000, depending on the time of day and the popularity of the program in which it is aired. Local ads range in price according to the size of the market, from a few hundred dollars or less in a small market to \$25,000 or more in a major metropolitan area.

Charities also worry that if they buy time from one network or station, other broadcast outlets might start demanding payment. Furthermore, some network officials say they would suspend a charity's free PSAs while a paid campaign is running, so that other groups could have access to broadcast time.

Some charity officials say they are also wary of corporate sponsorship for public service advertisements because they might lose editorial control of the advertisement. For example, some health charities say they would probably not accept support from tobacco or alcohol companies. And United Way of America has a policy of not aligning itself with corporations for the purpose of advertising because competing corporations may react negatively.

"We have to be careful because we raise most of our funds in the workplace, and to align ourselves with one corporation may cause their competitors to reduce their support," says Ms. Seal, United Way's national director of advertising and promotion. United Way does receive announcements paid for by the National Football League during professional football games.

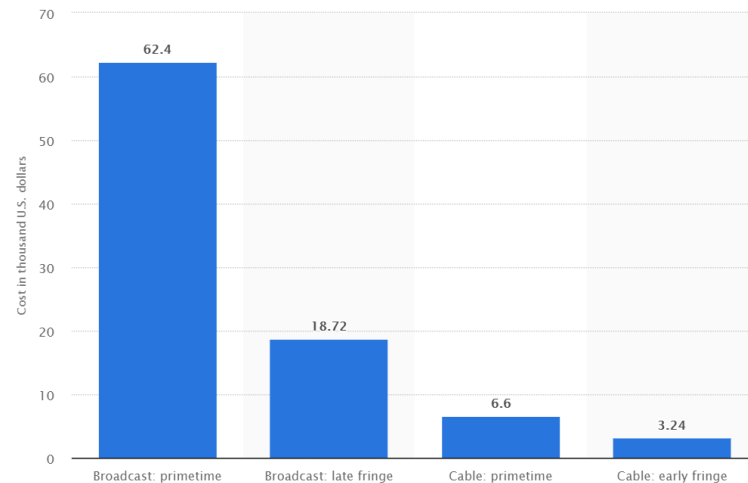
Some charities have policies that bar them from buying broadcast time because they feel it is an inappropriate use of donors' money. "The public gives us money for research, public education, and other services," says Ms. Islam of the American Cancer Society.

Charities that have bought broadcast time say their PSAs have much more impact because they are guaranteed to be broadcast and can be aimed at programs with heavy viewership.

"Buying airtime has been incredibly effective," says Ellen Krich, manager of marketing for United Way of Central Maryland, which began buying television and radio advertisements last year at the urging of its board. "We had a long-range goal of doubling our resources and our board said the only way to do that was to get our message out. They were very firm about buying airtime."

She says that getting PSAs broadcast during hours when large numbers of people were watching television was critical in generating support. "Our backbone of support comes from working people, and at 2 am," she adds, "those people are usually in bed."

**Average cost of a 30-second TV commercial in July 2016 (in thousand U.S. dollars)**



The Maryland United Way continued to get donations of free broadcast time during its paid campaign. "The radio and television stations gave us almost 100 percent more free time in addition" to the paid time, says Ms. Krich.

"For the many years we were out there fighting for free air time," she recalls, but she says the goal of expansion made buying broadcast time a necessity. "It's an absolutely worthy use of the money."



### **Pitfalls in Buying Time**

But other charities have discovered pitfalls in buying broadcast time. When a Big Brothers/Big Sisters agency in Fort Wayne, Ind., began buying advertisements in a local newspaper, a television station in the area threatened to stop giving the agency free broadcast time. "The TV broadcaster figured if the agency could buy newspaper ads it could buy TV ads," says Colleen Watson, director of public relations for the Big Brothers/Big Sisters Association.

If you want to do a collaborate with the Outdoor Advertising Association of America, you cannot have purchased airtime, as they want their space to be donated to organizations which do not have the funds for a paid campaign.

### **AIDS Campaigns Appear on Television**

Concern about the devastating impact AIDS could have on the American population has prompted many state agencies to begin paying television stations and broadcasters' associations to make sure that public service messages about critical issues appear frequently on television.

Health officials in Florida and Mississippi have paid the broadcasters association in those states to distribute public service advertisements about AIDS to their members. In Mississippi, the broadcasters association was paid \$20,000 to guarantee that its members would broadcast \$140,000 worth of AIDS advertisements, while the Florida group guaranteed its members would broadcast \$1 million worth of air time for the \$250,00 the association was paid. In each state, broadcasters donated more airtime than was required under these arrangements.



The Michigan Department of Public Health paid \$1 million to advertising agencies to produce and distribute radio, television, and print advertisements on health issues. Many stations donated free time in addition to the paid broadcast time. The Delaware Department of Health and Social Services hired advertising firms to buy some commercial spots, then persuaded television stations to donate more air time.

The states' public-education campaigns on AIDS are often versions of the Centers for Disease Control's nationwide effort, "America Responds to AIDS." Many of them use public service advertisements produced for the campaign by the advertising agency Ogilvy & Mather.

State subsidies for public service AIDS advertisements had dramatically improved the amount of broadcast time they have received; but some officials worry that it will be costly to sustain the campaigns.

"On the pro side, the scientific evidence is that by paying for ads you can assure placement and time slots to reach a specific audience, and assure that the message is seen repeatedly," says Ken Williams, program analyst with the National AIDS Information and Education Program at the Centers for Disease Control in Atlanta. But, he adds, "the primary con is that it can be very, very, expensive, particularly if you're talking about national advertising."

The issue of paid public service advertisements was debated this winter when Senator Edward M. Kennedy, Democrat of Massachusetts, proposed legislation that contained a \$45 million dollar budget to educate the public on how to prevent AIDS. Part of that budget was to be used to pay for the production and distribution of advertisements warning about the dangers of the disease.

### **'Not a Good Precedent'**

Both the Advertising Council, an association through which the advertising and media industries volunteer their time and resources to produce and distribute public service advertisements, and the National Association of Broadcasters opposed the bill's proposal to pay for advertisements. They said they feared that the long-standing tradition of free public service advertisements could be at risk.

Critics of paid public service advertisements point to the experience of the armed forces - which began buying broadcast time several years ago to reach audiences at peak times - as evidence of the danger of paid PSAs.

"It was shown with the armed forces that it was not a good precedent," says Rory Benson, vice-president of the National Association of Broadcasters. Once the armed forces began buying air time, she says, "It really made it difficult if not impossible to get armed-forces ads on the air without paying for them."



Although Congress approved the idea of paying for AIDS public service advertisements, it never provided money to pay for them. Now, at the urging of Senator Kennedy and health officials, including James O. Mason, assistant secretary of Health and Human Services, the Centers for Disease Control will soon begin a seven-month study to determine how effective paid public service advertising is in educating the public about AIDS.