

Music was set for the
launch of



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Music Television, a basic cable service known by its acronym MTV, remains the dominant music video outlet utilizing effective marketing and competitive business practices throughout its nineteen year history. The creation of the "I Want My MTV" marketing campaign and use of the campaign throughout the 1980's helped the cable outlet secure a substantial subscriber base. MTV dealt with competition from cable mogul Ted Turner's Cable Music Channel by creating a fighting brand, sister cable service VH-1, along with facing challenges by numerous other music video programming services.

Through exclusivity agreements with record labels for music videos and limiting access to cable systems owned by MTV's parent company, MTV exercised anticompetitive and monopolistic means to fend off competition. From its launch, MTV successfully applied these marketing and competitive business practices. The board of the Warner - AMEX Satellite Entertainment Company (WASEC), a partnership between Warner Communications and American Express, gave approval in mid-January 1981 for the creation of a cable service that would broadcast music videos. Music videos, song length visual depictions used in the promotion of a musical act's latest release, were already popular on European television since the mid 1970s. A deadline of August 1, 1981 was set for the launch of this new cable service as programs featuring music videos were beginning to appear on cable outlets such as Home Box Office and USA Network. The set-up and programming of the entire operation was to be established in approximately six-and-a-half months. Bob Pittman, a WASEC programming executive with a background in radio, wanted to ensure the new music video outlet delivered programming

that appealed to its target audience of twelve to thirty-four-year-olds. This age demographic was both desirable and difficult for advertisers to reach as young adults typically did not watch much of what television offered at the time.

He determined that, with little exception, the cable service would have no distinguishable programs. Video upon video would be presented by on-air personalities dubbed video jockeys, veejays for short, who would also provide entertainment news and conduct artist interviews. The absence of scheduled programming was, as stated by Tom McGrath in *MTV: The Making of a Revolution*, “ a radical notion” as regularly scheduled programs were the norm on American television up to this point. Programming the new music video outlet in this manner made it as familiar as format commercial radio, while presenting it using the medium of television, to its young target audience.

The name of the new music video cable service began as TV-1, a name that Bob Pittman felt fit the “ youthful arrogance” the channel embraced. With little support for the name from other WASEC executives, an M representing music replaced the 1 in the name. The name eventually evolved into MTV, Music Television. With a name chosen for the new cable outlet, Fred Seibert, the Director of On-Air Promotion, was charged with commissioning a logo for MTV. Manhattan Design, the studio hired by Seibert, eventually developed the logo still used by the channel today: a large block “ M” with a small “ TV” that looks spray painted on. Many in Sales and Marketing at WASEC thought the logo left much to be desired, with one executive asking Seibert if he

thought it would endure as long as the CBS eye. Almost two decades later, the MTV logo is arguably one of the most recognizable pop culture icons.

A video of the Buggles' "Video Killed the Radio Star" marked the launch of MTV at 12:01 AM August 1, 1981. Jack Banks notes in *Monopoly Television: MTV's Quest to Control the Music* that at the start, the music video channel was available in 2.1 million homes and was not offered in either New York City or Los Angeles. The absence of MTV from cable systems in these two cities presented several problems for the new cable outlet. The amount of available advertising time sold, only thirty percent at the channel's launch, did not seem likely to increase without advertising executives able to see MTV. National media coverage of the new music video channel was also lacking its start-up, with the exception of one reporter from the *Los Angeles Times*. An effective marketing campaign would be developed in the next several years that would increase customer demand for MTV, increasing the number of subscribers.

MTV's distribution continued growing into the summer after its launch, reaching four million homes, though these numbers remained below projections. To combat cable system operators reluctant to carry the channel, Dale Pon and George Lois of the LPG/ Pon advertising agency developed a marketing effort directly targeted at consumers. The idea behind the "I Want My MTV" campaign would be to get pop-music stars to proclaim the tagline and encourage potential subscribers to call cable operators proclaiming the same thing. WASEC programming executives warmed to the idea of the using the campaign following Dale Pon's presentation emphasizing that the slogan played on the instant gratification

spirit of MTV's intended audience. With so many television outlets attempting to appeal to large audiences with broad demographics, the slogan reinforced the fact that the cable outlet cared only about its target audience of twelve to thirty-four-year-olds. The "I Want My MTV" marketing campaign, starring artists including Pat Benatar, Mick Jagger of the Rolling Stones and Stevie Nicks of Fleetwood Mac, serving to let young people know the service is something for them.

Negotiations between WASEC and system operator Manhattan Cable were ongoing for the better part of a year when WASEC purchased advertising time for the "I Want My MTV" campaign on New York City broadcast stations. A cable service often shared channel space when it debuted on Manhattan Cable, airing only from 6:00 AM until 6:00 PM or vice versa, and WASEC viewed such a compromise as unacceptable. Time sharing of channel space seemingly undercut the idea of a twenty-four-hour-a-day music video outlet. If carried on Manhattan Cable, MTV would be exposed to a great number of Madison Avenue advertising agencies.

An extraordinary response to the "I Want My MTV" campaign took place only days after the spots debuted on the air in New York. Telephone callers inundated the offices of Manhattan Cable demanding the addition of MTV to the service lineup. Within weeks of the debut of the "I Want My MTV" campaign, MTV became available around the clock on Manhattan Cable.

After its success in New York, the "I Want My MTV" campaign would continue to be used throughout the late 1980's in order to build the service's subscriber base throughout the U. S. In addition to increasing its

total number of subscribers, MTV would be successful at dealing with competition from other music video programming services. Ted Turner, the owner of Cable News Network (CNN) and cable superstation WTBS, announced plans in August 1984 to launch Cable Music Channel, a competing twenty-four-hour music video outlet. The strategy on the part of WASEC executives would be to create a second music video outlet of their own to combat Turner's plans; they figured if cable operators had capacity for a second music video channel, it would be MTV and not Turner that would give it to them.

Turner planned to offer Cable Music Channel to system operators free of charge at its launch, prompting WASEC, which charged operators a per subscriber fee for carrying MTV, to make concessions with two of the industry's largest operators. WASEC struck deals with TCI and ATC lowering per subscriber fees for MTV and offering an upcoming sister cable service in exchange for each operator's agreement not to air Turner's Cable Music Channel. Cable Music Channel began on-air operations October 26, 1984 despite an inability to clear ten million subscribers at start-up. Turner's initial claims placed Cable Music Channel's availability at two-point-three million homes, though audits later showed that the service never cleared more than three-hundred-fifty thousand subscribers. Ted Turner pulled the plug on Cable Music Channel by the end of November 1984, agreeing to a one-million-dollar buyout of the service by MTV; for its money MTV received only the Cable Music Channel name, a list of CMC's subscribers and five-hundred-thousand dollars of advertising time on Turner Broadcasting's channels. By the time of Cable Music Channel's demise, MTV enjoyed a subscriber base of

twenty-three-point-five million. Originally planned as counter-programming to Turner's Cable Music Channel, WASEC went ahead with the plans to launch the adult-oriented, middle-of-the-road music video service Video Hits One, known by its acronym VH-1, on New Year's Day 1985.

The twenty-four-hour-a-day music video channel targeted at twenty-five to forty-nine-year-olds debuted with thirteen advertisers signed on and a subscriber base of three million. Another way MTV dealt with challenges from other music video programming outlets is exclusivity agreements with record labels for music videos. Beginning in 1983, MTV entered into agreements with many record labels providing the cable channel with a percentage of each label's video clips on an exclusive basis for a thirty-day period. In exchange for the exclusive broadcast rights for approximately thirty-percent of a record label's video clips, the labels (including CBS, Geffen, MCA and RCA) received compensation from MTV in the form of cash and advertising time.

Reactions to the exclusivity deals between MTV and the record labels ranged from indifference to outrage on the part of competing music video outlets. One of the loudest criticisms came from David Benjamin, the producer of NBC's "Friday Night Videos" who said MTV wanted to effectively end competition, adding the viewer who doesn't receive MTV is the ultimate loser. MTV programming executives quickly pointed out that the broadcast networks also pay for exclusive programming. In the end, exclusive agreements only delayed widespread distribution of each video clip to MTV's competitors. MTV achieved its dominance as a music video outlet utilizing effective marketing and competitive business practices since its inception.

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The “ I Want My MTV” campaign and use of the campaign throughout the 1980’s is one example of the cable outlet’s use of effective marketing technique.

MTV’s business strategy ended competition from cable mogul Ted Turner’s Cable Music Channel through the creation of a fighting brand, along with facing challenges by numerous other music video programming services. Exclusivity agreements with record labels for music videos and by limiting access to cable systems, MTV effectively exercised anticompetitive and monopolistic means to fend off competition. McGrath, Tom. *MTV: The Making of a Revolution*. (Pennsylvania: Running, 1996), p. 124.

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McGrath, Tom. *MTV: The Making of a Revolution*. (Pennsylvania: Running, 1996), p. 47. Banks, Jack. *Monopoly Television: MTV’s Quest to Control the Music*. (Colorado: Westview, 1996), p. 34.

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