

TV Violence Adds Punch to the Overseas Market

U.S. producers find that mayhem translates nicely on the bottom line for programs

By Paul Farhi
Washington Post Staff Writer

LAS VEGAS

Each week, millions of American children thrill to the exploits of "X-Men," an animated TV series about do-gooding mutants who are in constant battle with the forces of evil. For Saban Entertainment, however, the show's weekly airing on the Fox network is a losing proposition. Saban spends more to produce each episode—\$400,000—than Fox pays for the right to air it. So, to stanch the red ink, Saban does what many U.S. TV producers do: It turns to the export market, licensing the show to TV stations around the world.

MEDIA

As the debate over TV mayhem rages—President Clinton weighed in against Hollywood's penchant for "incessant, repetitive, mindless violence" in his State of the Union address—the marketing of "X-Men" provides a telling illustration of the economic roots of such programs.

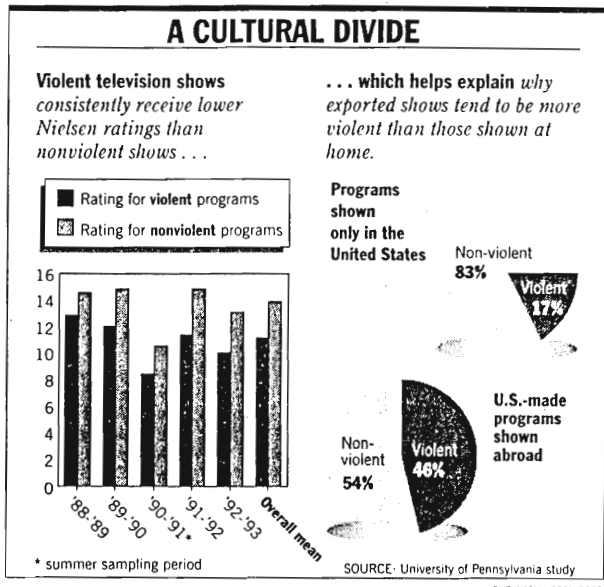
Left to domestic audiences alone, "action-adventure" programs and others with violent themes might exist in fewer numbers. That's because high-quality animated programs, as well as live-action series that feature the staples of the action genre (car chases, explosions, shoot-'em-ups), are so expensive to produce that domestic broadcasters alone usually can't afford to underwrite production costs. But by selling their products globally, companies such as Saban Entertainment spread their costs—and their make-believe violence—over much of the world. With so large a market, U.S. producers essentially can sell their shows to domestic TV stations on the cheap, making up the difference overseas.

"We have to see if a series will travel internationally before we green-light production," says Stan Golden, Saban's president. "We need properties with legs overseas."

In 1993, the eight largest U.S. TV companies exported close to \$3 billion worth of programs, almost double the level recorded in 1988 and 1989, according to the Motion Picture Association of America.

That total far exceeds any other nation's program exports, even without taking into account sales made by scores of small, independent companies such as Saban Entertainment, which also distributes the wildly successful "Mighty Morphin Power Rangers," an action show for children that has drawn protests from parents in Canada, New Zealand, Norway and the United States over its violent content.

Despite such criticism, "action" programs remain one of the few internationally marketable TV formats, according to producers interviewed at the annual meeting of the National Association of Television Program Executives (NATPE) held here last month. The appeal, they say, is that such programs are easily understood across borders; in other words, a fist-



fight or gunplay is as recognizable to viewers in Argentina as in Finland or China.

By contrast, comedies—particularly situation comedies that rely on verbal, rather than visual, humor—fare less well internationally. "Humor is culture bound," says Stephen J. Cannell, whose production company has created such action hits as "The A-Team," "Hunter" and "21 Jump Street." "What's funny to people in France may not be to an audience in England or America." Another benefit, according to Cannell: Action programs don't require as much subtitled or dubbing in countries where English isn't widely spoken.

AS PRODUCERS GROW MORE RELIANT ON FOREIGN sales, one effect is that foreign audiences can influence Hollywood's creative decisions more than domestic viewers. Five years ago, "Baywatch" looked as if it were about to disappear from the airwaves. The action-adventure series about California lifeguards—which features a dash of violence along with a bevy of scantily clad bodies—had been canceled by NBC after a single season. The show might have gone under for good had foreign broadcast companies not stepped in with the funds (about \$850,000 per episode) to keep producing the series.

Today, "Baywatch's" producer, All American Television Inc., likes to brag that "Baywatch" is the world's most popular program, seen in more than 100 countries, including here, in syndication. "Baywatch" is so popular that production companies at the NATPE meeting were clamoring to sell station managers on a flock of "Baywatch" imitators.

Many of these "Baywatch" clones probably won't be able to make it in the United States without some help from abroad. Though American audiences aren't rejecting the action genre altogether, this type of show usually draws ratings inferior to sitcoms, news shows and other formats, research indicates.

George Gerbner, a communications professor at the University of Pennsylvania, found in a 1993 study that nonviolent programs (which he defined as those in which no actual or threatened act of violence occurs among characters) consistently outdid in audience ratings other prime-time shows with violent themes during a recent five-year period.

Moreover, Gerbner's research showed that American-made programs with violent content were exported more often than the nonviolent variety. Surveying a group of programs seen only in the United States, he found the crime-action genre comprised just 17 percent of the sample. Among programs sold abroad, however, crime and action themes comprised 46 percent.

Producers "justify violence as a freedom of expression when it's just the opposite," Gerbner says. "It's a marketable formula imposed on the children of the world not necessarily because it's popular, but because it's cheap and widely available."

Though U.S. executives generally dismiss such criticism as exaggerated, there is little dispute about the dominant role that American TV companies play in the worldwide TV market. Though many countries produce TV shows that are popular within their home markets, U.S.-made fare is perhaps the only truly international programming, says Tony Scotti, chief executive of All American Communications, parent of the "Baywatch" production company.

And, he adds, no one can do "action" the way American companies can. "Germans or French or other [foreign producers] can do car chases, but what happens when the chase is over?" says Scotti, whose company will derive about 60 percent of its \$200 million in revenue this year from foreign sales of "Baywatch" and other shows. "There is a pace, an editing style, a production quality to [American-made programs] that they can't match. . . . It's really our industry." ■

In Germany, All Phone Lines Are Busy

U.S. corporate operators are standing by in anticipation of a profitable end to a state monopoly

By Rick Atkinson
Washington Post Foreign Service

BERLIN

A quiet revolution is sweeping Germany's telecommunications business—one that could prove nearly as important to the global industry as Judge Harold Greene's breakup of the Bell System in the United States a decade ago.

The German government in December began the process of selling off the state-owned telephone monopoly, Deutsche Telekom, valued at \$45 billion to \$60 billion and the third-largest phone company in the world after AT&T Corp. and Japan's Nippon Telegraph & Telephone Corp. (NTT). U.S. telecommunications giants are hoping that the move will open Germany to a wave of new competition in which U.S. firms, widely viewed as the world's leaders, could grab a share of the profits.

"American companies are desperate to enter the German market, and I use the word 'desperate' quite purposefully,"

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Scott Harris, chief of the Federal Communications Commission's international bureau, says. "They are almost literally pounding down the door to apply for licenses."

The reason is obvious: The German telecommunications market, Europe's largest, has averaged more than 8 percent annual growth in the 1990s. Many business executives believe it will eclipse the automobile business as Germany's biggest industry. And positioning in Germany is key for expansion elsewhere in Europe; European Union economists predict that a continental market worth more than \$150 billion this year will expand to \$265 billion by 2000.

Here in Germany, officials hope that shaking up the antiquated, state-run monopoly—a step taken years ago in the United States, Japan and Britain—will propel their sluggish telecommunications sector into the 21st century. They predict a sleek, privatized Deutsche Telekom could compete internationally; and they plan to market its shares as "the people's stock of the 1990s"—in the hope that it will nurture a new equity culture in a country where only 5 percent of the people now invest in the stock market.

"It does require a fundamental cultural change in Germany. The sale of Deutsche Telekom will be trailblazing in that respect," says Keith Mallinson, European research director for the Boston-based Yankee Group.

What remains to be seen is whether the transformation of Deutsche Telekom from government monopoly to private enterprise will be accompanied by "liberalization," the broad opening of the German market to outside competition. Although a Deutsche Bank Research study last month identified 29 potential Deutsche Telekom rivals—including half a dozen American companies—German officials are still pondering how many licenses to grant and how far those rivals can go in building their own fiber-optic networks and other infrastructure.

PRESSURE TO OPEN THE GERMAN MARKET TO U.S. competition is coming from FCC Chairman Reed E. Hundt. He has been preaching the benefits of a liberal market to a German government that only now is ready to listen.