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Cable Television: A New Avenue For Bedding Plant Promotion

Phillip Perry

Because cable TV is so young, advertisers are often confused about how to use it.

If you take the right approach, you will attract more customers, raise the community profile of your business and boost your profits. And cable is inexpensive.

But how do you do it? We asked some experts in the field a number of questions often posed by owners of small business.

Q: What is cable television?

A: It is the physical installation of wire through which electrical signals are sent from a central station. These signals are received on television sets connected to the other end of the wire, owned by subscribers to the cable system. Not only do subscribers enjoy clearer pictures than those who rely on signals broadcast over the air, but they also receive a far broader range of programming.

Q: Who runs the cable TV system in my town?

A: A local company has been awarded a franchise by your city government to run the cable system on an exclusive basis. Good for a specified number of years, this franchise can be renewed if the public is satisfied with the company's performance.

Q: How can I promote my store using cable TV?

A: You can place advertising spots of any length over the station's "local origination channel." This channel is received only by those viewers who have subscribed to cable television. Cable TV has fewer restrictions on subject matter than does broadcast television. Spots need not conform exactly to preset lengths. Your spot might run for 37 seconds

without posing problems, for example. You can often place spots on other channels as well.

You can broadcast "infomercials," which run from two to five or more minutes in length. These spots provide viewers with information on how to use your merchandise. Your store is mentioned only in passing at the beginning and end of the infomercial. But they serve as commercials because the audience is thinking of your store during the air time.

Finally, you can arrange to have your own television show on your local origination channel. The show might run 15, 30 or 60 minutes in length. Content might include interviews with experts in your field, how to use merchandise available in your store, how to shop successfully, and so on. The possibilities are limitless.

Q: How much is all that going to cost?

A: It's cheap. Many stations charge from \$17 to \$30 for a 30-second spot. An advertiser on the West Coast discovered he could place fifty 30-second spots on a cable station for the same price the local broadcast station was charging for a single spot of the same length. **Rates vary from city to city.** In larger towns the cable system might charge from \$50 to \$100 for a 30-second spot. Industry sources claim that across-the-board spot rates on cable stations run about one-tenth the rate for similar spots on local broadcast stations. In many cases, cable TV rates are even lower than those of local FM radio stations.

The biggest surprise is how cheap it can be for you to have your own cable television show. One station which charges from \$100 to \$200 for a 60-second spot charges only \$150 for a full hour on the very same local origination channel. The reason for this is that cable systems in general are seeking interesting programming to keep their viewers happy (remember that franchise expiration threat).

If you can come up with a good show that will appeal to the public, your local system will go all out to help you. They will charge you an economical rate for the half-hour or hour show in order to add variety to their program mix.

The rates discussed so far refer only to the amount you pay for cablecast time. You may also have to pay for the actual production of the commercial or show. But not necessarily — cable systems are very helpful in preparing commercials, and some will even pay the cost of production.

If you do a good selling job on your proposed half-hour program, your local station may even pay for the production cost, reasoning it will attract more viewers and more advertising.

Another way you can reduce or eliminate production costs is to do your show live from the cable studio. This makes your show more exciting to viewers.

If you do end up paying production costs for your commercial or show, figure on spending another \$60 to \$200. These rates apply if you shoot your program at the studio.

When figuring costs, don't forget to check out the availability of co-op funds from manufacturers and suppliers.

Q: Why are cable systems so inexpensive when compared with broadcast systems?

A: Cable system operators are trying to get businesses into the habit of using their medium. Because the industry is so young, advertisers have been avoiding it. They are simply not accustomed to including cable TV in their annual advertising budget.

In 1979, advertisers spent \$10 million on cable advertising in the United States, under 1% of the \$50 billion spent on all combined media. The figure rose to between \$35 and \$45 million in 1980 and is expected to increase drastically.

You can work this underutilization to your advantage. If you start your show now instead of waiting until the cable medium is popular, you will be giving yourself time to develop a loyal following among members of the viewing public. Your show may become a profit center as you sell advertising time to other businesses or even as you charge the station for its use! If your show is really good, you can also syndicate it to cable systems in other cities around the country, charging a fee.

Q: That's all great for future planning. But how about the present — if I pay for commercial spots or my own program, will anyone watch it?

A: Ask your cable system manager for his current subscriber count. This is the best available figure to use to forecast how many potential viewers you will have for your spot or show. Unlike the television broadcast industry, the cable industry has not yet developed a way

to isolate the public's viewing patterns. (This is another reason rates have remained low).

Keep in mind, however, that many people consider the accuracy and value of broadcast television viewer ratings suspect. And contrary to popular belief, accurate viewer studies are generally not available for local broadcast stations.

You can use your own methods for judging the effectiveness of your cable promotions. If you are placing spots, invite viewers to let you know they saw your spot on Channel____. When they visit your store, give them a free gift.

Try the same approach when you cable cast your own show. If you are running a live show, you can have the public call in with questions about your field, just as radio talk show hosts do.

Measure the effectiveness of your cable adventure by the number of respondents.

Q: What steps can I take to sell the cable system on the idea of my proposed show?

A: The first step is to come up with a show concept that will be attractive to the cable system operator. Find someone who is knowledgeable about your field to host your show. This might be yourself or someone you have trained, or an expert who lives in your area. Develop a series of themes for the various shows. Choose provocative and helpful subjects the public will like. Draw up a list of guests who will chat with your host on cable.

When you make an appointment with the cable system manager, emphasize the public's interest in your proposed show. Tell him you feel the show will encourage people to tune in. Let him know you will hand out flyers at your store inviting customers to watch the show and respond. Bring all the relevant material with you, including a sample flyer. Describe the expertise and personality of the host — bring him along if possible.

Q: Are there specific advantages to advertising on cable stations as opposed to broadcast stations?

A: Yes. You can "narrow cast" your commercial to a certain type of audience. If you want to reach people who are interested in the news, you can place your spot on the Channel carrying Cable News Network (if your cable system has it). If you want to reach sports-minded people, place your spots on ESPN or another all-sports channel.

Another advantage is the attractive demographics of the people who watch cable television. Remember, they had to pay for the basic cable service. Studies have shown that the majority of cable households are composed of white-collar workers earning over \$20,000 per year. This is a beneficial market toward which to send commercial messages, and your copy should reflect their willingness to spend money for top value.

In addition to the economical local origination channels, many systems have alpha-numeric channels. These consist of printed information on the screen accompanied by music or spoken audio. The screen is usually divided into three sections; the title region which is a thin horizontal band on top; the keyboard page, which takes up most of the screen; and the crawl region, which is a narrow band with moving letters at the bottom of the screen.

You can advertise on these alpha-numeric channels at very reasonable rates. Stations often charge \$50-\$100 per month for regular still-letter entries of your store name on the title band; and from \$50 to \$100 per month for moving messages on the crawl band. Messages on the last section rotate every 60 seconds, 24 hours a day.

Be advised that in some cities the local newspaper has leased one of the many channels available on the cable system. The newspaper runs its own alpha-numeric channel on this leased access station, and sells advertising to local retailers. For a package rate you get a classified ad in the paper and on television.

Q: How fast is cable television growing?

A: Rapidly. Cable TV is present in 20 million households located in 10,000 communities in the United States. Of the 4,000 operating cable systems, from 600-800 now accept advertising, and the figure is growing rapidly. Currently, cable systems derive a small percentage of their revenues from advertising; most comes directly from subscription sales. By 1990, says the Cable TV Advertising Bureau, the amount of advertising-derived revenue should total 25%. A couple of years ago there were very few basic satellite services; now there are a dozen.

Also rising quickly is the average number of offered channels. Today about 60% of cable systems still offer only 12 channels. Most of the rest offer 24 or 35 channels, and a few offer 54 and 72 channels.

Every day, more and more systems are gravitating to the higher channel capacities in response to public demand. That means a rising tide of interest in whatever programming you can offer them.

"There is plenty of room in the field for creativity," says Robert H. Alter, president of the Cable Television Advertising Bureau. "Even if a particular cable system doesn't take advertising, the local retailer should introduce himself to the system manager and make his ideas known. More and more systems are taking advertising every day."

Outline your plan of action. Then get this latest innovation in communications working for your store's profit plan.

Happy cablecasting!

Reprinted with permission from "Garden Supply Retailer," February, 1982.