"Show Business in the Living Room": Management Expectations for American Television, 1947-56

James L. Baughman[1]

School of Journalism and Mass Communication
University of Wisconsin-Madison

Tallaluh Bankhead: Radio is mother of television.
Questioner: Who is the father?
Miss Bankhead: TV has no father. [Ace, 1953]

When the American television networks commenced operations in the late 1940s, they had two common goals. The first was to win what critic Gilbert Seldes called "the great audience," that is, capture the largest share of the national market for mass culture. With limited interest from advertisers, and few homes having televisions (less than 1 percent of all households in 1948), this meant investing ahead of demand. Viewers, sponsors, and profits were expected to follow. "We are first of all engaged in a capitalist enterprise," an NBC executive told his staff, "which means we must make money, and make it soon" [Weaver memo, November 1949, p. 4].

By the late 1950s, TV had become the nation's most consumed mass medium, and the networks had settled upon a "dominant design" [Nelson, 1991, p. 70; Klepper and Simons, 1996] – a programming philosophy that maximized earnings. After a decade of experimenting with live and special telecasts, each of the networks relied heavily on filmed weekly series. In 1961, 82 percent of network programming in evening prime time (7-11 Eastern) was on film [Lichty and Topping, 1975, p. 440]. Although most series failed, a successful show – that is, one that ran for two or more years – could be a substantial profit center. It could be rerun in the summers. Then, in industry parlance, it could be "stripped" and aired daily during the networks' daytime schedule, and eventually, "syndicated" to individual stations which would rerun them yet again, and again, and again [Balio, 1990, pp. 32-33, 35-36]. This approach was all the more attractive to the networks because until the early 1970s they could, and often did, invest in the series they carried on their schedules [U.S. FCC, 1965].

[1] Part of the research for this paper was supported by the Irwin Maier Faculty Development Fund of the School of Journalism and Mass Communication of the University of Wisconsin-Madison. The author thanks Brian Deith for his help.

BUSINESS AND ECONOMIC HISTORY, Volume Twenty-six, no. 2, Winter 1997.
 ISSN 0894-6825.

Did those running America's networks foresee this outcome? The logic of depending on filmed series escaped many if not most of those planning for television in the late 1940s and early 1950s. Hal Roach, Jr., one of the first Hollywood producers to engage in TV production, recalled imploring the networks to commission more filmed series. "They couldn't understand our argument that filmed shows could be used over and over," Roach remarked [Mosby, 1953]. All in all, ample evidence suggests that the networks and others held very different expectations for the newest medium. Or they simply did not know. "In the development of any new form of communications," one NBC executive confessed, "there must be an exploratory period in which procedures are laid down and patterns are set, before the successful use of the medium can be developed" [Weaver remarks, 1950].

Any discussion of American broadcasting during this period must acknowledge its duopolistic structure. For a variety of reasons, including their head starts and popularity in radio as well as an unequal distribution of TV channels, CBS and NBC held massive leads over their two rivals, ABC and Du Mont. Indeed, Du Mont shut down in 1955. Only a merger with cash-rich United Paramount Theatres in 1953 sustained ABC until more TV stations commenced operations and became available for affiliation. It did not become truly competitive for two decades. ABC "was the longest running joke in network television," wrote one industry observer. "ABC had been congenitally weak for so long that executives at its rival networks blithely dismissed it as 'the Poland of Broadcasting'" [Bedell, 1981, p. 107].

One other qualification is in order. Perhaps scholarly confession is the better word. Only two of the four original networks, NBC and Du Mont, have deposited records with archives. And Du Mont, as already noted, was a very marginal player. Insights into CBS and ABC may be gleaned from individual and governmental collections as well as published contemporary accounts.

Taken together, these sources tend to confirm some of the work identified with the new institutional economics. Few if any network officials foresaw the cost-efficient reliance on filmed programming. The "rules" had to evolve [Nelson and Winter, 1982, chs. 3-5; Langlois, 1986].

Personal histories affected the evolutionary process. Virtually all of those involved in television planning had substantial backgrounds in network radio or with advertising agencies overseeing radio programs. This explains why so many of TV's first programs and personalities came from radio, and why radio set the expectations for many in the new industry [Barnouw, 1970, pp. 21-22].

One radio rule concerned live broadcasts. For more than two decades, those running the networks and advertising agencies assumed that consumers preferred live "originations." They, after all, justified networks. In the mid-1950s live telecasts were an argument against potential rivals relying exclusively on filmed programming [Boddy, 1990, pp. 136-37; Kepley, 1990, pp. 51-52; "Sarnoff Warns TV"]. Finally, through live broadcasts, a whole nation shared the sensation of experiencing the same event simultaneously. Indeed, not until the 1980s and 1990s would Americans accept, most notably in coverage of the Olympics, extensive delays in the telecasting of certain occurrences.

Technology also explained the primacy of live broadcasting. The development of tape recording came late in the 1940s. Until then, performance "transcriptions" could compare poorly to the original broadcast. Television's managers similarly had to wait until the late 1950s before videotape offered an alternative to live telecasts. Otherwise, a crude "kinescope" of a program could be made or a program could be filmed. This second option presented several problems. One was the cost. Producers could not justify the expense of filming and editing a program with no ancillary markets in view. They appeared limited before the mid-50s.

That said, TV's planners were not opposed to film series. From the beginning, all of the networks aired some filmed series in evening prime time, 25 percent in 1952 [Lichty and Topping, 1975, p. 440]. And, as early as 1951, *Fortune* quoted CBS President Frank Stanton predicting that film would become the dominant production value. (Revealingly, perhaps, as late as 1958, Stanton was telling the FCC the opposite) ["TV's Time of Trouble," p. 131; Baughman 1985, pp. 182-83]. Nor did the opposition of most major motion picture studios to TV production figure greatly in the status of filmed programming. For every MGM and Warner Brothers spurning the networks' overtures, smaller companies like Roach's were anxious to work for the newest medium [Anderson, 1994, pp. 1-21]. Although NBC had the highest live-to-film ratio, two of the network's biggest hits of the early 1950s, "Dragnet" and "You Bet Your Life," were filmed. All in all, there was no rigid rule regarding film versus live. Indeed, decision-making was opportunistic. Which production value resulted in the best show? As NBC's chief programmer for this period, Sylvester L. Weaver, Jr., wrote, "A film show is not better or worse than a live show." He even left open the possibilities of network syndication of filmed programs [Weaver memo, 1949, pp. 24, 27]. Still, he and others plainly preferred live to recorded programming. Weaver ordered Milton Berle and Eddie Cantor to perform live; Cantor eventually quit. As late as the 1958-59 season, a majority of Jack Benny's CBS programs were live [Humphrey, "Cantor" 1955; Baughman, 1994, p. 18].

In other ways, the radio model required rethinking. Both CBS's owner William Paley and NBC's Weaver sought to break the power of advertisers. In the 1930s and 1940s, sponsors often controlled choice time slots while exercising near-absolute authority over individual programs. Advertisers' "interests and our interests are not the same," Weaver observed. "They conflict directly" [Weaver memo, 16 March 1953; "C.B.S. Steals the Show," p. 80].

Weaver in particular disdained the radio model. Echoing many critics, Weaver concluded that network radio in the late 1940s had lost audiences by banking too heavily on the weekly comedy series with a set cast of characters. After so many seasons, regular listeners thoroughly knew the characters and could almost anticipate the jokes and situations. Their very predictability – for example, the inevitable crash heard after Fibber McGee opened his closet door – might appeal to those who loyally tuned in. Yet they did not attract what

Weaver called the "light listener" who had either grown bored with such schtick or had avoided such series completely. The same indictment was made of dramatic series. Television must be different. While offering popular series, NBC must present programming that would attract the light viewer. To Weaver, this meant, among other strategies, investing in what he dubbed "spectaculars," ninety-minute cultural programming usually aimed at upper-middle-brow sensibilities. After all, Weaver argued, television was "show business in the living room." This mix of regular and special programming over a four-week period would attract the heavy and light viewers – and give NBC the largest "cumulative" televison audience. Weaver patterned his four-week strategy after those of mass magazines like *Life* which based its circulation claims on four weeks rather than one. Finally, spectaculars achieved another goal. Because of their high cost, no one sponsor could underwrite and control the program [Weaver memo, 1949, p. 13; Weaver to Denny, p. 5; Weaver, 1954, pp. 5-7; Weaver, 1955, p. 10; Baughman, 1985, p. 186].

The spectacular strategy served NBC in other ways. Telecast in color, spectaculars helped to justify the purchase of color televisions that the network's owner, RCA, had begun to market. And airing specials undermined the campaign of subscription television proponents who asserted that only pay TV would bring "quality" television [Baughman, 1985, pp. 187-89; Gould, 1955].

CBS by comparison largely stood by broadcasting convention. Paley and CBS President Frank Stanton essentially believed that their new network should take its cues from radio. In the late 1940s, popular weekly series had finally permitted the network to overcome NBC's popularity. The habit of viewing the same series every week should be cultivated. "If it isn't a regular show," Stanton declared, "it isn't television" [Baughman, 1985, p. 186]. It was franchise-building – and franchise-preservation. In 1949 and 1950, Paley had signed several prominent NBC Radio stars to CBS contracts. He was determined to see his investments pay.

Adhering to that rule in the newest medium proved complicated. For one thing, most of CBS's major talent resisted doing their programs on a weekly basis. On radio they could hold a script, not worry about costuming or blocking. And performing live – and before a camera – made any slips all the more embarrassing. Dancer Donald O'Connor, hosting NBC's "Comedy Hour" in May 1953, complained that he needed a month's preparation to perform his intricate dance routines live. "In films," O'Connor explained, "a dance sequence can be shot over and over again until it is perfect. This doesn't hold up in television because it boils down to a one-take affair." Not until the 1960-61 season did Jack Benny agree to do his program every week. Up to then, CBS had to air the shows on an alternating basis [Ames, 1953; Baughman, 1994, pp. 21-22].

This talent intransigence worked to the advantage of NBC. One of Weaver's earliest and most successful innovations was to create comedy variety programs on Saturday and Wednesday nights with rotating hosts. This gave performers like O'Connor and others, "who couldn't or wouldn't work every week," Weaver wrote, the time off they demanded. (Performers also worried about wearing out their welcome if they appeared every week.) Finally, sponsorships were rotated, depending on the host, thus denying any individual advertisers autonomy [Weaver memo, 1953; Weaver, 1993, pp. 193, 219-21; "NBC's 'Rotating Comic'"].

Lucille Ball and Desi Arnaz offered CBS one, great exception. Their situation comedy, "I Love Lucy," was filmed and offered every week. It was, for CBS, the perfect vehicle. "I Love Lucy" proved immensely popular (it is still aired on an American cable channel). Running six seasons beginning in 1951-52, "Lucy" ranked first in the Nielsen ratings four times, second once, and third once. During the 1952-53 season, it enjoyed an average rating of 67.3 [Brooks and Marsh, app. 3]. True to Stanton's philosophy, "Lucy" created a Monday night habit: come 9 p.m. (Eastern Time), Americans watched CBS. A January 19, 1953 episode involving the birth of Lucy's son distracted some in Washington to celebrate Dwight Eisenhower's first inauguration.

"I Love Lucy" was also an industry precursor. Its huge popularity demonstrated that a program did not have to be broadcast live to win a majority of viewers. Then, too, CBS, after initially only rebroadcasting seven episodes per summer and carrying a replacement program, began selectively airing more reruns [Desilu to CBS, 1953;CBS amendment, 1954]. Their strong ratings stunned many in the industry. Managers of stations affiliated with networks had been especially uneasy that reruns would cost them viewers. In fact, one advertising agency study indicated reruns had larger audiences than summer replacement shows [NBC Television Affiliates Board, 15 April 1958, pp. 3-4; Frey, p. 9; Dunne memo, 1955].

Did the success of "I Love Lucy" in setting broadcast practices for more than a generation confirm CBS's show business acumen? The network's initial plans for the series suggest otherwise. Negotiating with Ball and Arnaz in 1950, CBS proposed that the program originate from New York *every other week* [CBS agreement, 1950]. Ball and Arnaz, however, like many performers who had spent much time in Hollywood [Baughman, 1994, pp. 19-20], resisted doing their show in New York. They and not the network insisted that the program be filmed in California. Ball and Arnaz, and not CBS or the sponsor, would absorb the added cost of film while retaining ownership of the programs themselves. And they would produce enough episodes to be a weekly series [CBS amendment, 1951; Bart Andrews, 1976, pp. 41-42].

In one significant instance, CBS simply hedged its bets. In 1950, the network began work on Television City, its $35-million West Coast production facility. The move – together with similar units constructed by NBC and ABC – marked the beginning of the end of New York City as the center of television origination. It also acknowledged the unwillingness of most popular performers to abandon southern California for New York. The planning of Television City is telling in another regard. The network simply did not know the future of television production. *Architectural Forum* described "some of the uncertainties in detail" besetting the architects, Pereira & Luckman. Among them: "audience participation – would it continue to be an important factor in TV?" Pereira &

Luckman split the difference, constructing two studios with audience seating, two without ["CBS TV City Starts," p. 104; Weaver, 1993, p. 205].

By the mid-1950s, each of the networks was rerunning filmed series in the summer. In 1954-55, CBS offered twenty-six original episodes of the situation comedy, "Our Miss Brooks," repeating thirteen. The remaining weeks went to replacement and special programming [Humphrey, "Wedding Bells"]. But caution still reigned. For the summer of 1956, NBC assured affiliates, only 9.5 of 27 prime time hours per week would be reruns [NBC Affiliates, 26 January 1956].

CBS's more conservative, tradition-bound strategy appeared to have succeeded. The network overtook NBC in the ratings and revenues in 1953. That April, all of the top ten evening and daytime programs were on CBS ["C.B.S. Steals the Show"]. NBC's successes came with early morning and late evening programming innovations, *Today* and *Tonight*, though both were money-losers. As late as 1958, NBC contemplated reducing *Today*'s daily air time from two hours to one [NBC Television Affliates, 12 August 1958, p. 3]. The rest of the day and night, CBS held distinct advantages. Although both networks aired live programs, NBC's percentage actually rose to 90.0 percent of its entire schedule in March 1956, compared to 81.5 percent for CBS [*Broadcasting Yearbook 1963*, p. 20].

Against this trend stood Weaver's spectacular strategy, an extraordinary break in network broadcasting. Rather than rely on viewer habit ("Turn on the set, dear. It's nine o'clock and 'Lucy' is on"), NBC gambled that consumers would have different expectations for the home screen. Network planners frequently evoked the image of a theatrical opening. "Every Spectacular will have the quality and character of a big Broadway premiere," NBC executive Robert Sarnoff declared, "with all the excitement and audience anticipation that goes along with a new opening" [Sarnoff, 1954]. Moreover, the average cost of a spectacular was more than three times as great as conventional programming. Aired live, spectaculars did not have the recovery costs of half-hour series. Weaver himself likened them to loss leaders in retailing [Kepley, 1990, p. 53].

In retrospect, the spectacular strategy carried other risks. Weaver and others, not unlike many in advertising and broadcasting, confused themselves with their consumers. Television executives were paid to follow every development in their industry. Viewers were not. Would consumers know enough about an upcoming NBC special to forsake their favorite programs on other networks? NBC assured affiliates that spectaculars would be heavily promoted. But would newspapers go along and publicize NBC's special programming? Would viewers have (or possess) the time to read such stories? The advantage of habit was just that. Tired workers and parents, the children finally put to bed, could turn on their sets knowing "Our Miss Brooks" would appear. No other initiative was required.

The theatrical analogy similarly posed problems. New Yorkers – certainly NBC executives like Weaver and Sarnoff – might become caught up in the excitement of Broadway and the latest shows. Weaver's wife had been a stage actress; Robert Sarnoff's was an opera singer. Yet much of America had a different cultural orientation. Legitimate theater had been declining across America for more than a generation, mainly because of the spread of sound motion pictures. Small town "opera houses," once used by road shows, had been converted into movie palaces. Hollywood, not Broadway, fascinated most Americans [Baughman, 1993].

That said, Weaver's unorthodoxy momentarily became established religion. After a shaky start, NBC's 1954-55 spectaculars enjoyed some ratings successes. None triumphed more thoroughly than the musical "Peter Pan," whose Nielsen victims included, incredibly, "I Love Lucy." Had Weaver in fact rewritten the rules? CBS, still ahead in the ratings and revenues, nonetheless committed itself to more specials the next season [Gould, 1955; Adams, 1955].

It proved unnecessary mimicry. The spectacular as a programming genre could not sustain itself. Live originations at 9:30 Eastern Time struggled for ratings on the West Coast, especially in Los Angeles. At 6:30 in the Pacific Time Zone, children were still clamoring to watch TV – and not Noel Coward or Orson Welles, each of whom appeared on "Ford Star Jubilee" specials on CBS. In April and May 1956, the Coward and Welles specials ranked below NBC and ABC fare and, in during one thirty-minute slot, two independent, non-network stations [Luce memo, 1956]. Even adults could be disappointed. The demands on writers, producers, directors and talent were too great too meet the expectations of critics, advertisers and viewers. For every "Peter Pan" came several that would not fly. After two seasons, concluded two advertising executives, the ratings for spectaculars failed to match those for regular series [Gould, 1956; Seymour and Devine, 1956]. Both networks began cutting back on their special telecasts. As one advertising executive observed, "the networks have come to the conclusion that there is nothing inherent in the 'Spectacular' idea which makes it better programming than regularly scheduled programming" [Haynes, 1956].

Again, the programming of habit undercut that of expectation. A successful weekly series might not convey Weaver's aspirations for the newest medium. Its very predictability, however, like that for all standardized products, kept consumers from being disappointed. Jack Benny, for one, understood this broadcast commandment. The "king of radio," almost as successful on television, Benny worked hard editing scripts and perfecting his comic timing. Yet he never expected an individual show to rank over all others. "We don't worry about the show being great," he remarked in 1947, "we just see that it isn't lousy" [Graham, 1947].

With Benny and other standardized goods in ample supply, CBS retained its leadership in television audiences and advertiser billings – advantages it held for nearly two decades. Madison Avenue had firmly rejected Weaver's campaign for cumulative audience measurement, and NBC fired him in August 1956. He never worked for another network.

References

Ace, Goodman, "Leave That Kid Alone!" *Saturday Review*, 49 (4 July 1953), 32.

Adams, Val, "Big Plans," *New York Times*, 22 May 1955, 2:13.
Ames, Walter, "O"Connor Finds TV a Tough Taskmaster," *Los Angeles Times*, 3 May 1953, 4:1.
Anderson, Christopher, *Hollywood TV: The Studio System in the Fifties* (Austin, 1994).
Andrews, Bart, *The Story of "I Love Lucy"* (New York, 1976).
Balio, Tino, "Introduction to Part One," in *Hollywood in the Age of Television.*
———, ed., *Hollywood in the Age of Television* (Boston, 1990).
Barnouw, Erik, *The Image Empire* (New York, 1970)
Baughman, James L., "'Hello Again': Jack Benny Moves to Television, 1950-58," paper, annual meeting, American Historical Association, San Francisco, 7 January 1994.
———, "Take Me Away From Manhattan: New York City and American Mass Culture, 1930-1990," in Martin Shefter, ed., *Capital of the American Century: The National and International Influence of New York City* (1993), 117-43.
———, "Television in the 'Golden Age': An Entrepreneurial Experiment," *Historian*, 47 (1985), 175-95.
Bedell, Sally, *Up the Tube: Prime-Time TV in the Silverman Years* (New York, 1981).
Benny, Jack, Papers, University of California at Los Angeles.
Boddy, William, *Fifties Television: The Industry and Its Critics* (Urbana, 1990).
Broadcasting Yearbook 1963 (Washington, 1963).
Brooks, Tim and Earle Marsh, *The Complete Directory to Prime Time Network TV Shows, 1946-present*, 6th ed. (New York, 1995).
CBS Television, agreement with Desilu Corp., 18 December 1950, copy in U.S. House Judiciary Committee Records.
———, amendment to 18 December 1950 agreement, 6 August 1951, copy in U.S. House Judiciary Committee Records.
———, amendment to production agreement with Desilu Productions, Inc., 26 April 1954, copy in U.S. House Judiciary Committee Records.
"C.B.S. Steals the Show," *Fortune*, 48 (July 1953), 79.
"CBS TV City Starts," *Architectural Forum*, 96 (May 1952) 101-10.
Desilu Productions, Inc. to Columbia Broadcasting System, Inc., 28 May 1953, copy in U.S. House Judiciary Committee Records.
Dunne, Irene, memo to W. Eldon Hazard, 14 December 1955, Dan Seymour Papers, J. Walter Thompson Collection.
Frey, George, remarks at TV Affiliates Meeting, 31 August 1954, NBC Papers, folder 938.
Gould, Jack, "Network Battle," *New York Times*, 22 May 1955, 2:13.
———, "On Spectaculars," *New York Times*, 10 June 1956, 2:11.
Graham, Sheila, *Washington Star*, 2 November 1947, clipping in Benny Papers, box 89.
Hearst Collection, University of Southern California.
Haynes, Storrs, memo to John Devine, 12 September 1956, Radio and Television Department Collection, box 1, J. Walter Thompson Collection.
Humphrey, Hal, "Cantor Has His Own Network," *Los Angeles Mirror-News*, 2 June 1955, 2:9.
———, "Wedding Bells for Brooks?" *Los Angeles Mirror-News*, 30 March 1955, 1:20.
Kepley, Vance, Jr., "The Weaver Years at NBC," *Wide Angle*, 12 (1990), 46-63.
Klepper, Steven, and Kenneth L. Simons, "Innovation and Industry Shakeouts," *Business and Economic History*, 25 (1996), 81-89.
Langlois, Richard N., "The New Institutional Economics: An Introductory Essay," in Langlois, ed., *Economics as a Process: Essays in the New Institutional Economics* (Cambridge, 1986), 1-25.
Lichty, Lawrence W., and Malachi C. Topping, *American Broadcasting* (New York, 1976).
Luce, James O., memo to W. Eldon Hazards, 19 May 1956, copy in Dan Seymour Papers, box 34, J. Walter Thompson Collection.
Mosby, Aline, "Pioneer Once Thought Mad," *Los Angeles Herald & Express*, 4 June 1953, D-2, Hearst Collection.

NBC Papers, Recorded Sound Reference Center, Library of Congress.
NBC Television Affiliates Board of Delegates Meeting, minutes, 15 April 1958, copy in KOMU TV Papers, folder 158, University of Missouri.
NBC Television Affiliates Board of Delegates Meeting, minutes, 12 August 1958, copy in KOMU TV Papers, folder 159, University of Missouri.
NBC Television Affiliates Executive Committee Meeting, minutes, 26 January 1956, copy in KOMU TV Papers, folder 154, University of Missouri.
"NBC's 'Rotating Comic' Formula Becomes Permanent Policy for TV," *Variety*, 26 July 1950, 34.
Nelson, Richard R., "Why Do Firms Differ, and How Does It Matter?" *Strategic Management Journal*, 12 (1991), 61-74.
——— and Sidney G. Winter, *An Evolutionary Theory of Economic Change* (Cambridge, Mass., 1982).
Sarnoff, Robert, "Color TV at NBC," remarks, TV Affiliates Meeting, 31 August 1954, NBC Papers, folder 938.
"Sarnoff Warns TV on 'Film Invasion,'" *Los Angeles Examiner*, 14 Dec. 1956, 1:8. Hearst Collection.
Seymour, Dan and John F. Divine, memo to Henry C. Flower, Jr., et al., 13 November 1956, Seymour Papers, J. Walter Thompson Collection.
Thompson, J. Walter, Collection. Duke University.
"TV's Time of Trouble," *Fortune*, 44 (August 1951), 75-79, 123.
U. S. Congress, House of Representatives, Committee on the Judiciary Records, National Archives.
U.S. Federal Communications Commission, *Television Network Program Procurement*, 2nd interim report, 1965.
Weaver, Sylvester L., Jr., *The Best Seat in the House: The Golden Years of Radio and Television* (New York, 1993).
———, memo to Charles R. Denny, 3 October 1949, NBC Papers, folder 586.
———, memo to the executive group, Nov. 1949, NBC Papers, folder 1251.
———, memo to Frank White, 16 March 1953, NBC Papers, folder 176.
———, opening remarks, NBC-TV Affiliates Meeting, 31 August 1954, NBC Papers, folder 938.
———, remarks to Advertising Women's Club, 15 March 1950, NBC Papers, folder 1252.
———, speech to NBC-TV Affiliates, 9 December 1955, NBC Papers, folder 948.