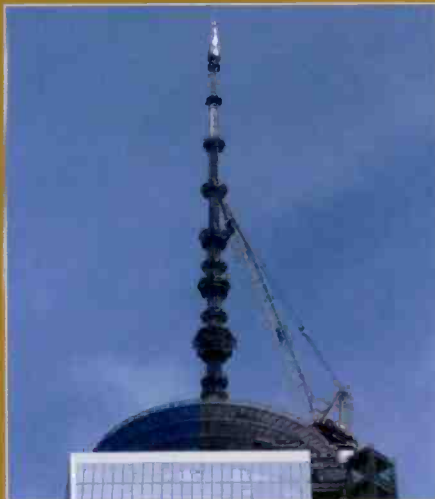




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SPECIAL EDITION

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Can Social Media Save Media Companies?

Only if it's done right...here's how!



Gannett/Belo deal leads the way in 2013

By Dave Seyler

Station trading has racked up over \$4B in total value during the first half of the year, and the vast bulk of that has been on the television side. As usual, more radio than television stations have been sold, but generally in much smaller markets and for far fewer dollars. Still, radio trading seems to be inching back to a state of general health.

Both the biggest television and the biggest radio deals of 2013 occurred in the second quarter, and the blockbuster that will move the television holdings of Belo Corporation into the portfolio of Gannett is worth more than the combined total of every other deal filed with the FCC during the year. On the radio side, Hubbard's acquisition of Sandusky holdings in Seattle and Phoenix is the top deal of the year.

It has definitely been a television year on the station trading front, and the \$2.2B price tag on Gannett/Belo is roughly 52% of the \$4.248B spent on stations this year according to RBR-TVBR research.

The Hubbard acquisition of Sandusky properties came home at \$85.5M, supplanting Cox's Q1 sale of stations to a new company formed by Cox managers called SummitMedia. That deal was worth \$66.25M. It was filed simultaneously with the sale of other stations to Connoisseur for \$40M - meaning if the properties had gone to one buyer, the Cox sale would be the #1 deal.

Looking at radio trading, Larry Patrick of Patrick Communications observed, "2013 has posted sliding prices and values for radio stations

and clusters with multiples now hovering for many markets at only six times. Only the largest clusters in strong markets can command a seven times multiple or above in today's climate. The continued sluggish economy and weak lending environment have capped what buyers are willing to pay for stations. Market activity is weak with only a handful of strong deals being announced.



Larry Patrick

The Hubbard-Sandusky deal stands as the one hopeful mark on radio's score sheet so far. Larry Wilson is also scooping up some small market stations at substantially lower prices than seen in the past two decades

as he focuses on his Live & Local approach. Another large consolidator is forming in the wings as he folds perhaps 100 more stations into his current group but only at six times trailing BCF."

Looking at the other broadcast medium, Patrick said, "On the television side, the reverse is true. Deal volume is skyrocketing. Major groups such as Allbritton, Fisher, Titan and Communications Corp. of America have sold this year on the heels of deals sending New Vision, Freedom, Newport, Four Points, Barrington and others into the arms of Sinclair, Nexstar, LIN and COX last year. Gannett has made a statement of its

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<p>YMF Media, Inc. WKXI (FM), WJMI (FM), WJNT (AM), WRKS (FM), WOAD (AM) & WJQS (AM) Jackson, MS </p>	<p>Family Stations, Inc. WFRW (FM), KIFR (FM) & KXBC (FM) Webster, NY, Alice, TX, Garberville, CA </p>	<p>YMF Media, Inc. KVTO (AM) & KVVN (AM) SF Bay Area Pham Radio Communications, LLC</p>	<p>Bruno-Goodworth Network, Inc. 11 Class A TV Stations Pittsburgh, PA, Wheeling, WV, Steubenville, OH </p>	<p>Jim Ingstad Broadcast Group Fargo, ND Cluster </p>
<p> KSRQ (AM), KFGY (FM), KVRV (FM), KHTH (FM) & KMFX (FM) Santa Rosa, CA </p>	<p>Family Stations, Inc. KFTL-CD San Francisco Bay Area LocusPoint Networks</p>	<p>New Hampshire 1 Network, Inc. WYCN-CD Boston, MA DMA </p>	<p> WLWC-TV Providence, RI </p>	<p>Family Stations, Inc. WFME (FM) New York, NY </p>

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Gannett/Belo Deal continued from page 1...

intent to stick around by buying Belo. Young and Media General, now without the drag of its newspapers on it, merged. Everyone seems to know that duopolies, or their virtual cousins, are almost a requirement. The TV mantra seems to be 'get big or sell out.'

So far, 293 radio and 265 television stations have been traded, according to RBR-TVBR's unofficial tally. Most of the action has been in markets rated 101 or smaller. Although there has been significant action in the top 50 markets, it has almost exclusively taken place on the TV side.

Radio dealing has totaled just under \$270M, divided evenly between the first and second quarters. In light of the still troublesome financing environment, we've been keeping an eye on the use of seller paper, and although it's out there, it represents a relatively small percentage of total value, coming in at about \$11.2M. Television trading, which had not quite reached the \$4B threshold by the end of June, is heavily weighted to Q2, even if the Gannett/Belo deal is ignored, and on the TV side, seller paper has been virtually



John Pelkey

non-existent.

A lot of the radio action has been in un-rated territory. On that topic, Henson Media's Ed Henson said, "Over the last fifteen years, smaller maker trading hasn't experienced some of the periods of boom or slowdowns, experienced in larger markets. While fewer people are building small market groups than did ten years ago, there still is a steady amount of deals being done. Prospective buyers will look at cash flow multiples, but they also look at a number of other factors. Many prospective buyers feel there's a real value with stations in smaller markets, since they are such a key source of information for people in their communities."

1H 2013 Deals/Values

Deal type	Deals	Stns	Value	Pnote
Radio Q1	79	124	\$136,176,413	\$7,237,300
Radio Q2	103	169	\$130,796,521	\$3,476,822
Radio Total	182	293	\$266,972,934	\$11,214,122
TV Q1	38	66	\$758,308,031	\$350,000
TV Q2	36	199	\$3,222,538,938	\$0
TV Total	74	265	\$3,980,846,969	\$350,000
Broadcast Total	256	558	\$4,247,819,903	\$11,564,122

1H 2013 Trading by Station Type/Market Size

Station	1-50	51-100	101-smlr	Out	Total
AM	12	9	28	47	96
AM CP	0	0	0	6	6
FM	10	30	63	61	164
FM CP	0	0	1	21	22
LPFM	0	0	1	4	5
Rad total	22	39	93	139	293
TV	28	29	62	0	119
TV CP	0	0	0	0	0
LPTV	69	15	33	2	119
LPTV CP	1	0	26	0	27
TV total	98	44	121	2	265
Total	120	83	214	141	558

Source: FCC, RBR-TVBR

Garvey Schubert Barer attorney John Pelkey noted that attracting financing is still a challenge. "Smaller deals continue to be a problem. Currently we have a curious situation in which there are prospective buyers who can attract equity, but not debt, and other prospective buyers who have a lender, but have not been able to line up equity. The difference between the two groups of buyers appears to be dependent, to a large extent, on the size of the deal. In smaller deals, the equity is there, but the debt is not. This is true even in very large markets. It is not at all unusual for a prospective buyer to kick the tires of a large market station that is being offered for a purchase price that is a fraction of the purchase price that the station would have brought six or seven years ago, conclude that the price is a good one, but then find that no lenders are interested. In that case, the seller may well find that it cannot sell the station unless it is willing to take back paper."

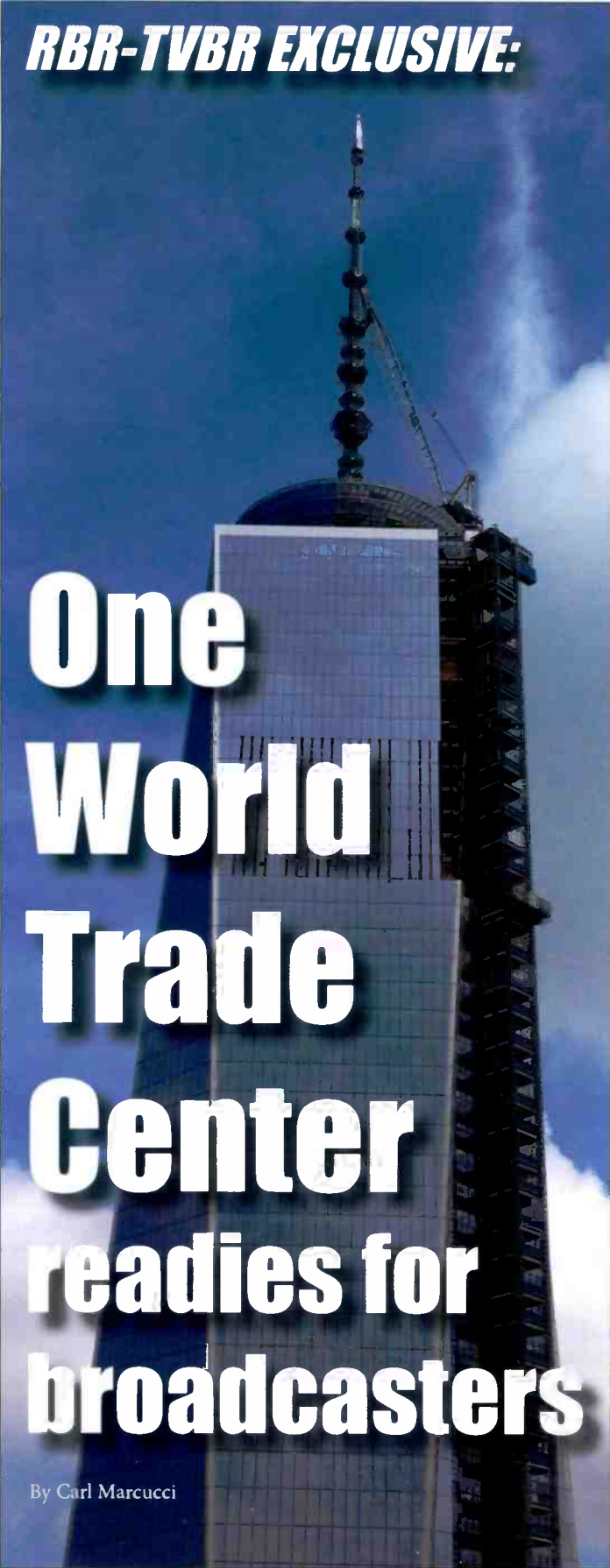
Looking at the prospects on the radio side, Media Services Group broker George Reed commented, "After the three-plus year recessionary drought, where very little trading occurred, things have certainly picked up. Things started picking up steam in 2011

and have continued to improve, albeit slowly and at lower multiples/prices. We expect 2013 to be a good year. The spread between the seller's expectations and what the buyers will pay has narrowed. The banks are creeping back into the business, and with small deals, seller financing has become the means to get deals done."

Patrick focused on the shiniest of the current silver linings: "If there is any good news across the board, it is that the bankruptcies and workouts of the past five years are now just about concluded. Although a few groups are still saddled with high debt payments with little chance of refinancing any time soon, the worst offenders have either been reorganized or sold and will be moving forward under different owners."

But, he noted, sunny skies are not yet shining on the station trading market. "The forecast for the last part of this year is still sluggish for radio and more consolidation for television. There are a half-dozen or more TV groups in active negotiation to sell as many now believe the prediction that in three years 80-85 percent of all television revenues will be in the hands of no more than 10 major groups, including the four O&O holdings."

RBR-TVBR EXCLUSIVE:



One World Trade Center readies for broadcasters

By Carl Marcucci

It has been 12 years since the 9/11 terror attacks knocked down the twin towers in New York City—and quite a few FM and TV broadcasters with them whose antennas were housed on top. We've spoken on and off-record with everyone involved—from private and government entities to manufacturers and engineers—working to get the new One World Trade Center ready for broadcasters in 2015. Where do things stand? We also take a look at how much the World Trade Center Reconstruction project has revitalized lower Manhattan as a cultural, residential, business and entertainment mecca. Included is an interview with Larry Silverstein, CEO, Silverstein Properties. The company granted RBR-TVBR access to the WTC site for a tour.

One World Trade Center (1WTC) was previously dubbed Freedom Tower and is owned by The NY Port Authority. The broadcast facility that includes the spire at the top is managed by The Durst Organization, which has issued RFPs for the project. Durst has a \$100 million stake in the building and is serving as the development advisor, operator and leasing agent. They have a separate agreement for the broadcast and lease the rights to manage and run the broadcast operation from the Port Authority.

The top of 1WTC is 1,368 feet. Going up another 408 feet is the spire above the rooftop. The antennas will be starting at about 1,480 feet, and going up to 1,700 feet. The top of the spire is 1,776 feet—not an accident. The height of many of the antennas atop the twin towers pre-9/11 was 1,335 feet. The equipment for the broadcasters will be on the 89th mezzanine. The entire 32,000 square feet will be for broadcast gear, including transmitters and combiners. There is also a 12-ft torch on top of the spire, a very unique lighting structure—not a traditional aviation beacon by any means.

All of the proposals have been submitted. So Durst has pricing, product detail, pattern characteristics and technical drawings on the project. The company is looking for the most flexible, future-proof system that they can possibly get. Durst also owns and manages the 4 Times Square broadcast site and can tie both of the facilities together in a comprehensive lease package.

The RFP includes designing and building the TV antenna system; project management; an FM antenna/FM signal combiner provider and one for the rigid transmission lines and layout services. RBR-TVBR is unable to disclose certain details in the process, as the “official” decisions have not yet been made and announced as of 9/3/13 at press time.

“If selected to be a part of the broadcast infrastructure project at the new 1WTC facility we would be delighted to expand our long relationship with the Durst Organization and the FM radio broadcasters of New York City, and we look forward to that possible opportunity,” Martyn Gregory, VP/Shively Labs (div. Howell Laboratories), tells RBR-TVBR.

“With all of the new tall building development planned in Manhattan, having a tall premium broadcast location may become very necessary and essential to effectively serve the market. Either way Jampro-Alan Dick Broadcast will continue to be well positioned to support the broadcast business,” Alex Perchevitch, Jampro President, tells us.

Other companies well engaged in the RFP process are Radio Frequency Systems (RFS) and ERI/Tom Silliman. Again, we are unable to disclose more at this time.

New York is a bit different in that there will be several high-band VHF stations after the FCC repacking. The big question is the breakdown of UHF vs. VHF allocations. The FCC will issue an NPRM late this year which gives an outline of the allocation table. RFS is proposing antenna arrays that are full-band VHF (Band III) and full-band UHF, so regardless of where stations end up in that spectrum, their system could accommodate them.

After 9/11, many dislocated NYC broadcasters moved to the Empire State Building (some were already there). A 385 foot broadcast antenna at 4 Times Square was also constructed in 2003 and tops the building out at 1,118 feet. That new tower was allowed for the displaced WTC broadcasters to find a new home after 9/11. It's currently home to 12 FM and

seven TV stations.

Many NYC broadcasters are currently tied up in long-term leases, mostly at Empire. But by the time 1WTC is ready, some of these leases will be up. The good news for broadcasters is broadcasting from 1WTC will cover the suburbs better (and reach the fringe areas much better); the bad news is it will not have the Midtown Manhattan building penetration that Empire has (because of its more central location on the island). All of the FMs at

Director of Broadcast Communications for the Durst Organization. He's is in negotiations with the broadcasters and charged with coordinating leases:



John Lyons

Photo Credit: Steve Friedman

So far, what radio and TV stations are contracted to move to 1WTC?

The simple answer to that is none. We are talking to everybody. But nobody has stepped forward at this point. It is down the road before the building is actually totally finished, and there are antennas up there. The FCC has an auction of some of the spectrum. It is tentatively scheduled for June, 2014.

They want to clear 10 channels in the band nationwide to be able to offer it to broadband to sell. So, they are repacking some of the channels. It will be an upper UHF and a lower UHF with a separation of the band in the middle. Until the auction actually takes place, we don't know exactly which channels these stations are going to a) be voluntarily moved to or b) be forced to move to, to know what antennas I need to actually put up there.

What are your responsibilities regarding this antenna site?

That's all on us. Durst Broadcasting LLC has contracted to be the rooftop manager for all of the broadcast and telecommunications that could be up there. Everything is on us to pick the manufacturers, to run the job, to get everything done, do the license agreements with the broadcasters, and all of that. We are trying to do it as we have done at 4 Times Square—make everything plug and play. We are supplying the HVAC and the electric.

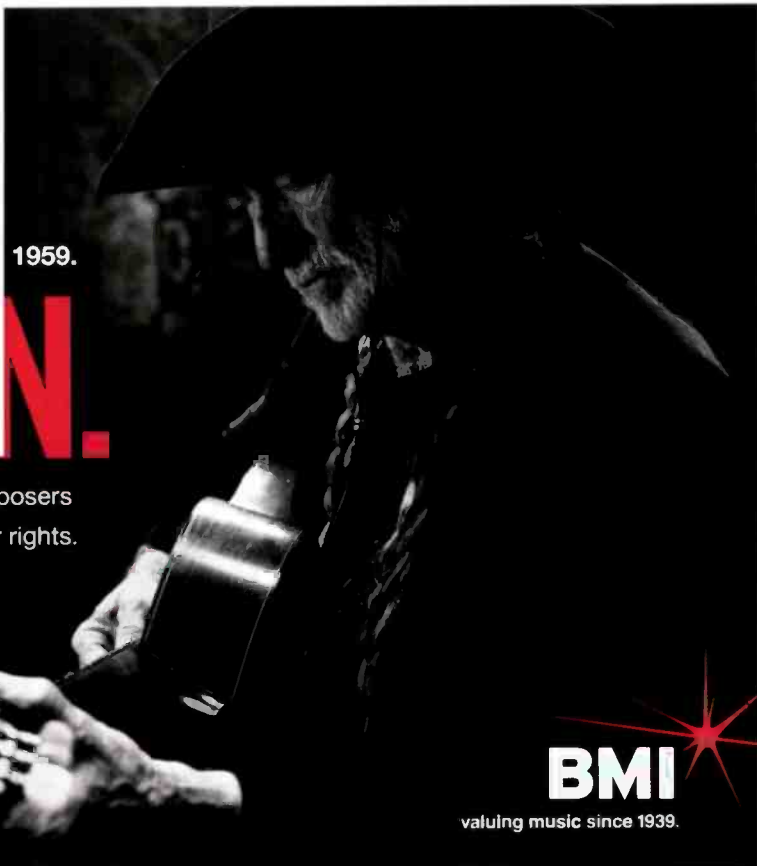
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The stations just need to have contractors connect their terminal gear—the transmitters, combiners, etc. But, everything else we are supplying.

Who are some of the people that you can name that you are in discussions with? ABC, NBC, Fox, Clear Channel, Cumulus?

All of the above. TV and FM radio. We are also talking to Hispanic Broadcasting, the City of New York, WNYC/New York Public Radio, Newark Public Radio, Columbia University, Emmis, NYU, Fordham, more.

What are some of the issues that you are running into?

Economics is definitely one of the things, and coverage. They all want to make sure they keep the coverage and the audience population numbers that they presently have. Moving downtown a little bit, that they are not going to lose what is further north when they move. They want to keep the same population that they currently have.

There would be a power reduction, because by the FCC rules, if you

keep the same class of station operation, it is a combination of height and power. It would be a slight power reduction from what they presently have at Empire. It would obviously be a decrease from what they have at 4 Times Square, because that is a lower building.

Are any limits as to how many FM's and TV's can be up there?

We can house every station in New York's DMA. All the TV's. There are just a few that we are hearing about that use low power that are trying to come in under the auction parameters. There are 11 TV's and 21FM's, we can carry all of them.

What will the antenna placements be on the spire?

Essentially it will be one or two UHF antennas, maybe one UHF and two VHF antennas, if that's what the repack dictates, and an FM antenna. It would be basically four antennas from 1,480 to 1,700 feet. There would be room for directional antennas as well.

World Trade Center's Rebirth

It took years, but The World Trade Center district (within NYC's Financial District) has already been revitalized—even without all of the buildings being completed yet. With everything we've been hearing about it and what we saw, a whole new world has been created down there in the last year or two. Restaurants, media and entertainment companies and more are calling it home.

As far as 1WTC, the anchor tenant is Conde Nast. They have just shy of 1.2 million square feet. The Vantone China Center (real estate) has 200,000 square feet. The General Services Administration has just shy of 300,000 square feet. The building is 55% leased. In addition to those office leases, Legends Hospitality is leasing the top three floors, which is the observation deck. Conde Nast expects to open at the beginning of 2015, as does Legends. RBR-TVBR talks with Larry Silverstein:

What new businesses and headquarters are moving in?

We built, financed and opened 7 WTC in May 2006, as the first LEED-certified office building in New York—achieving the Gold standard. It boasts an array of innovative sustainable design and energy efficient features, which ultimately make it a healthy and productive place to work.

The building leased up beautifully to a wide range of world-class companies, including creative, advertising and publishing companies such as BMI, and not-for-profit organizations and financial services firms such as Moody's and Ameriprise. Many of these companies moved to 7 WTC because it was a green building.

These companies are proof that New York could and would come back stronger than before. They believed—like I do—that that Downtown had enormous potential both as a residential neighborhood and as a business district—and that it could and would become THE model 24/7 live-work mixed-use community.

How is the cultural, entertainment and dining scene changing?

Over the past decade, Lower Manhattan has undergone a remarkable transformation. The number of people there has doubled to 60,000.

Downtown is home to some of the best schools in the city, including Stuyvesant high school and PS 234. The neighborhood features some of

the best restaurants and bars and nightlife, as well as a unique waterfront with magnificent parks and recreational facilities. Downtown attracts almost six million visitors a year and is fast becoming one of the best places in the country to visit, to work and to live.

When did this renaissance begin? Why?

After 9/11, it took some time to develop a plan that reconciled all the different interests and goals New Yorkers had for a rebuilt Trade Center site, beginning with an appropriate memorial that honors the memory of the almost 3,000 people who lost their lives here on 9/11.

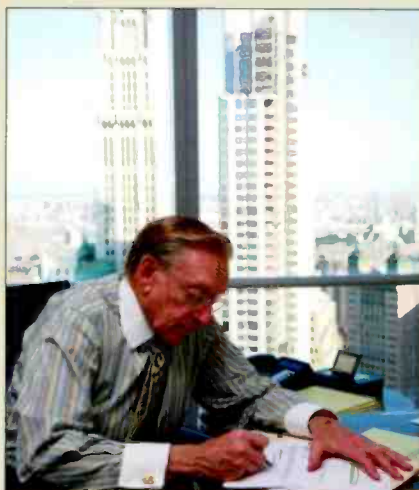
Fortunately, Daniel Libeskind's Master Plan for the WTC reconciled everybody's goals in a very meaningful way. It turned half of the site into public space and re-introduced Manhattan's historic street grid through the site, connecting the new World Trade Center seamlessly to the surrounding neighborhoods. It added several new elements like an iconic transit gateway to lower Manhattan, a performing arts center, and a livelier retail streetscape.

Why is WTC becoming so popular now?

Today, we are clearly at a pivotal moment in Downtown Manhattan's reemergence. With the impressive construction progress all across the WTC site; the opening of the Goldman Sachs headquarters; the success of 7 World Trade Center; and with Condé Nast's decision to move its headquarters to One World Trade Center, the world has really begun to take notice of what is happening Downtown. Today, every part of the new World Trade Center is under construction and on its way to completion. More than 3,000 workers are shaping millions of tons of concrete, steel and glass into iconic buildings that have already reclaimed New York's skyline.

The foundation work on 2 WTC - designed by Norman Foster - is complete and that building is now above sidewalk level. 3 WTC—designed by Richard Rogers—should open by 2016. Work on the transit hub is also well underway and Santiago Calatrava's spectacular arches are now visible.

At 104 stories, One WTC is now the tallest building in Manhattan. Our building, 4 WTC, topped out at 72 floors last June and will be the first to open on the 16-acre site later this year.



Larry Silverstein

Photo Credit: Joe Woolhead

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Buying and selling Hispanic Radio: A 360-degree view

By Carl Marcucci

Today, Hispanic Radio is the key vehicle to reach Hispanics across different age groups, social backgrounds, countries of origin and language preferences. It's a cost-effective medium with reduced waste and the ability to provide grassroots activation at the retail level. It's also the very last media touch point before consumers walk into a store. Given these strengths, we've spoken with buyers and sellers in the medium to talk about what's being presented through a multiplatform lens; accountability; expanding and utilizing local talent; cross-platform opportunities; tying in concerts and events to engage the audience in an exciting way with advertisers; social media tie-ins, sports offerings and more.

Participants this year include Lee Davis, EVP/Sales Univision Radio; Luis Gutierrez, VP Advertising Sales at GLR Networks; Berry Jasin, SBS VP of National Sales; Jeffery Liberman, Entravision COO; Elisa Torres, VP Hispanic and International Division, Cumulus Media Networks; Winter Horton, Liberman Broadcasting/LBI Media COO; Oscar Ramos, Senior Director and GM for ESPN Deportes Radio and ESPNdeportes.com; Natalie Swed Stone, US Director, National Radio Investment, OMD; Jody Thompson, Brand Media, The Richards Group; Maria Cupajita, Buyer, Casanova Pendrill and MediaVest Worldwide NYC.

Programming and networks

Radio groups and networks are constantly looking for the perfect talent and environment that will help the audience identify with advertisers and move product. To do that, they often expand and utilize local talent over to other markets. Thompson noted the Hispanic Radio is very loyal to the personalities, so "we are always looking at voice work and live reads."

MediaVest NYC agrees: They're looking for sponsorships and integrations delivered by their personalities. LBI has always been a big believer in using local DJs on their radio stations, noted Horton: "In today's world especially, with our competitors going to more automated formats, it is important to maintain a strong local presence. People listen to the radio to find out what is going on in their town and we want to be the stations that they turn to. We try to always have DJs that 'live the format' and listeners appreciate that."

As a company that has run networks since its inception, Entravision understands the importance of having a sound that is local and unique to that market, says Liberman: "We have come up with a system to localize our on-air talent by market, tailoring real-time messages to those audiences. We also conduct local promotions and endorsements which effectively utilize this system."

Entravision Radio's afternoon personalities, Erazno y la Chokolata, are now syndicated nationally on over 40 markets. "They are highly adaptable to an array of products because the hosts speak to both male and female audiences in advertisers' desired demos. They are a trusted voice in the community and advertisers want to associate their products with those personalities," says Liberman. Seven Adelante Media Group stations, for example, started carrying Erazno Y La Chokolata this year.

In the wake of Univision's syndicated morning star Eddie 'Piolin' Sotelo, host of "Piolin por la Manana" being fired from Univision and moving

over to SiriusXM, Liberman Broadcasting/LBI Media is quickly clearing "El Show De Don Cheto" in Piolin's place. LBI COO Winter Horton tells RBR-TVBR Adelante Media is launching the Don Cheto show on all 9 of their stations, replacing Piolin in each of those markets.

Jasin says that because of some of the similar format of their stations, they do have some talent in multi markets to help expand the reach of their network. "But these are only done based upon research and programming likeness of the music. We are super-local because our listeners are local and that's how we ID them in a respective market where we have branded heritage stations. By doing this on a local level we are able to deliver excellent results."

Davis notes that Univision Radio has some of the biggest and most popular Spanish-language personalities on the air. "We identify talent that has a community appeal like none other and syndicate them, where appropriate--Enrique Santos, for example, from WRTO-FM Miami," he tells us. "We also have Omar y Argelia in LA and Luis Jimenez in NYC. Advertisers look for talent that has a true and genuine connection with the audience and these personalities have that and much more."

"GLR uses national talent for their network feed, but they do give the stations the ability to have their talent contribute on a local level," said Gutierrez. "GLR also launched a daily two hour show with Neyda Sandoval 8/6. GLR is the only network with 14 live hours of programming Monday-Sunday," he adds. The company tends to offer sports for the automotive category and Ana Maria Canseco and Maria Celeste for retail and packaged goods advertisers.

Cumulus Media Networks en Español is home of the Conexión Thalia Radio show. Thalia, a platinum-selling recording artist and internationally acclaimed actress, is the only personality on Spanish-language radio with an established performing career before launching a radio show. Ramos says ESPN Deportes super-



Luis Gutierrez

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focuses on talent, with over 50 journalists on staff: "All of our journalists are national in scope and cover every sport relevant to our audience including soccer, boxing, NFL, NBA, MLB, Caribbean baseball, college sports, etc."

Multiplatform offerings, fresh ideas

As more listening is done online and via smartphones, Hispanic Radio content providers are keeping ahead of the curve, pairing streaming inventory, website inventory and app inventory with their offering to media agencies and advertisers. Sellers are working with media planners to get on the big multiplatform buys. Cupajita tells us of late, she's been presented with opportunities concerts, sports and streaming radio.

Univision Radio's Uforia music service is their upgraded radio app focused on content curation and customizable channels. Looking to perhaps be the Pandora of Hispanic music, Uforia combines the company's 50 radio station streams with new Latin music genre channels, custom radio and social media.

"We are in an era of digital, digital, digital," Davis says. "The launch of Uforia allows us to amplify our current terrestrial offering and create a robust/360 campaign for our partners. We also work closely with our Univision Local and Network team to offer our clients the ability to reach the Hispanic consumer with a true 360 program - local radio, local TV, network TV and digital."

Horton says LBI is uniquely positioned to offer a true "360" approach with radio, television, digital and grass roots event offerings. "We are constantly innovating when it comes to cross-platform campaigns. Since we produce all of our television content in-house, we are able to offer advertisers truly organic integration opportunities that they simply cannot get elsewhere."

All ESPN Deportes' offerings are multiplatform and they have a multimedia sales group because of that, says Ramos. "When we talk to advertisers, we want to take a multimedia approach to maximize ESPN assets in order to better serve our advertisers."

Entravision is also incorporating multiple platforms into all presentations. "Our audiences use media across platforms and we connect the audience with both the advertiser and our content across those platforms," said Liberman. "Our mobile offerings give media planners an opportunity to engage over 1.2 million Latino impressions each month, tied with exclusive content and alerts on various topics such as video breaking news, soccer scores and updates as they happen, weather and entertainment alerts that are pushed out to mobile handsets."

What about other fresh ideas being presented to the radio groups to help them sell the medium to planning and creative groups as well as the clients themselves? "There is a lot of creative back and forth between Entravision Solutions and the radio groups to percolate great ideas," Liberman attests. "As a result, when we work with network agencies, we offer them 360 platforms that can be executed across our entire line-up and across multiple platforms. We also offer advertisers the opportunity for ownership/exclusivity of syndicated properties, tie-

ins promotions with Sony Latin artists and turn-key concert tours with the ability to cross promote with TV, radio and digital in our markets."

"At SBS, we typically like to show clients how they would benefit from a multi-platform campaign. We promote true 360 packages that include Radio, TV, Digital, Events and Experiential," adds Jasin.

What's being offered in the way of mobile display and in-stream ads? SBS offers both, says Jasin: "Especially since we have a hugely popular app, LaMusica.com, plus the 21 sites we have throughout the SBS Network of stations."

Through Entravision Radio's mobile websites and content partnerships, mobile display ads also give advertisers the ability to pinpoint their Latino audience at a hyper-local level through one of their six unique radio brands across the country.

For mobile advertising, GLR delivers the latest news with regards to Chivas De Guadalajara, "we deliver news before kickoff and after each game," said Gutierrez.

Connecting with the local community through grassroots events is key for ESPN Deportes affiliates. Ramos said they continue to execute local activations at major community and sports events.



Oscar Ramos



Winter Horton



Lee Davis

Concerts and events

Multiplatform opportunities also tie in concerts and events to engage the audience in a meaningful/exciting way with the advertiser: "Univision is at the forefront of what we have named the Hispanic 2.0 movement - Hispanics who live in a bilingual, bicultural world," says Davis. "Last year, we launched the H2O Music Festival showcasing culturally relevant artists. At events such as these, our partners are able to activate in a meaningful way and engage on a direct basis with our fan base on the ground."

"The Hispanic marketplace has been particularly strong in engagement opportunities such as these," Swed Stone attests. "And clients value the enhanced engagement experiences suppliers can bring in this area."

While these concerts and events can certainly enhance a schedule, money must be diverted to fund them, Thompson warns. "But if a local market is key to our client, it can be very beneficial."

MediaVest NYC adds they do spend money on concerts ad events, but they have to be turn-key and "not too complicated."

Says Horton: "Our sales staff has done some great work putting together large scale campaigns for major brands that involve all aspects of media and event marketing. From custom film festivals to concert tours, we are able to leverage all of LBI's media assets to maximize the all-important ROI for our clients. We are able to promote these events on television, radio and digital platforms like no other broadcaster. Most of the bigger concert events that we produce on the radio side have the added benefit of being broadcast across the country on our Estrella TV television network, giving all of our clients incredible exposure on all levels."

The biggest ideas SBS is presenting right now are national concert tours like Ricardo Arjona and Carlos Vives. Jasin says they've found that it's more about the big ideas and creativity that makes clients buy. Liberman says with events, they've been

very successful in integrating advertisers beyond an event banner and promo spot. "We do this by finding ways for listeners to interact with a sponsor/brand before and even during an event in a meaningful way which elevates the experience for the consumer and brings attention to the brand in a relevant manner."

What about social media?

At Univision Radio, social media was a key driver to this year's upfront offerings. Davis says they have a dedicated team in place strategizing around these opportunities. "In fact, most of our local talent uses social media themselves to connect with their audiences. We encourage their interactions with the audience because we truly understand that radio is the community's medium."

Social media has been a powerful tool for Entravision Radio stations to connect with audiences. Personalities such as Erazno y la Chokolata have highly active and engaging social media sites offering content that augments the listening experience, developing more intimate and trusted relationships with listeners, affiliating advertisers into that relationship. GLR offers Twitter feeds for news content in the form of breaking news that's associated with our top of the hour news 'Minuto 60,' and they also use Facebook as a social interaction with talent. Jasin reiterated that because they bundle/package all of the SBS assets and digital/social media is a big part of a client's campaign.

Almost all of LBI's larger campaigns include social media aspects, including Twitter and Facebook. "We have had huge successes with posting some of our content on You Tube and our own sites," says Horton. "Most notably, Don Cheto's "Ganga Style" video that closed last year's Premios de la Radio awards show has racked up over 37,000,000 views on You Tube and is still growing. Those are head-turning numbers that can't be ignored."

Accountability and stewardship

Accountability means assuring buyers and clients that their spots/campaign ran at the right time on the right stations, and how they correct mistakes if they were made. It's also the process of how they guarantee ratings goals, spots and dots. It requires operational investments and all companies need to ensure adequate operational relevance for today's media complexity. Accountability is important because it informs decisions about ROI and performance. GLR posts out every buy using Arbitron's Nationwide ratings service and clients can count on them delivering 100% of the performance affidavit's that they demand, Gutierrez assured.

Entravision employs a system of accounting measures that help assure the buying community that what they commit to airing on our stations through contracts actually airs. Liberman tells RBR-TVBR: "At the station level, we deliver notarized affidavits with our invoices. The affidavits are tied to actual log times generated by our traffic system for both TV and radio. We are improving these systems with an integrated proposal system that is electronically connected to agencies and stations. This electronic process will be integrated with our stations traffic system which will eliminate the possibility of human error."

When it comes to NTR events or promotions, Entravision provides a full recap of all the elements that were agreed to: pictures/video of booth, signage and crowds; audio clips of promos and call-ins. They try to help the client experience the energy of the promotion/event and see how their properties delivered engagement.

What are buyers asking sellers in Hispanic radio to provide in the way of audience delivery that they may not have in the past? "Stewardship, of course," explains Thompson. "And we always encourage the networks to arrange their stations into more streamlined (and fewer) elements. There are many elements that have very few available units to purchase."

Responds Swed Stone, "Timely audience data is critical both pre and post buying-so accurate and up to date information on programs, envi-

ronment, stations, times, etc. With PPM data, so much more is possible and available, particularly with regard to live events."

Sports offerings

Hispanic Radio Networks are very successful when it comes to sports-especially soccer. What opportunities are now available for advertisers who want to be in sporting events? ESPN Deportes has the largest play-by-play offering in the marketplace and they aim to put advertisers in the middle of the action. Univision Radio owns Spanish language play-by-play rights to numerous pro teams such as the L.A. Dodgers, Chicago Cubs, Miami Heat, and the New York Yankees-as well as several others. In addition, Univision Radio is the Spanish-language radio home of the NFL. Univision America, Univision Radio's AM network, also airs "Locura Deportiva," a daily sports news show. Local stations also activate on the local level at several local sporting events.

Says Horton: "In Houston, we are the exclusive broadcaster of the World Cup. Opportunities don't get any bigger than that."

GLR is the only radio network with exclusive rights to any Mexican first division team—Chivas De Guadalajara. Gutierrez notes: "We offer not just play-by-play, we go much deeper—in-game mentions, halftime shows, pre-and post-game shows, soccer trips for fans to see Chivas, soccer viewing parties, co-branded t-shirts, caps and soccer balls."

SBS has made a major investment in the sports arena over the last two years. They currently have Futbol de Primera, Road to the World Cup games, Chicago Bears Football (with more NFL on the horizon), MLS teams of the Houston Dynamo and Chicago Fire. "We also just did a deal with UFC and also work with WWE."

Entravision Solutions Network has launched its first network sports property in partnership with Lotus Communications—a one-hour daily soccer show called "Super Gol". The show is a young, hip sports-talk format and targets the difficult-to-reach Latino male during PM Drive.

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The art and science of media buying: An interview with Natalie Swed Stone

By Carl Marcucci



Natalie Swed Stone

As OMD's US Director, National Audio Investment, Natalie has 30 clients to stay on top of—including Lowe's, State Farm, jcpenny, H&R Block, Frito-Lay, Levi's, Pepsi, McDonald's ToysRUs, Walgreen's, Wells Fargo and Visa. Over the years, she has been an advocate for radio and the audio medium in general, letting her voice be heard on a variety of issues, including accountability, research, marketing and new media. As a veteran in the business with over 30 years of Agency and Sales experience in radio, she has a unique perspective on the evolving media landscape and its challenges:

Tell us about the impact of data and research on buying decisions today versus years ago.

There are no decisions made today without the analysis of data by every party along the way. That means the marketer and the agency and all of the people involved with modeling and ROI review. Procurement groups are involved. Budgets are not released until the plans have been vetted and we have shown them what the yield is on their investment. It used to be that they would just authorize the budget based upon a plan of "Radio-100 GRPs" and that was it. Clients are much more involved in the detail of the buys than they used to be. It is the pre-buy they now want to see. The procurement and financial people need to make sure that any dollar is well-spent. We have to arm the clients with the right information. In terms of the cost, and the value that we are held to, it's very tight. Everything has to be valued and measured, whether it's an event sponsorship or a program integration or any creative element. They need to see all of the detail in advance: the entities, the properties, the reach and frequency, the market deliveries are, added value, etc. Radio performance is reviewed with other media in continuous modeling for media mix optimization and we have to show productivity so that we get the investment vs. another medium, as well. So, we have to continue to prove our value. They then have a sense and expectation of what the return is going to be. We have to make sure that we are delivering against that. It is really more like financial investing than it is like "Mad Men." We actually do hire people from Wall Street, from the financial industry. We are building dashboards. All of our decisions are based upon data and analytics. The available data is significant and we have to absorb and review all of it. It is as much a science today as it is an art.

Wow. That's fairly complicated.

It is big. And that's just before we get the money. Then we have to talk about what happens once we are approved to buy and then after we've placed the buy. An interesting way of looking at it is, when you compare traditional broadcast of the past with digital or streaming mechanics. Virtually all of our effort in traditional media was done on the front end with audience estimates, we spent a lot of time reviewing the station lineups and properties. Buyers used to spend more time on the front end, especially when you think about television and all of the program estimates to ensure that you are not overpaying since there was no cash back or changes once schedules were purchased—only audience makegood for underdelivery and a post-analysis somewhere down the road.

Then, digital came along and put the emphasis on the maintenance and on the back end. The maintenance piece is "what did I get today and how do I optimize tomorrow, and how do I pay only for what I am getting in terms of my delivery today, and obviously the back end changes to costs estimated". Digital didn't spend a lot of time on the front end. The idea was "you will just pay for what you get" but it requires significant resources in daily maintenance, changes to schedules and cost resolution.

So, we are bridging the learning from both media types, traditional and digital, to get the front end on the digital side and the maintenance and the tracking better on the traditional side. That's the way I look at it. So at the end of the day, we are now doing so much more. The estimating has gotten more complex, with PPM data and increasing change to programming and networks, limitless fragmentation and new suppliers and you can't give clients a post 90 days after it airs. That doesn't work anymore. We have to get much better at real-time tracking and posting and the summary of the analytics after the campaign runs, and feeding that into other teams, so that they can review and adjust and work on planning going forward.

We're doing much more to bring digital closer to traditional. They have to deliver against planned. It's not just about paying for what was delivered, with money returned and impressions lost. It's all about delivering the plan precisely, and improving transparency because the plan was based upon optimized modeling tied to sales and proven results.

Who do you use for monitoring all of that real-time data?

We are working with our Annalect division to build dashboards. It's part of Omnicom's offering. So that we can import the Media Monitors, Arbitron, and Triton data. As the medium gets more and more complicated, we have to find smarter ways of being efficient. Those means have to come from technology, because there's no other solution.

It has to come from the partners holding up their end on technology, and working with us on electronic reporting, and data flow. Also, one of the things we've been talking to the networks about is streamlining their product offering. There used to be dozens of larger networks. Now there are 100's of smaller networks. We have the same number of radio stations as we've always had. But, it is the way that we purchase them that has become more difficult. We are trying to talk to them about finding a way to streamline. I don't know how much of that becomes trading. At the end of the day, you do what Google audio was doing and then with better research extend to programmatic. Via trading we could match what we are looking for, in terms of stations or dayparts, match something nationally that mirrors our client's footprint mapped to sales by region. That's really what we should be doing. But, right now, we are taking the network's offerings and trying to optimize them to match coverage and major markets, and overall balance. But it does not precisely match client's goals so there is inefficiency.

We are hoping that soon, there will be more flexibility and customization. It is inevitable because digital media does this well. Digital continues to take money from traditional so there will need to be change to survive. We need to be able to purchase in a different way. Now, networks take their stations and put them into fixed networks that they've decided based on a certain demographic. But, it is arbitrary and not customer-focused. It's not working. It's broken.

This leads us into the question of why do you think network radio ad dollars have taken such a hit over the past year or so?

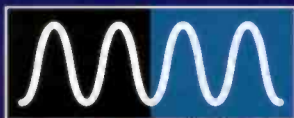
We don't call it network radio anymore, because the medium is now larger and includes the station groups. Once Clear Channel, Cumulus, and CBS became fully national thru consolidation, they were able to compete in the National radio arena. It's been a few years now. They are able to customize by market and give us only the formats that we want. They are pretty easy to deal with, because we are getting information on stations and not via a network that translates to a station. It is really more direct. So national spot and network lines have blurred. The budget for national radio has grown but it encompasses more of radio.

So the RADAR rated networks have taken a hit because of it?

Yes, because there is much more national inventory in the market and these other companies have gotten very good at marketing and offering live leads at the station level, and offering integration. Again, the major piece is the customization of these lineups that match your client's needs to some degree. It's not exactly where we need to go, but it is certainly more enhanced than buying a fixed network, where I get one spot on each station. If you remember how we used to buy, you wanted ten spots on each station, or five or six. When I buy a network, I could be getting one spot on each station, or two. So I have to piece together all these other networks to come up with 6 or 10. If I buy a station group directly, I can buy as many as I want. It's different. We take the two pieces and we put them together, and you end up with a national medium, a larger national medium. Then, also, you add the streaming audio to it, the satellite radio to it. You see what happens to network radio.

How can radio increase its share of advertising dollars on a national basis? I know you want to say, "Make it easier for us".

Yes. Obviously, the technology has to be employed. Right now, it's really



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cumbersome on a national level. We have had issues with Rush and the controversy and the ad serving is very difficult. It's still, believe it or not manually done, and the networks have to rely on thousands of individual radio stations to insert the copy. That is not the best use of anybody's energy and fraught with the possibility of human error. Right now, the station, unfortunately, is overwhelmed. Each one is affiliated with multiple networks. And they are getting copy from all of them with separate instructions for each property. So, of course, this takes time and they are going to make mistakes. This should all be completely seamless, automated and in real-time. The systems are not designed for today's competitive realities. You can get on air more rapidly in local, TV, and in digital.

What about the multicultural effect on the marketplace?

The marketplace not only includes general market suppliers, but several dedicated to multicultural as well. A client's once broad Adults 18-49 target with one buy might now include several separate efforts targeting: young men, young women, Hispanic and African American segments with distinct budgets and creative and the marketplace includes specialized multicultural suppliers as well.

Now, you see many of the larger companies enhancing multicultural in addition to digital offerings.

Is it really just easier to buy digital to get what you need done?

No. Digital has its own issues. The data isn't organized yet and operations are not standardized. Listening patterns need to be assessed with more usable data published and available to the Agencies for sophisticated buying decisions. Radio companies do need to immediately streamline and invest in technology to make the ad serving better and product offering more tailored to client needs and more like the digital process. Right now, the station, unfortunately, is overwhelmed. Each one is affiliated with multiple networks. And they are getting copy from all of them with separate instructions for each property. So, of course, this takes time and they are going to make mistakes. This should all be completely seamless, automated and in real-time. The systems are antiquated and not designed for today's competitive realities. You can get on air more rapidly in local, TV, and in digital.

Are the upfront days pretty much done for radio?

Less upfront certainly and much more flexibility for those who do buy upfront. The rules are less stringent with more flexibility built in. Television is still largely upfront with digital mostly monthly. Radio is in between and everything is moving closer to air. We are seeing increased changes to schedules, to targets, to all of it. The advertisers need to react to today's sales data. They didn't used to have that data. But now, they have a read on everything. They need to boost sales next week, or for the next three weeks. They are calling us to implement and effect immediate changes. And those who are nimble, flexible, speedy and prepared will benefit. That's why the operations and the tools and the systems needed to improve yesterday. We don't have time.

If you can't get them on the air tomorrow, they are going to go elsewhere, and that's lost money off the table.

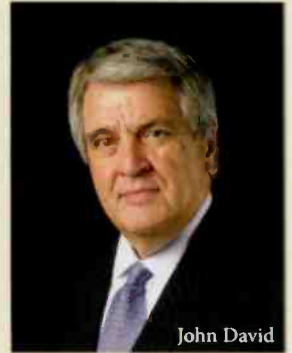
That's lost money that may go to digital. You see the effect of that on print media. They had the longest deadline of all. If you look at it that way, you can see why some of those media are being effected more dramatically. Radio is in a much better position in very many ways.

The integration of streaming and broadcast is easier and the addition of pure play to the mix has only enhanced the relevance of audio. The addition of visual elements available now via online devices is another advantage. These are exciting and challenging times.

Continuous reinvention is critical.

Quick Fire with John David, NAB's Executive VP/Radio

1. Where do we stand on the FM chip in cell phones initiative, and is there any chance of them becoming as ubiquitous in the US as they seem to be elsewhere in the world?



John David

As all know, there is a deal with Sprint. The NAB is involved with FM chips to ensure that the standard for access is open. The ultimate goal is to have over the air radio accessible to all cell phones.

2. The performance royalty issue is a classic Capitol Hill zombie story - no matter how many times it's beaten down, it rises back up. Where is this going next?

NAB currently has 152 members of the House of Representatives and eleven Senators endorsing a resolution called the Local Radio Freedom Act that opposes any fees paid to record labels for playing the music they ask us to play. We are hearing that performance right's legislation may be introduced soon.

3. What are the prospects for HD radio, including key challenges and greatest potentials?

Programming and quality digital broadcast operations will be critical for local radio stations to realize the full benefit of their conversion to HD Radio. iBiquity tells us that industry estimates are that in 2013 approximately 30% of all new cars sold will be equipped with HD Radio technology. This strong growth in new car implementations is expected to continue for Radio to provide a richer, more interactive listening experience and new digital data services.

4. What other key radio issues is the NAB currently keeping an eye on?

We're watching ownership, AM improvement, LPFM, AM on FM translators, advertising restrictions, radio in the dashboard and streaming costs among others.



Gavin McGarry

Can Social Media Save Media Companies?

by Gavin McGarry, President, Jumpwire Media

Will it make us money? is the main question skeptical media CEOs ask me about social media. I am here to argue that it does, but not in the way you might think.

None of the media companies we work with around the world generate more than 10% of their overall revenue from their digital departments. The complaint we hear most from senior executives is that they now spend a large portion of their time working on digital products, yet these generate such a small amount of the overall revenue.

We instruct our clients to harness the massive social media audiences not to monetize directly but, to help increase revenue from the traditional revenue streams. Build an engaged online audience around your brand, then drive that audience to PPM meters or website uniques for your sales teams to monetize. Too many CEOs want to monetize the audience as they build it to try and cover the costs. Mark Zuckerberg built a solid, engaged audience first then began to monetize. It is one of the main reasons Facebook has been so successful.

With over 15 crossmedia ecosystem implementations at TV networks, radio stations, and publishing companies, we have had a lot of data to look at. One overall strategy stands out: Frequently posting entertaining content, designed specifically for each social media platform, keeps your brand top of mind with your audience, and leads to rating increases, more website traffic, and subscriptions increases.

Don't be surprised if social media helps new audiences find your brand. For example: when we looked at online data from our classic rock radio station clients - we found a surprising anomaly. The generally older-skewing rock stations had a large spike of 16-18 year old males on Facebook and at concerts. We drilled down into the data and found that most of the younger demographic had been playing the video game 'Rock Band' in their teens. The game featured mostly guitar rock songs from bands in the 70's and 80's. Even though the young men were not the target demographic, they found the brand and listened to the station.

To help your entertainment brand build audiences and generate revenue, here are four strategic recommendations:

1. Treat social media like another broadcast stream for your brand:
 - a. Like a broadcast signal - social media is 24/7 - post hourly to each platform.
 - b. Use the engagement data from each platform to determine which 3 or 4 platforms you will focus on.
 - c. Do not promote on your social media. Entertain.
 - d. Avoid building generic content that might work on all platforms, instead develop platform-specific content that will engage audiences.
 - e. Monitor data weekly on all your social media platforms - from your Facebook page insights to your Youtube analytics.
 2. Change your culture. Train the people you pay the most, who know your brand best, on how to use social media effectively (on-air staff, senior executives). It's not good enough just to read about social media. You have to use it everyday like your audience does.
 3. Avoid hiring more people for your organization. Make the people you have more efficient.
 - a. On-air staff creating social media helps marketing.
 - b. Use instant messaging services with group chats like Skype to reduce internal email by 50%.
 - c. Outsource your organization's email to Google Apps, allowing real time collaboration on documents, spreadsheets, and calendars.
 - d. Stay ahead of your audience. Ensure everyone in your organization is using either an iPhone or an Android smart phone. A Nokia study found that, on average, people check their mobile phones 150 times per day, every 6 minutes.
- Finally, our philosophy at Jumpwire is simple: social media is like the phone. Years ago only a few people had phones on their desks. Then everyone had one, best practices were established, and training was required. For media companies, we feel the same way about social media. From the CEO down to the interns, everyone who works in a media company needs to know the basics of social media. Once they do, everything will change: the way you hire, the conversations in meetings, and the way you interact and monetize your audiences.
- With a strong social media strategy, traditional TV, radio, and publishing businesses have an enormous opportunity to translate their strong traditional brands-that their audiences identify and trust-into solid cross-platform brands that their new audiences and advertisers will clamor for.

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