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RADIO INK

RADIO'S PREMIER MANAGEMENT & MARKETING MAGAZINE

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World Radio History

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2004's Top 40 Most Powerful

Congratulations to each of those named to the Top 40 list in the Broadcast Communications Division.

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**MOST
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PEOPLE
IN RADIO**

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Names are listed in alphabetical order

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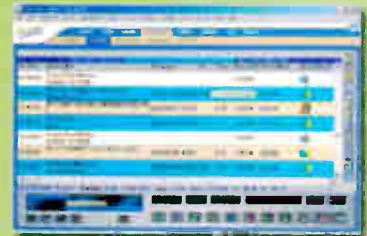
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World Radio History

THE 40 MOST POWERFUL PEOPLE IN RADIO

Here they are again! This is our 9th annual list of people who most affect our industry. Get to know them, discover how they think radio should be influenced — and feel the power! » 25

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IDEA TICKER

33,445

...the number of useable ideas in Radio Ink to date

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Our Mission: Radio Ink's role is passionately to empower Radio management to be more successful by providing fresh, actionable, reality-based ideas, inspiration and education in a quick, easy-to-read, positive, pro-Radio environment.

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Laura Ingraham

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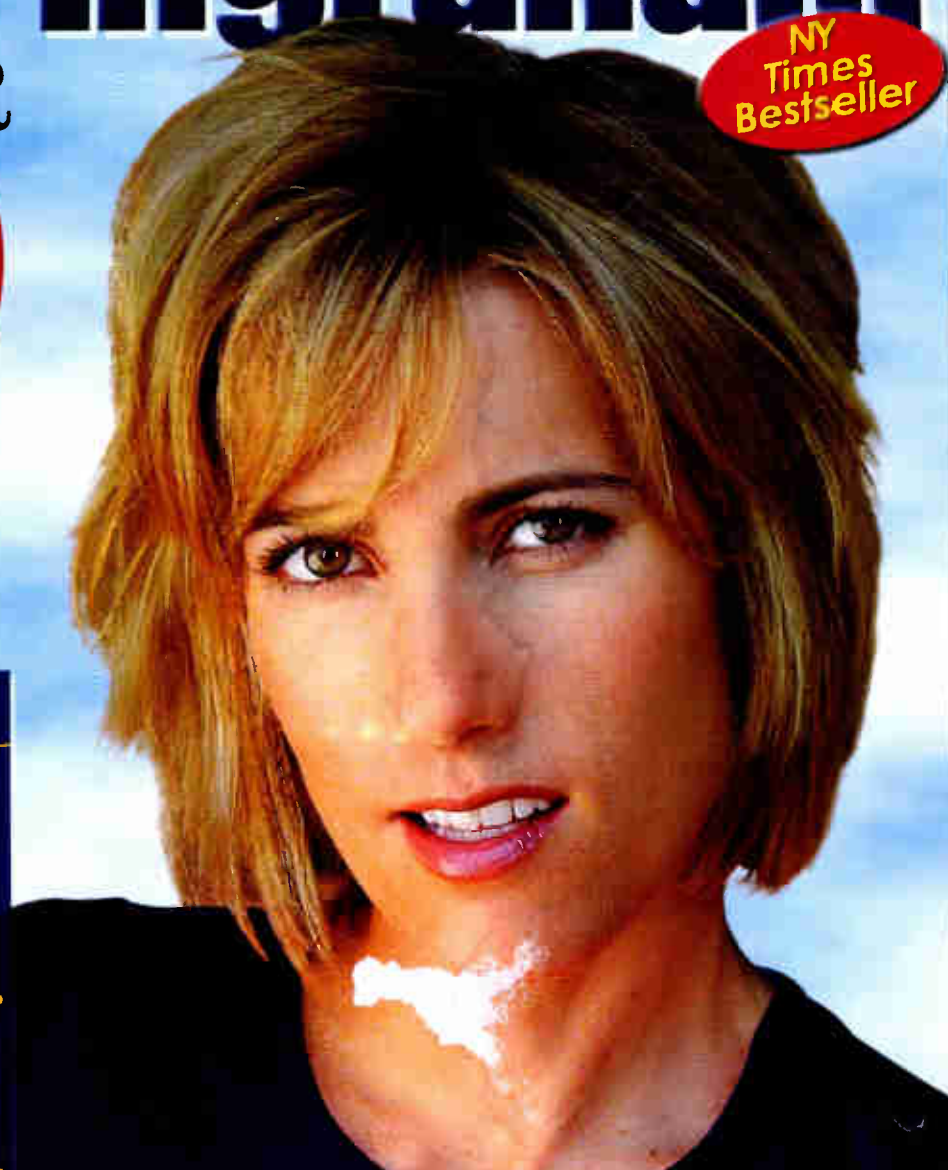
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STATIONS

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22 OF THE **25**
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Winter Ratings Growth

Market	Calls	AQH Share	Fall 2003	Winter 2004	Change
New York	WABC	P 12+	2.1	2.5	+19%
		P 25-54	1.8	1.8	+0%
		P 35-64	2.5	3.0	+20%
Portland	KXL	P 12+	4.4	5.7	+30%
		P 25-54	2.4	4.2	-75%
		P 35-64	4.3	6.9	+60%
Rochester	WROC	P 12+	2.5	3.4	+36%
		P 25-54	2.1	3.6	+71%
		P 35-64	2.9	4.8	+66%
Denver	KNUS	P 12+	1.7	2.3	+35%
		P 25-54	1.3	1.8	+38%
		P 35-64	1.5	3.0	+100%
Louisville	WGTK	P 12+	1.9	3.3	+74%
		P 25-54	1.8	2.6	+44%
		P 35-64	2.1	3.4	+62%
Albany	WROW	P 12+	4.1	4.1	+0%
		P 25-54	1.4	2.4	+71%
		P 35-64	2.5	3.7	+48%
Grand Rapids	WOOD	P 12+	3.3	4.7	+42%
		P 25-54	0.9	4.1	+356%
		P 35-64	1.0	4.5	+350%
Tulsa	KFAO	P 12+	5.6	5.9	+5%
		P 25-54	4.3	7.1	+65%
		P 35-64	7.0	8.0	+14%
Spokane	KXLY	P 12+	3.4	2.6	-24%
		P 25-54	1.5	3.4	+127%
		P 35-64	2.8	3.6	+29%
St. Louis	KFTK	P 12+	1.5	1.5	+0%
		P 25-54	1.1	1.9	+73%
		P 35-64	1.4	1.7	+21%
Minneapolis	WWTC	P 12+	1.0	1.3	+30%
		P 25-54	1.0	1.5	+50%
		P 35-64	1.0	1.9	+90%
Colorado Springs	WADK	P 12+	0.3	2.0	+567%
		P 25-54	0.0	1.8	+180%
		P 35-64	0.0	2.7	+270%
Indianapolis	WXNT	P 12+	1.1	1.8	+64%
		P 25-54	0.9	2.5	+178%
		P 35-64	2.5	3.6	+44%

Special Thanks to:



*Some Markets to Begin 3rd & 4th Quarter 2004!

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Radio Is Adrift On Denial River

Someone recently asked, "Eric, if you could gather all the big publicly owned broadcasters in one room, what are the biggest concerns you would share with them?" Here are my concerns:

COST-CUTTING: In our efforts to cut expenses, we have cut into the bone. We cannot grow the business by more cost-cutting, because there is little left to cut without seriously hampering operations. All efforts should be focused on growing top-line revenues and overall radio spending.

TOP-LINE GROWTH: The misconception is that the RAB's efforts to get radio to national advertisers has solved this problem, yet national advertisers are only a small percentage of radio advertising. Though this effort can help, top-line growth will come from investing in our front-line troops locally — the 65,000 people selling radio. Most are ill equipped and poorly trained. Without excellent training, relevant messaging, and an understanding of how radio really works in today's environment, they will be unable to create growth.

QUALITY CONTENT: Radio is not investing enough in quality talent and programming. If Hollywood had been overly automated, no one would go to the movies anymore. Hollywood may be containing costs elsewhere, but they invest in their product: quality writers, directors and actors. We do not.

LOSS OF EXPERIENCED PEOPLE: We're burning out our people with unrealistic expectations, enormous pressures and little job satisfaction. We've lost many of our best people to other industries. Others plan to jump ship the second they can sell their stock.

ABILITY TO ATTRACT AND RETAIN SALESPEOPLE: Other industries offer six months of in-depth training before the reps' first sales calls. They also receive perks, company cars, and ample time to learn and perform. We still throw new salespeople the Yellow Pages, giving them 45 days to sink or swim as we churn and burn bodies. Young people are unwilling to work in a negative pressure cooker with limited rewards and an irrelevant 20-year-old audiocassette as training.

NEW LISTENERS: As teenagers, we were addicted to radio as the soundtrack of our life. Today's teens and young adults do not have the same relationship with radio. Listening is declining as we compete for their time with iPods, cell phones, video games, Internet and more. Radio is not developing talent and programming targeted to teens, because we cannot make money on it today. If we don't get teens addicted to radio now, they won't suddenly become addicted when they become a "money" demographic five or 10 years from now.

SPOT LOADS: Our inability to price our product fairly and command our price (a training and a quarterly earnings issue) has led us to whoring our rates to get business at any cost and has led to increased inventory. Spot sets are unreasonably long, and unfair to paying advertisers whose ad falls in the middle of a long cluster. This produces unhappy advertisers as well as listeners, and we play into the hands of the satellite radio "commercial free" environment.

QUARTERLY EARNINGS: By setting

aggressive expectations on Wall Street, our performance must continue to improve each quarter. Growth can no longer come from acquisitions and expense cuts; it can come only from investing in new long-term strategies and investment in our product. Wall Street does not give us the time to innovate and reinvent.

NEW-GENERATION THINKING: Every 40 years, the baton passes to a new generation and brings changes in thinking, culture, music and media. The last major shift was in 1964. It's happening today. This shift impacts what we say, how we say it, what we advertise, and how we sell and communicate. What worked a year ago does not work today. The baby-boomer motto was non-conformity. The echo-boomer motto is authenticity. Radio is ignoring the shift and sticking to what we know — which won't continue to work.

I'm not being negative. These are realities we cannot deny. Pretending that everything is OK is for fools. Cementing a solid future for radio is possible, but the solutions are painfully slow and require investment. Radio can build a solid future as a predominant medium if we are proactive and stop drifting down Denial River. ☐

Eric

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Cutting-Edge Lineup: During a live broadcast of *ESPN Radio Game Day*, Angels pitcher John Lackey helped select 25 listeners to have their heads shaved bald to receive a Panasonic electric shaver and four tickets to the sold-out Angels Vs. Cubs game in Anaheim that Saturday night.



Red-Blooded Success: 95.5 KLOS Los Angeles received a Special Recognition Award from the American Red Cross for the Classic Rock station's 23-year impact on the annual blood drive. A one-day, one site event has grown to a three-day, 17-site blood drive. Displaying the award are (l-r) KLOS PD Rita Wilde, President/GM John Davison and Community Relations Director Nelkane Benton.



Fastest Bike-Builders In The West: In Cincinnati, B-105 (WUBE) held a Father's Day Build-a-Bike Contest. The two fastest fathers won the bikes. Back row (l-r): morning-show producer "Stattman," dad Walter Smith, dad Clint Loewenstine, and morning co-hosts Bill Whyte and Amanda Orlando. In front (l-r): Austin Smith and Corey Loewenstine on their new bikes.

DON'T IGNORE THE TEEN CONSUMER

Don't underestimate or misunderstand the current generation of teens. That's the message from a new study revealing that today's teen market is exhibiting explosive growth, is more diverse, and is less pessimistic than previous generations. They also really love magazines, a finding that's not surprising, as the study was conducted for the **Magazine Publishers Association**. What is surprising is that radio continues to pursue the "coveted" 25-54 demo, and even the 25-49, while largely ignoring an entire (albeit small) segment of consumers who are in the process of forming their media usage habits.

The MPA study shows that teens of all ages spent a projected \$112.5 billion in 2003. Those age 16 to 17 possess nearly \$4,500 in discretionary income, often buying their own clothing, entertainment and music. Parents also consult these often more tech-savvy, marketing-savvy teens for large and small purchases. One example: 47 percent of 9- to 17-year-olds were asked by their parents to go online to find out about products or services.

CHARITABLE GIVING ROSE IN 2003

Charitable giving rose nearly 3 percent last year to an estimated \$240.72 billion, compared with about \$234.09 billion in 2002, according to a study released by the **American Association of Fundraising Counsel Trust for Philanthropy**. The annual *Giving USA* study measures gifts from living individuals, bequests, corporations and foundations.

While the landscape for charities improved in 2003, some donors still felt the lingering effects of the prior three-year bear market and were hesitant to give away too much of their money. Adjusted for inflation, overall giving last year increased just 0.5 percent from 2002, despite a healthier economy and a strong stock market. Charitable giving makes up about 2 percent of the U.S. gross domestic product, a proportion that has remained steady since 1998.

According to the study, individuals' donations increased 2.5 percent to \$179.36 billion, while corporate donations grew more than 4 percent to \$13.46 billion. These figures include cash and in-kind donations of goods and services.

Source: The Wall Street Journal, June 21, 2004

CONSUMER CONFIDENCE LAGGED IN JUNE

Rising gas prices apparently left consumers with a little less confidence in the economy, as sentiment lowered 1.5 points last month to 43.3 percent, according to **BIGresearch**. High prices at the pump may be causing consumers to think twice before making other purchases, as those who say they "become more practical in their purchases" rose to 45.9 percent v. 42.9 percent in May, the highest reading since November 2003.

More consumers in June seemed to be worrying less about political and national security issues. Just over one in five — 22.9 percent — continued to be concerned, compared to 24.2 percent in May.

Additionally, more consumers are thinking of "needs" over "wants," as 54 percent say they are doing, vs. 51.5 percent in May, the highest since reaching 54.6 percent in January.

DDB CHICAGO TAKES \$100,000 RADIO-MERCURY AWARD

DDB Chicago scored another \$100,000 hit at the annual Radio-Mercury Awards, winning their third Grand Prize with *Genius/Mr. Way-Too-Much-Cologne-Wearer*, a spot developed for the Anheuser-Busch Bud Light brand. The Vidal Partnership followed its 2003 win of \$5,000 in the Spanish-Language category by garnering that prize again this year for *Gritos*, a Heineken USA/Heineken spot.

The 2004 competition also saw several first-time winners. Anson-Stoner (Florida Department of Health/Quitline), Barkley Evergreen & Partners (Sonic Drive-In) and Campbell-Ewald (OnStar) won their first \$5,000 general category Radio-Mercury Awards. The other six General Category award winners were Crispin Porter + Bogusky (Telluride); last year's Grand Prize-winning agency DeVito/Verdi (Mount Sinai); Goodby, Silverstein & Partners (Saturn/ION); Lowe, NY (Unilever HPC/Snuggle Sunkissed Breeze); The Richards Group (Motel 6); and Y&R Chicago (Miller/Miller Lite).

This year's \$5,000 Station-Produced category winner was KHTR/KQQQ in Pullman, WA. Rod Schwartz was writer, producer and creative director of the spot created for Keeney Bros. Music Center.

Method was the winning agency in the Public Service Announcement (PSA) category for a spot created for Stonewall-Columbus. The Radio-Mercury PSA Award includes a \$2,500 donation made to the winner's charity of choice.

Brainco/The Minneapolis School of Design and Interactive Studios won the \$2,500 Radio-Mercury Student Award.

All Photos: Jason Green/Doug Goodman Photography



(L-R): Keith Reinhard, chairman, DDB Worldwide (far left); Gary Fries, president/CEO, Radio Advertising Bureau and Co-Chairman of the Radio Creative Fund (center left); and Jamie Barrett, creative director/partner/copywriter, Goodby Silverstein & Partners (far right) present the \$100,000 Radio-Mercury Grand Prize Award to John Immesoete, group creative director, DDB Chicago (center right).



(L-R): DDB's Keith Reinhard, previous Radio-Mercury Award Lifetime Achievement Award recipient; Joe Barrone of McHale Barone; Bert Berdis, president of Bert Berdis & Company and the 2004 Radio-Mercury Lifetime Achievement Award recipient; with RAB's Gary Fries.

EVENT

ARBITRON DATES

Summer 2004: Jul. 1-Sep. 22
 Fall 2004: Sep. 23-Dec. 15
 Winter 2005: Jan. 6-Mar. 30
 Spring 2005: Mar. 31-Jun. 22

JULY

Jul. 8-9 — South Dakota Broadcasters Convention, Custer, SC.
 ☎ 605-224-1034.

URL: www.sdba.org

Jul. 11-13 — North Carolina Broadcasters Convention, Asheville.
 ☎ 919-821-7300.

URL: www.ncbroadcast.com

Jul. 15-18 — Conclave XXX Learning Conference "Paradigm 2004: It's Full of Shift," Minneapolis.
 ☎ 952-927-4487.

URL: www.theconclave.com

July 17-20 — Executive Development Program for Radio Broadcasters, Georgetown Univ., Washington, DC.
 ☎ 202-429-5402. URL: www.nab.org

Jul. 29-Aug. 1 — Idaho Broadcasters Convention, Sun Valley.
 ☎ 208-345-3072.

URL: www.idahobroadcasters.org

AUGUST

Aug. 1-3 — West Virginia Broadcasters Convention, White Sulphur Springs.
 ☎ 304-744-2143.

URL: www.wvba.com

Aug. 4-7 — Assn. for Education in Journalism & Mass Communication 87th Annual Convention, Toronto, Canada.
 ☎ 803-798-0274.

URL: www.aejmc.org

Aug. 4-8 — Unity 2004 journalists convention, Washington, DC.
 ☎ 703-469-2100 (Anna Lopez).

URL: <http://unityjournalists.org>

Aug. 7-8 — Arkansas Broadcasters Convention, Little Rock.
 ☎ 501-227-7564.

URL: www.arkbroadcasters.org

Aug. 8-11 — Michigan Assn. of Broadcasters Annual Meeting & Mgmt. Retreat, Mackinac Island, MI.
 ☎ 517-484-7444.

URL: www.michmab.com

Aug. 11-13 — Nebraska Broadcasters Convention, Lincoln.
 ☎ 402-778-5178.

URL: www.ne-ba.org

Aug. 11-13 — Texas Assn. of Broadcasters Convention, Austin.
 ☎ 512-322-9944. URL: www.tab.org

Aug. 12-15 — South Carolina Broadcasters Convention, Hilton Head.
 ☎ 803-732-1186.

URL: www.scbn.net

Aug. 21 — Nevada Broadcasters Hall of Fame Gala, Las Vegas.
 ☎ 702-794-4994.

URL: www.nevadabroadcasters.org

Aug. 26-27 — Oregon Broadcasters Convention, Bend, OR.
 ☎ 503-443-2299.

URL: www.theoab.org

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OBITUARIES



TOP CHICAGO GM DIES

Launa Thompson, manager of three Clear Channel Chicago stations, WGCI-AM/FM and WVAZ-FM, died June 20 after a brief illness. The 52-year-old radio executive had just been named to *Radio Ink's* Most Influential Women in Radio (June 7 issue), and the *Chicago Sun-Times* in April had named her the 9th most powerful woman in Chicago media.

Originally a social worker, with a master's degree in guidance counseling, Mrs. Thompson switched in the 1970s to sales, moving into radio in 1980 at WVON/WGCI. After stints with Black Entertainment Television and sales positions with WBMM-FM and WFYR-FM, she returned to WGCI in 1994 as national account manager and was promoted to general sales manager in 1996. She was named to the station-management position in November 2003.

Survivors include her husband, Abe, an author and broadcaster; her son, Phoenix; and her mother, Daisy Gaines.

LIFELONG BROADCASTER DON KELLY DIES

Station owner Don Kelly died June 16 in Tucson of ALS (Lou Gehrig's disease). Mr. Kelly began his radio career as an air personality at WSCR in Scranton. Later, he programmed WTTC in Toledo and WBAL in Baltimore. He became an owner at WKRT in Courtland, NY, and eventually owned the very successful Classy 100 (WXXC) in Erie, PA, and Seaview 107 in Long Branch, N.J. His partner in K&K Broadcasting, Jerry Koepfel, passed away in December.

Mr. Kelly is survived by his wife, Linda, and three children: Kathleen, Brad and Geoff.

Send events to marccrawley@radioink.com.



The 5 Most Powerful People In Indecency

By John Wells King

In election year issue that pits liberals and conservatives as propelled five individuals in limelight as the most powerful in broadcast indecency: Michael K. Powell, man of the Federal Communications Commission, and Commissioner Jonathan S. Adelstein, Michael J. Copps, and Jonathan S. Adelstein. They are the nation's indecency czars. Congress charged them with enforcing the federal law against the broadcast of obscene, profane or indecent language resolving public complaints of indecency over the

airwaves. The law forces them to convene as a kind of a national-taste panel.

It's a tough job. Although the Commissioners agree on the objective, the law is general, the FCC's definition of "indecent" is elastic, and language is dynamic. The regulators occasionally diverge on substance and procedure.

Is "pissed off" indecent? In denying a complaint filed in 2000, the Commission said it was merely slang, but then-Commissioner Gloria Tristani vehemently disagreed.

Should a complaint include a tape or transcript of an offending broadcast, else face dismissal as insufficient? Such a re-

quirement was routinely invoked until Commissioner Copps' call for relaxing the procedure was embraced by a majority of the Commissioners in 2002.

Does a licensee's blanket admission of guilt through the consent agreement procedure serve the public interest? In the \$1.75 million settlement with Clear Channel, against which at least 200 indecency complaints were pending, Chairman Powell said yes, especially when coupled with a broadcaster's commitment to comply with the law in the future. Commissioner Copps disagreed, arguing that an accounting of the broadcasts at issue is required before a settlement should be considered.

Broadcast indecency is high on the public's radar screen: It has lodged more than half a million complaints so far this year. In response to public and congressional pressure, the FCC has turned the screw tighter on broadcasters, and it has begun to hurt.

In January, the FCC found 26 separate indecency violations against four Clear Channel stations on six different days, multiplying the maximum \$27,500 fine per incident to \$715,000. The FCC added in another \$40,000 for public file violations. The fine marked the end for show host "Bubba The Love Sponge."

In April, the FCC ratcheted the maximum amount by treating each indecent utterance as a separate violation. It held Clear Channel responsible for two indecent segments of The Howard Stern Show, but itemized them as three separate utterances, broadcast on six stations, for a grand total of \$495,000.

Congress also turned up the heat. Several members introduced legislation that would raise the fine ceiling to a half million dollars — against stations or against the person that uttered the indecent language.

All this may be just the beginning. Chairman Powell, a Republican, told an

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NAB programming summit in March that there is really nothing new under the sun. Enforcement over the 77-year life of the indecency law has ranged variously from light to heavy. Right now, he says, "The media is not playing close to the line, but is outright leaping past the line and daring the audience and daring the government to do anything about it."

Commissioner Copps, a Democrat, has been the most vocal critic of the FCC's enforcement efforts during his three years in office. He claimed the FCC's abdication of its enforcement responsibilities "created a climate wherein indecency could flourish." That changed when the Commissioners heard Congress's call for action and returned from Capitol Hill with broadcast indecency near the top of their priority list.

TIGHTENING THE SCREWS

Commissioners Abernathy and Martin — who with the Chairman form the Republican majority — have consistently supported indecency enforcement actions, congressional efforts to stiffen the fines, and a streamlined complaint process. Acknowledging the recent upturn in agency activity, Copps pledges to use "our full authority, including license revocation hearings, to punish those who violate the statute." Commissioner Adelstein, a Democrat, observed in supporting the FCC's pro-active stance that "we have greatly stepped up our enforcement against indecent broadcasts."

Federal courts have affirmed the FCC's regulation of indecent broadcast matter. But the FCC's definition of what is indecent stretches to a vague horizon far beyond the proverbial "seven dirty words." The FCC says: "Indecency is language or material that, in context, depicts or describes, in terms patently offensive as measured by contemporary community broadcast standards for the broadcast medium, sexual or excretory organs or activities."

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In a stark about-face from the FCC, its Enforcement Bureau staff took lead singer Bono's presumably spontaneous exclamatory use of the F-word during live, prime-time television, the Commissioners held not only that the single utterance was indecent, but also that it was profane. In so doing, the Powell FCC announced its intention to expand its enforcement activity to take up complaints of profanity on the airwaves. The FCC issued a warning: "Broadcasters are on clear notice that, in the future, they will be subject to potential enforcement action for any broadcast of the 'F-Word' or a variation thereof in situations such as that here."

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Though to date, cable and satellite programming have not been subject to the broadcast indecency law, there have been congressional rumblings that the repeal of the prohibition should be extended to cable and television stations: that what Congress giveth, Congress (and the Five Most Powerful People in Indecency) can take away. ☐

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The Wizard of Ads By Roy H. Williams

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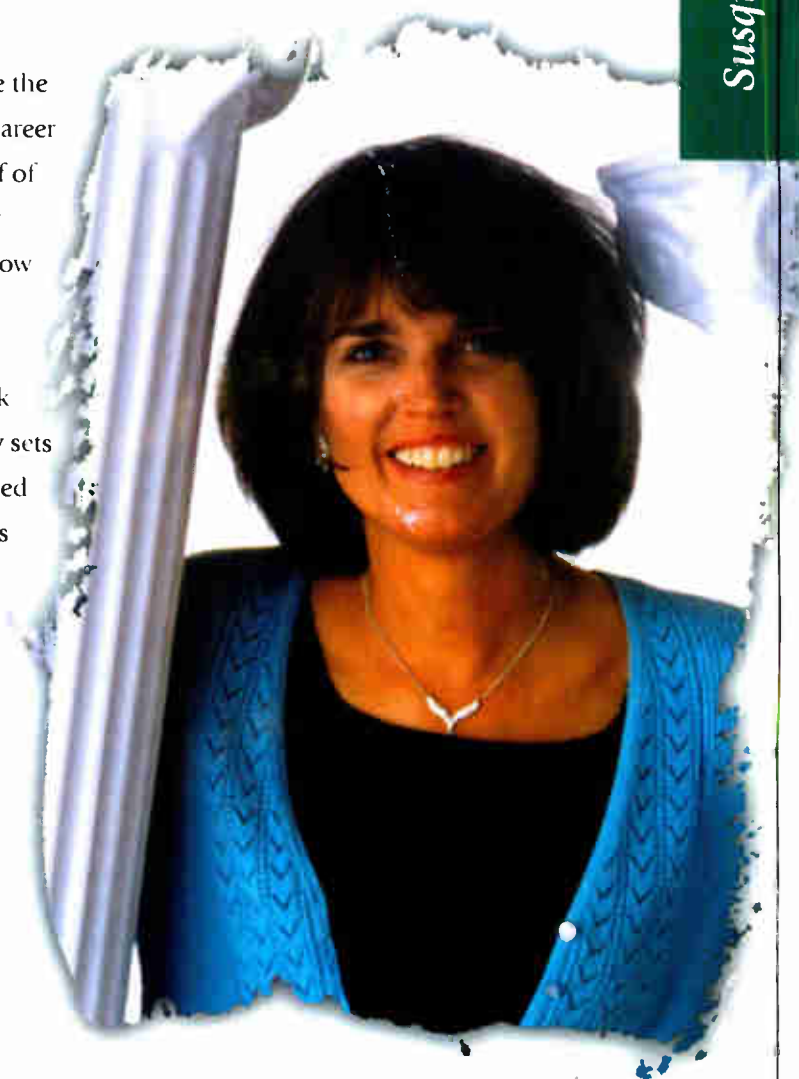
"I love being part of a solutions-oriented team. We have dedicated personnel in every department who work together as a full-service marketing company. That really sets us apart from other broadcasters and delivers unparalleled results for our customers." Of course, Marian's passion is just one thing she has in common with her co-workers. The other is a long tenure. "Once you're part of the Susquehanna family, you just naturally want to stay."



Marian Diaz-Soto

Account Manager
WFMS

Susquehanna — Indianapolis



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» **QUICKREAD** » Big expectations bring big returns. » Expecting your reps to perform to a higher standard will bring results. » Giff has a number of clients whose salespeople average well over 20 presentations weekly, and they're in markets ranked in the top 50. » One way to accomplish that is by raising the bar for each salesperson by one presentation weekly through time management improvements. » Another is through bribery (inducements to improve!)

BIG Expectation, BIG Return! small expectation, small return

During a sales meeting many years ago, I asked half of my 12 salespeople to leave the conference room, and six salespeople volunteered to go. No politics here, right? I passed a 5" x 7" sheet of paper to each of the remaining salespeople.

At the top of the page I had written: "List your reasons why advertisers should use Radio," and I included the Quote of the Day: "The first person to arrive at the station, posted a daily quote early each morning)

Down the left-hand column of the page, I also provided space for their answers, numbered 1 through 6. I gave them five minutes to complete the assignment, then collected their answers and had them leave the room, requesting the others to return.

When the volunteering six returned to the room, I gave them legal-size sheets of paper with the same instructions — but with room for 17 answers. Five minutes later, I collected their answers, invited their colleagues to return and left for my office. I did some calculations and returned to reveal the results — and the lesson learned.

RESULTS: The salespeople with the small piece of paper averaged 6.2 answers (one took the initiative to add a seventh reason on her own), while the salespeople with the large sheet of paper averaged 11.5 answers.

LESSON: "Big Expectation, Big Return! small expectation, small return."

NEXT CASE...

You may have heard that I require my clients' salespeople to make 20 presentations weekly to 20 different companies. This, of course, is impossible in an agency-driven sell (except for national reps who routinely

meet that requirement and then some), key-account sellers, vendor sellers (sponsorship & sales promotion specialists), new-business specialists and recruitment-sales specialists.

Why 20 presentations to 20 different companies weekly? Require five presentations and you'll get three. Require 10 and you will get seven. Require 15 and you will get 10, but require 20 and you will get 15 — which I can live with. "BIG expectation, BIG return! Small expectation, small return" — in theory! I have any number of clients, however, whose salespeople average well over 20 presentations weekly, and they're in markets ranked in the top 50 as well as 150+.

How do they do it? Two ways: 1) by raising the bar for each salesperson by one presentation weekly, and 2) through bribery!

Beginning with No. 1, here's your speech to a salesperson currently averaging only 10 presentations per week: "Look, you know as well as I do, don't you, that, with only the slightest improvement in your time management, you can make at least one

more presentation next week, right?" The reps will accept that premise; it's plausible. So, at the conclusion of next week, after they have successfully made 11 presentations — and from then on — all you have to do is raise the bar by one more presentation per week by showing them how to improve their time management to make that possible.

As to bribery, here's the story...

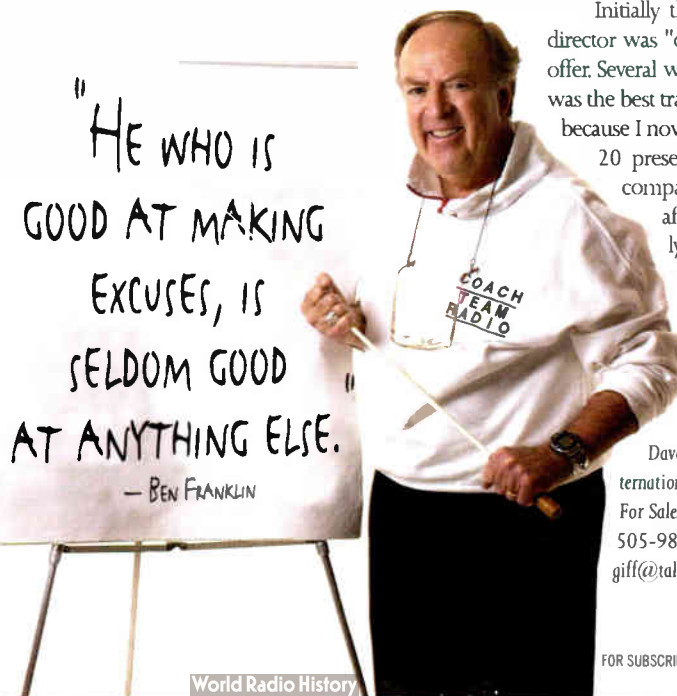
Ten years ago in England, while consulting the UK's largest radio company, I was particularly frustrated that management had failed to get their salespeople to increase their weekly presentations to my level of satisfaction. Finally, I bribed a salesperson to deliver 20 bona fide presentations to 20 different companies weekly for six consecutive weeks, with the caveat that, if I discovered a single one of those 180 presentations was not legitimate, I would lobby overtime to get him fired. What was the bribery/inducement? The company would buy him one of the most expensive laptop computers available at that time.

Initially the company's sales & marketing director was "displeased" with my unapproved offer. Several weeks later, however, he realized it was the best trade deal the company ever made, because I now had a company model, making 20 presentations weekly to 20 different companies. What veterans could thereafter claim 20 presentations weekly was impossible after one of their own colleagues had already proved it is possible... at the age of 18. This is a true story!

QUOTE OF THE DAY:

"He who is good at making excuses, is seldom good at anything else."

Dave Gifford is president of Dave Gifford International and founder of The Graduate School For Sales Management. He may be reached at 505-989-7007 or by e-mail at giff@talkgiff.com.



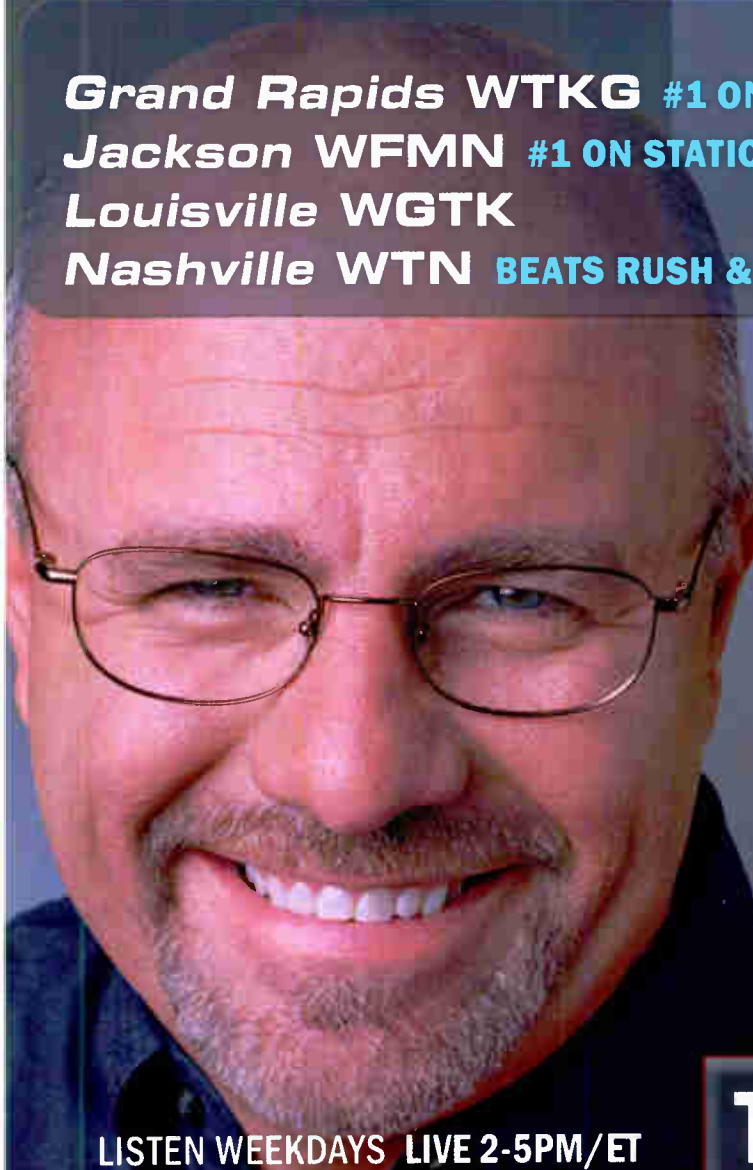
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Jackson WFMN #1 ON STATION	3.7	vs.	8.6
Louisville WGTK	0.5	vs.	3.4
Nashville WTN BEATS RUSH & HANNITY	4.0	vs.	8.0

* Arbitron Winter 2004. AQH share increase



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» **QUICKREAD** » Understanding your listener is the first step to building your brand. Now, you need objectives, strategy and tactics. » Making choices rapidly when the objectives are not clear pulls you in several directions, lacking focus. » The objective lays out a target, to know where you are heading and what you really want. » Strategy, your road map, is how you plan to execute whatever you decide to accomplish. Strategy sets guidelines and gives you a framework for thinking. » Strategy allows everyone to present ideas, but everyone is pulling for the same objective. » Tactics are the transportation vehicles that you develop once you have chosen the strategy. Having a strategy won't automatically make the tactics apparent. But understanding your listener will help make these choices.

The Building Blocks Of Branding:

Objective, Strategy, Tactics

In June 7, 2004 issue of *Radio Ink*, I explained the first step in building your brand. The article, entitled *See The World Through Listeners' Eyes*, outlines ways to understand your customer and their interaction in the real world with your brand. But understanding your listener is the first step.

Now, we move to the part where you begin to put in place your objectives, your strategy and tactics. Every radio station must understand these three very important things — Objectives, Strategy and Tactics — the friends of all marketers who want to build a brand.

Many station managers become "executorial" too fast, making choices rapidly when the objectives are not clear. The problem is that, unless you have unlimited time and money, you can't afford to be going in a million directions. The objective lays out a target, while strategy sets guidelines and gives you a framework for thinking.

Your objective must be clear. When the coach says, "We are going to make it to the Super Bowl this year," the team makes it to the big game, then loses! The objective should have been: "We are winning the whole damn thing!" When setting objectives, you must say exactly what you want. The importance of an objective is to know where you are heading — what you really want.

"When you reach for the stars, you may not quite get one, but you won't come up with a handful of mud either." — Leo Burnett

Once you understand your target, you need to understand your strategy, which allows you to use your creativity and give other people the freedom to use theirs in ways that keep you moving towards your objective. A clear strategy will keep you clean and focused.

Strategy is everything. Without a clear strategy, you will try a bundle of things that pull you in different directions, impeding the journey to your objective, costing you a ton of money and getting nowhere. A strategy provides the gravitational pull that keeps you moving in a focused direction. Strategy allows everyone to present ideas, but everyone is pulling for the same objective.

If you want to establish a clear image in the minds of your listener, you must first have a clear image in our own mind. You can't expect anyone to understand your direction unless it is clear. Strategy, your road map, is how you plan to proceed in order to execute



whatever you decide to accomplish.

Everything that you do — every piece of advertising, every activity that affects listeners (which is everything a radio station does) — should come from the strategy and, more important, should push the strategy ahead. Every person who affects the listener (which directly or indirectly is everybody in the station) must clearly know, understand and internalize the strategy, so that he or she can make decisions and take actions that will move the station ever closer towards the objective.

Tactics are the transportation vehicles that you develop once you have chosen the strategy. Having a strategy won't automatically make the tactics apparent. But understanding your listener will help make these choices (see June 7's *See The World Through Listeners' Eyes*). Once you have a strategy, you still have to spend endless hours testing and retesting, refining and thinking about your tactics.

Objectives — Strategy — Tactics...three invaluable friends you need in your journey to build your brand. Always remember that strategy is the one thing that will keep everyone clear. When in doubt, just check whatever you want to do against the strategy. And push your objective forward.

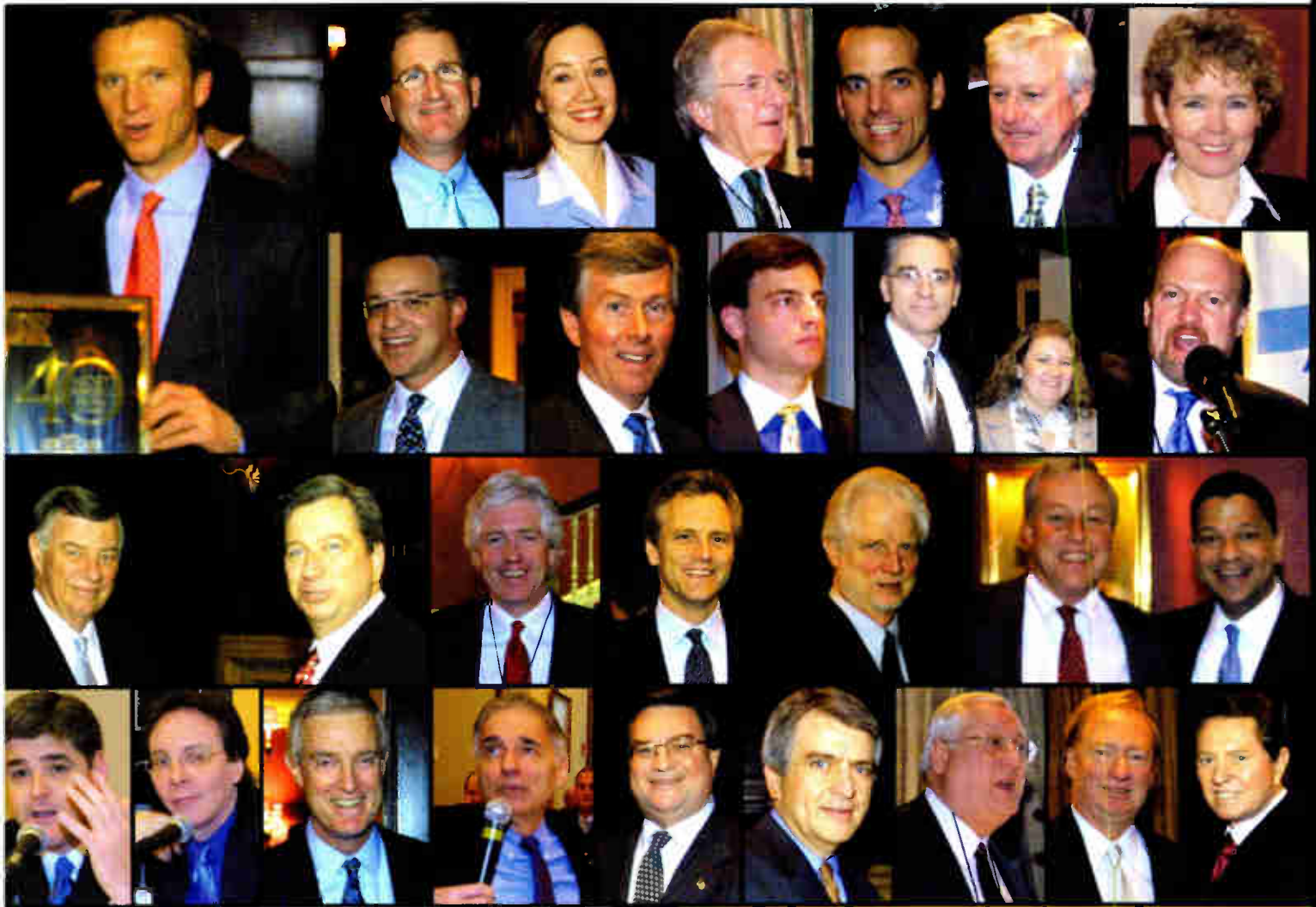
Onward. ☺

B.J. Bueno is author of *The Power of Cult Branding*, a book with a revolutionary view that has jolted the marketing world. Reach him at 321-287-4919 or bjb@cultbranding.com.

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Money Talks

"The typical trading pattern seen during the summer season is beginning to emerge. The summer rarely offers much excitement as far as volumes are concerned, and unfortunately this dull trend seems to seep into market performance as well."

— **Francois Trahan, Bear Stearns**

"From a straight technical perspective, so long as the Dow and the S&P 500 maintain a posture above their former downtrends, and the Nasdaq holds its 200-day moving average, the longer-term risk should remain to the upside."

— **Michael Ashbaugh, CBS MarketWatch.com**

"The important users of advertising are coming back and raising their budgets. A strong recovery in advertising is now catching up with the economic recovery. Economic expectations are much brighter and a sustained economic expansion is in place."

— **Bob Coen, Universal McCann**

"There's been so much attention to other things, particularly the war in Iraq, that it's deflected attention from the economy. ... is so good and so pervasive, so far-reaching, that I think people will change their views."

— **John Snow, Treasury Secretary**

"There is no need to panic. Interest rates and inflation are still low by historical standards, and the economy seems poised for steady growth well into 2005."

— **Martin Wolk, MSNBC**

"The latest data reflect a robust economic environment this spring and point to more of the same this summer. This confluence of economic strengths is a recipe for continued job gains, and possibly a little more inflation."

— **Ken Goldstein, the Conference Board**

Where Have All The Dollars Gone?

Has a rosy year for radio been nipped in the bud?

On a year-to-date basis, radio revenue grew 4 percent in combined total local and national ad dollars during the first four months of 2004. Local revenue increased 4 percent from January through April, compared to that same time period in 2003, while national sales figures grew 2 percent in the first four months of the year.

Not too bad, considering that the radio industry — in fact, virtually all advertising-driven media — had struggled through a recession-fueled downturn for the past 30 months.

So why the sudden retrenching on Wall Street in mid-June, when several financial institutions — including Wachovia Securities and Banc of America Securities — suddenly cut their estimates on the entire radio sector? Essentially, it's because they're privy to the advance paces information, which reveals that national dollars for the radio sector are down in July and August, which comprise 63 percent of the third quarter.

"Forward pacing levels for July and August started poorly," Wachovia Sr. VP/Managing Director **James Boyle** wrote in his company's June 16 weekly newsletter. "It has substantially weakened for another few weeks in a row, aggravating the prior slide. ... Although July is the radio sector's third-highest revenue month of the year, and hence more prone to volatility, its monthly pacing level has dropped every weekly report for six straight weeks. August started poorly and is now as ugly as July, having dropped five straight weeks into the negative. Even a strong September should be unlikely to boost the quarter enough."



Jim Boyle

Similarly, Banc of America Securities analyst **Jonathan Jacoby** cut his rating on the entire radio sector to "neutral" from "buy." Across the radio industry, he said, ad prices are on pace to decline by 4 percent in July (compared to the same month last year) and August pricing appears to be flat vs. 2003 figures. National sales are expected to be off 13 percent in July, Jacoby predicts.

Why the sudden turnaround? Many possible factors, but Jacoby points to increasing spot loads, which he says sends advertisers a message that the availability of radio commercials is almost limitless — and, as a result, the commercials "lack perceived value."

Tied to that perception, Boyle points out, is the practice of rate-cutting and overall softness in national dollars. "Several private and public groups have affirmed the larger cause for the lengthy, unexpected decline in the national ad categories' softness is spreading from a few categories to many

ad categories," he says, noting that "there's also a continued lack of rate card discipline. Radio's growth is primarily driven by pushing up ad rates, not cutting them."

Many radio executives, ever bullish on the industry, don't necessarily see it that way. "Radio will fare well over the course of 2004, with a mid-single-digit increase for the year," predicts Radio Advertising Bureau President/CEO **Gary Fries**. "While we've experienced some sluggishness in mid-year, especially in national dollars, I believe the landscape will level out and Radio will finish off the year with positive results."

David Field, president/CEO of Entercom, says that by acknowledging its challenges, radio will be able to maintain its universal reach, long time-spent-listening, portability, targetability, and an infinite reference list of successful customers. "Capitalizing on this enormous opportunity will require us to make some fundamental changes in how we

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Congratulations!



Bruce Reese
*President & CEO
Bonneville International*

We at Bonneville international are very pleased to offer our heartfelt congratulations to Bruce Reese, our president and CEO, for once again being recognized by Radio Ink as one of the **"40 Most Powerful People in Radio."**

His exceptional insight, professionalism, and leadership are central elements in making Bonneville a respected industry leader and a highly enjoyable place for us to work.

We're proud of Bruce and proud to be Bonneville!

We also recognize and commend the others named to Radio Ink's prestigious list and wish continued success for each of them.

We're Proud to be Bonneville!



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WASHINGTON, D.C. WGMS-FM 103.5 WTOP-AM 1500 WTOP-FM 107.7 WWZZ-FM 104.1 WWVZ-FM 103.5 VIXTR-AM 820

ST. LOUIS WIL-FM 92.3 WRTH-AM 1430 WSSM-FM 106.5 WVRV-FM 101.1

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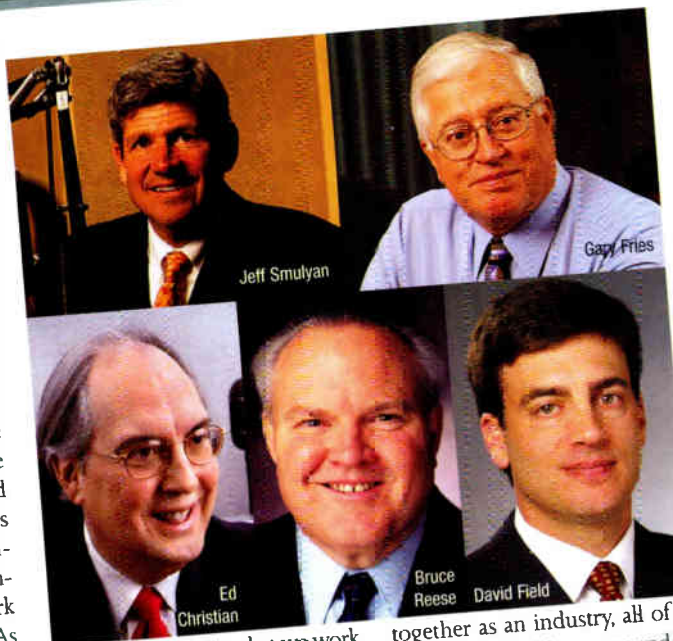
ST. GEORGE / CEDAR CITY KREC-FM 98.1 KDXU-AM 890 KSNN-FM 93.5 KUNF-AM 1210

World Radio History

Money & Finance

run our businesses," he explains. "We must shift our focus from reacting to avails and relying on short-term revenue fixes, to making longer-term strategic business development our priority and pricing to a level more commensurate with other ad-supported media."

"This is an interesting time in radio, because we're seeing a mix of intense competition and unparalleled collaboration," observes Emmis Communications Chairman **Jeff Smulyan**. "We're witnessing some very aggressive maneuvers within markets, and everyone's competing as fully as ever. On the other hand, it's encouraging to see the major companies coming together to work in the best interests of radio. As other media try to eat away at radio's market share, we've all recognized that the key to our survival is making sure that audiences respond to our message. As a



result, it's imperative that we work together to better understand and respond to our audiences. There will always be competitors to radio, but I think if we work together as an industry, all of us will be better able to respond." Bonneville International's **Bruce Reese** says the competitive climate facing radio poses some

interesting challenges. "Consolidation in radio and television since 1996 has improved the quality of management, sales, and programming in the industry," he says. "Some policy-makers would differ, but I also think we're doing at least as good a job of serving local communities as we ever have. We need to figure out how to get credit for all we do in our communities, both as providers of news and service but also as the vanguard in audio entertainment."

"The problem currently for the industry is national advertising, which is at dead stop or proceeding in a disjointed fashion," adds Saga Communications CEO **Ed Christian**. "If you rely heavily on national, as do most major markets, it is a difficult time, as there is nothing that a local station can do to effectuate national advertising. It is or it isn't." ☒

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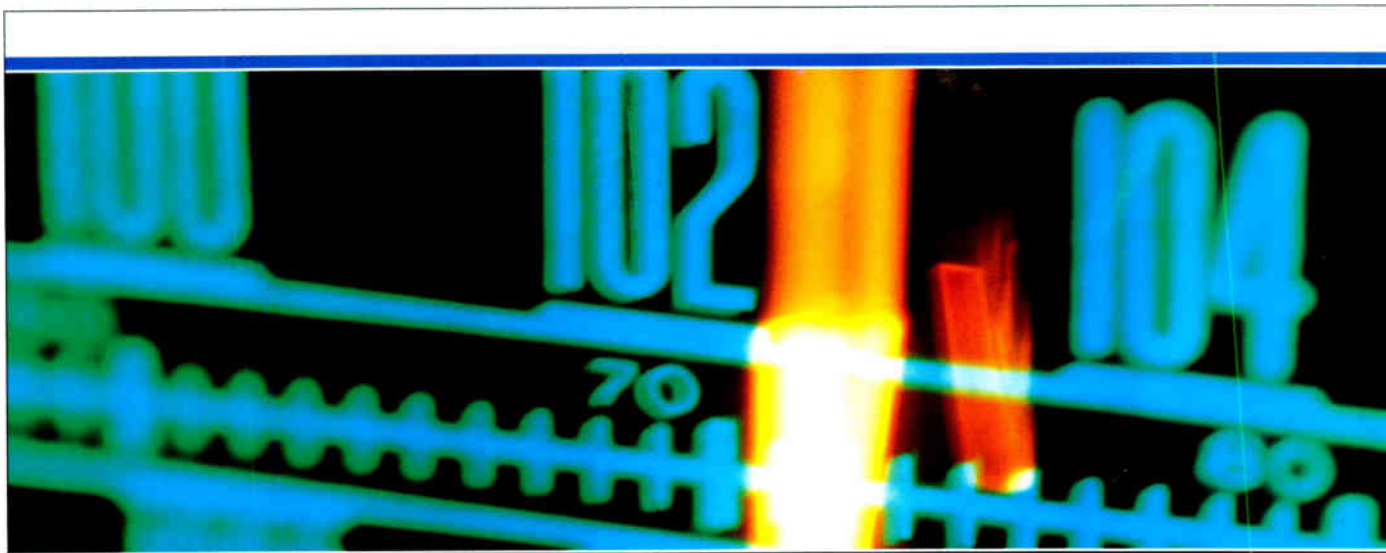
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POWER PLAYERS

Every year, BIA Financial Network ranks the top 20 groups according to overall annual revenue. *Radio Ink* decided to add a twist to this, ranking those top 20 groups according to average revenue per station. The results are shown below.

Rank	Radio Group	Revenue per station (average, in millions)	2003 Revenues (\$000)	# of Stations	# of Markets
1	Infinity Broadcasting	\$12.16	2,262,250	186	42
2	Emmis Communications	11.51	311,150	27	8
3	Greater Media	9.15	174,400	19	6
4	Jefferson-Pilot Communications	8.44	152,250	18	5
5	Susquehanna Radio	7.55	257,400	34	10
6	Bonneville International	6.62	232,950	35	6
7	Spanish Broadcasting	6.37	153,600	24	6
8	Cox Broadcasting	6.22	473,250	76	18
9	ABC/Disney	6.08	444,800	73	44
10	Radio One Inc.	5.58	374,050	67	22
11	Univision Communications	4.52	326,575	72	23
12	Entercom	4.32	467,650	76	18
13	Clear Channel Communications	2.93	3,539,985	1,205	188
14	Beasley Broadcast Group	2.85	120,600	42	10
15	Citadel Broadcasting	1.88	406,313	215	47
16	Salem Communications	1.77	172,800	97	36
17	Entravision	1.67	87,825	52	21
18	Saga Communications	1.49	124,275	83	14
19	Regent Communications	1.17	88,515	75	14
20	Cumulus Broadcasting	1.02	313,755	305	60

Source: BIA Financial Network/Media Access Pro™, © 2004



Congratulations, George Beasley, on making the Top 40.

Harris Nesbitt is pleased to congratulate George Beasley on being selected one of Radio Ink's 40 Most Powerful People in Radio. Congratulations, George.

A member of BMO Financial Group

Harris Nesbitt is a brand name under which Harris Nesbitt Corp., Harris Trust and Savings Bank and Bank of Montreal operate in the United States.



Prophet Systems

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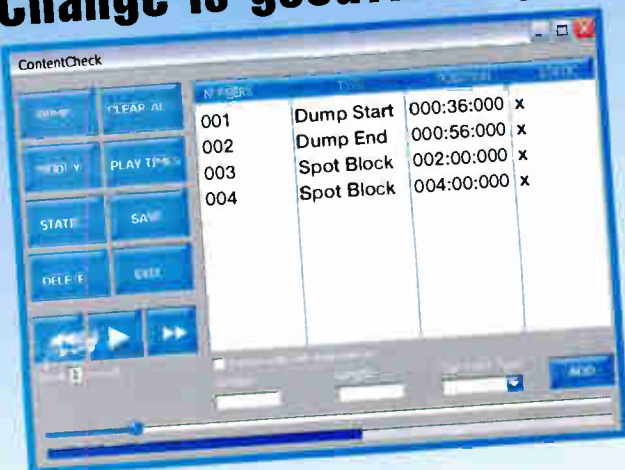
If you haven't looked at Prophet Systems lately, you probably don't know that we've not only reinvented digital automation systems, but we've changed the way stations look at music scheduling, news gathering and content delay systems.

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4 THE MOST POWERFUL PEOPLE IN RADIO

"I hope our wisdom will grow with our power, and teach us, that the less we use our power, the greater it will be."

— Thomas Jefferson

Power is an elusive concept and one that is exceptionally difficult to define in quantifiable terms. We all seem to recognize power when we see it, but the process of determining who holds — and wields — the most power within the Radio industry, as we do once a year within the pages of *Radio Ink*, is a long and exacting one.

In fact, each year when this special issue hits the streets, many readers inquire how we determine an individual's level of power within the radio industry. Do we judge people on their corporate position? Do we look at the number of radio stations for which a person is responsible, or how many millions of dollars he or she generates? Do we base it on a person's wealth, or the number of shares of stock he or she owns,

or how much voting control an individual? Do we base it on how quickly one person can get another to return his or her phone calls?

The answer to all of these questions is "yes," but in reality, we use many criteria in the 12-month selection process that actually begins as soon as the last "40 Most Powerful" issue rolls off the presses. Essentially, we maintain a "rolling file" of all those men and women who currently are on the list. We also create and build new files for everyone who enters our "power scope" and merits closer scrutiny. Over the course of the year, these files grow in size — almost logarithmically, it seems — as we collect corporate financial statements and dissect the revenue and earnings numbers.

We also make hundreds of

phone calls and exchange thousands of e-mails as we contact everyone who will listen: corporate CEOs, group executives, investment analysts, brokers, broadcasters, and managers at virtually every level of the industry.

From all this ongoing communication, we compile a "first cut" of those individuals we believe most fit our definition of power. We re-examine and refine this list, add more names, pare it down, take another look, sleep on it, and then take one more look. At this point, our editorial board studies each name on the list and re-evaluates whether that person qualifies for inclusion. Finally, once we've reached as close to a unanimous position as we can achieve, we take one final look to make sure we haven't made

a glaring omission or mistake.

This issue of *Radio Ink* always spurs considerable debate — and sometimes just a little disappointment — but we believe again this year we have identified those 40 individuals who truly are the pillars of power in the radio industry.

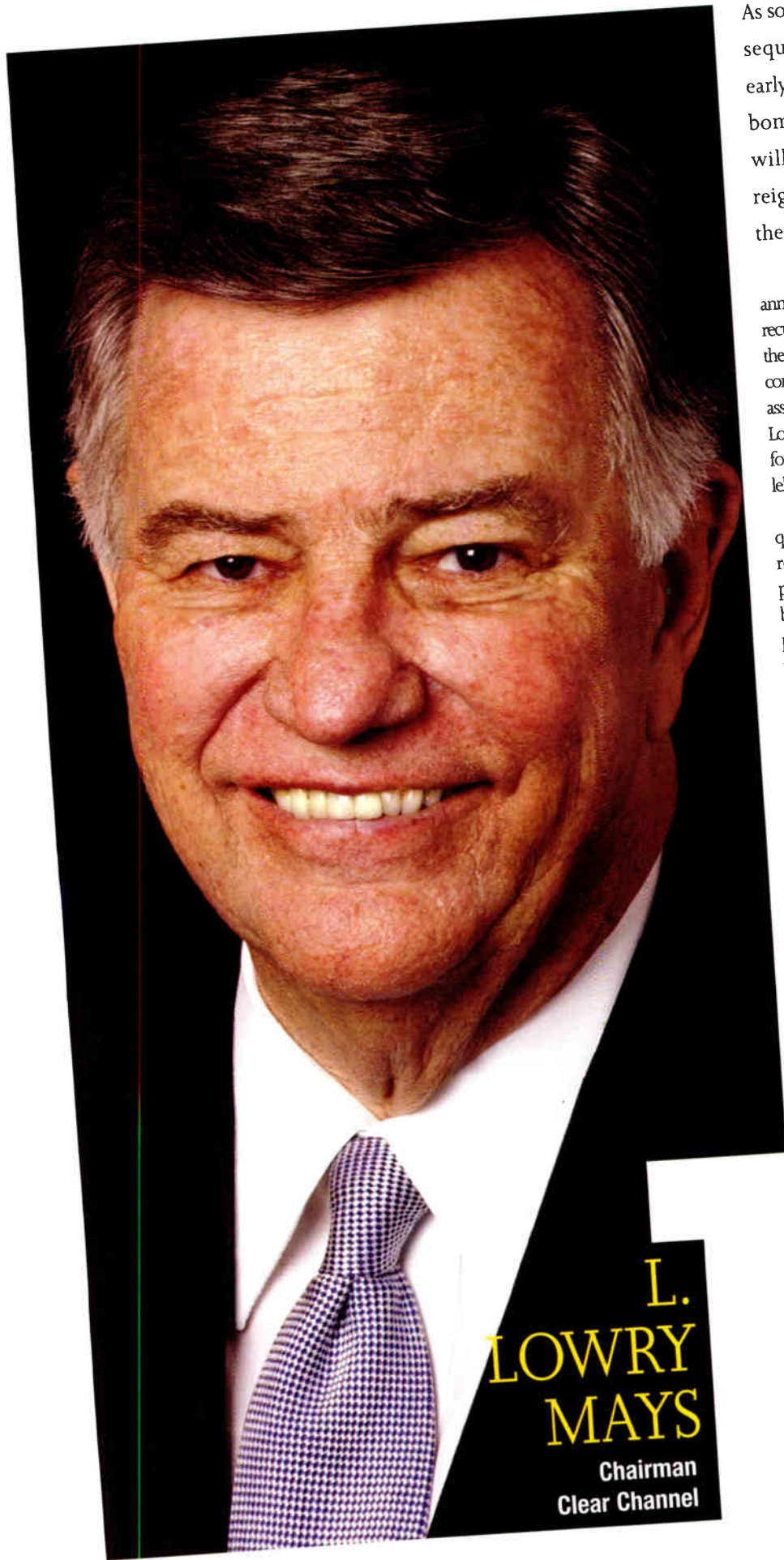
Congratulations to the 2004 class of the "40 Most Powerful People In Radio."

— Reed Bunzel, Editor-in-Chief

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Photographs of John Hogan, Lowry, Mark and Randal Mays are by Charla Wood Photography.



**L.
LOWRY
MAYS**
Chairman
Clear Channel

As soon as Lowry Mays' illness and subsequent surgery were announced in early May, Radio Ink's editorial board was bombarded with the question: How will Lowry's health issues affect his reign as the most powerful person in the radio industry?

The answer: Not at all. We're pleased to announce unequivocally that, during his period of recuperation, Lowry Mays remains atop our list of the most powerful people in radio for the fifth consecutive year. While son Mark temporarily has assumed CEO responsibilities at Clear Channel, Lowry remains chairman of the company he founded 32 years ago — and, as such, is unparalleled in terms of industry leadership — and power.

The reasoning for this decision actually is quick and easy: Last year, Clear Channel earned revenues of \$8.93 billion, an increase of six percent when compared to revenues of \$8.42 billion for the same period in 2002. The company's net earnings were \$1.15 billion, or \$1.85 per diluted share for 2003. This compares to net earnings, before the cumulative » 28

Clear Channel Creed

This Clear Channel Creed was written 30 years ago by Clear Channel's founder, CEO and chairman of the board, Lowry Mays:

"We are in the business of helping our customers grow their businesses. We do this effectively with our wide variety of media and entertainment products.

"We believe in maximizing our customer's satisfaction; we will deserve and will earn their continued loyalty. Our goal is to have long-term, mutually profitable relationships.

"We believe in providing superior value to customers through high-quality, technologically advanced, fairly priced services designed to meet customer needs better than all the possible alternatives.

"We believe Clear Channel's people are our most important asset. Our teams make the critical difference in how we perform, and their skills, talents and determination separate us from our competitors. We also believe people can achieve their full potential when they enjoy their work, so it is a priority to provide a workplace where growth, success and fun go hand in hand."

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effect of a change in accounting principle, of \$725 million or \$1.18 per diluted share in 2002, reflecting a year-over-year increase of 58 percent.

In the radio division, Clear Channel's revenue decreased \$22.2 million during 2003 as compared to 2002, with weak local advertising as the key reason for the decline. Discontinued sports broadcasting rights such as the Los Angeles Dodgers, cessation of business with independent promoters, and a revenue decline in the company's nationally syndicated radio business also contributed to the decline. However, Clear Channel Radio still was able to generate a 1-percent revenue increase from its top 50 markets, primarily behind the relative strength of national advertising, compared with local advertising.

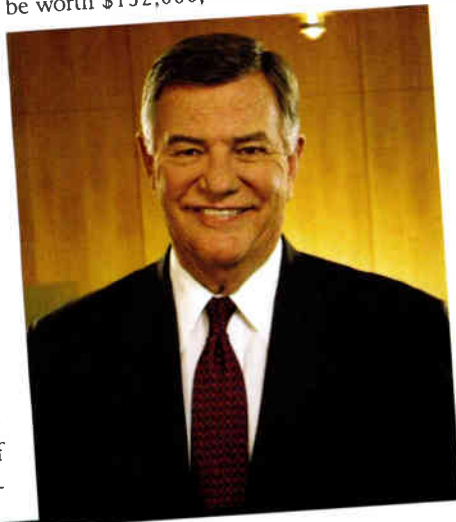
"We're pleased to report record financial results for 2003, with revenues of nearly \$9 billion, and over \$1 billion in net earnings," Mays observed when the end-of-year numbers were announced in February. "Each of our divisions' ability to perform at such a high level during a challenging economic period speaks volumes about the strength of our businesses and the talent of our employees. By serving the needs of our communities, employing the best people and providing the highest standard of products and services to our customers, we've created value for shareholders. We're well-positioned for sustainable long-term growth and look forward to another successful year."

For the first quarter of 2004, Clear Channel reported revenues of \$2.0 billion, an 11-percent increase over the \$1.8 billion reported for the first quarter of 2003. "The radio business should accelerate in the second half of the year, and I expect Clear Channel to ben-

efit by a disproportionate amount," Mays tells Radio Ink. "We have exposure to large, medium and small-sized markets, enabling us to capitalize on local, regional and national growth opportunities. Having the best radio professionals in radio is also an advantage. We operate stations that are both ratings and market leaders, so we believe we are very well positioned for the second half and into 2005."

Earlier this year, Mays also announced that the company's board of directors authorized a stock repurchase program of up to \$1 billion. "This is a reflection of our board's confidence in the company's financial strength and our overall commitment to our shareholders," he commented. "We believe the purchase of our common stock represents an attractive opportunity to benefit the long-term interests of the company and its shareholders."

Mays should have confidence in the company's stock, which over the last 20 years has outperformed the S&P 500 by more than 1300 percent. "If you invested \$1,000 in the Clear Channel IPO in 1984, today it would be worth \$132,000," he said in an end-of-



A Civic-Minded Leader

During his 30 years in the media and entertainment businesses, Lowry Mays has been heavily involved in numerous professional industry organizations, has committed himself to many civic endeavors, and has received a number of awards. These activities and awards have included:

- » Chairman of the Board of Regents, Texas A&M University
- » Benefactor of the Mays School of Business, Texas A&M University
- » Past Chairman, United Way of San Antonio
- » Board of Directors, Harvard Business School
- » Chairman, Joint Board of the National Association of Broadcasters, 1996
- » Distinguished Alumni Award, Texas A&M University
- » Member, Broadcasting & Cable Hall of Fame
- » International Citizen of the Year Award, San Antonio World Affairs Council, 1997
- » National Radio Award, National Association of Broadcasters, 1998
- » Member, Texas Business Hall of Fame, inducted 1999
- » C.W. Conn Distinguished New Venture Leader Award, Texas A&M University, 2000

year shareholder newsletter. "Meanwhile, the same investment in the S&P 500 would be worth just over \$10,000. Also, 2004 marks our 10th year on the New York Stock Exchange, during which 10 years our stock has increased 922 percent, representing a compound annual growth rate of 26 percent."

All numbers aside, Mays says that radio's greatest strength — and also its greatest challenge — is to continue to provide compelling content that attracts listeners and advertisers. "Whether it's a format battle in your market or competing with the CD player in the car, the key to radio's short-term and long-term success is providing compelling, informative and entertaining radio that attracts listeners," he explains. "The bottom line is that competition makes you better."

That competition — particularly the internecine warfare for which radio is famous — "often keeps radio from achieving all of which it is capable," Mays continues. "Radio must work together as an industry and focus on gaining share from other media. The benefits to listeners over the past few years has been amazing. Unique formats have increased, and programming is more diverse and representative of our communities. However, we have only scratched the surface in terms of communicating the value we can deliver to advertisers. The question is: Can radio seize the opportunity? I believe we can."

Mays formed what was to become Clear Channel Communications in 1972, when as an investment banker, he had the opportunity to purchase and operate his first radio station in San Antonio. Over the years, he has transformed what appeared to be simply a radio business into an advertising company that continues to serve local communities and advertising customers. Today, the company that originally was known as San Antonio Broadcasting Company owns more than 1,200 radio stations, 36 television stations, 776,000 outdoor advertising displays, and a leading live entertainment company.

Prior to entering the broadcasting business, Mays was senior vice president of corporate finance at Russ & Company, an investment firm where he worked from 1962 until 1972. He previously had served as an officer in the U.S. Air Force. He holds a BS in petroleum engineering from Texas A&M University and an MBA from the Harvard University Business School. Lowry and his wife, Peggy, have four children and 15 grandchildren. The Mayses oversee the operations and donations of the Mays Family Foundation, which supports many community organizations and causes.

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President and COO/
Interim CEO
Clear Channel
Communications

MARK MAYS

Shortly after it was announced that chairman Lowry Mays was recovering successfully from surgery, Clear Channel's board of directors announced that Mark Mays, who serves as the company's president and chief operating officer, had taken on the role of interim CEO. In this capacity he oversees virtually all facets of Clear Channel's daily operations and works with the company's divisional leaders of radio, television, outdoor, and entertainment. He also sets the company vision, strategy of cross-market and cross-platform initiatives and motivates the business units to continually outperform.

Under Mays' guidance, Clear Channel Communications

reported revenues of \$2.0 billion in the first quarter of 2004, an 11-percent increase over the \$1.8 billion reported for the first quarter of 2003. Clear Channel's net income and diluted earnings per share grew 64 percent and 58 percent, respectively, to \$116.5 million and \$.19 per diluted share during the first quarter of 2004. This compares to \$71.0 million and \$.12 per diluted share for the same period in 2003. The company's 2004 net income includes \$47 million and \$11.6 million of pre-tax gains related to the sale of Clear Channel's remaining investment in Univision Communications and the sale of radio operating assets, respectively.

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John Hogan

President and CEO Clear Channel Radio

Jerry Kersting

CFO Clear Channel Radio

Tom Owens

SVP, Programming Clear Channel Radio

Kraig Kitchin

President and COO Premiere Radio Networks

Stu Olds

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Don Howe

President, Clear Channel Advantage

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are the cornerstone of Clear Channel's
commitment to excellence.

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"Our results this quarter highlight the tremendous operating leverage of our businesses in an improving revenue environment," Mays said when announcing the results during a conference call. "We realized impressive revenue gains in each of our operating divisions and were successful in translating this performance into cash flow and earnings growth. In addition, during the quarter we initiated a \$1.0 billion share buyback program, providing us with another avenue to increase shareholder value. With the economy strengthening and the advertising environment continuing to improve, we are ideally positioned to deliver impressive growth for the remainder of the year and beyond."

The radio industry and Clear Channel both should see an improvement in business in the second half of the year, compared with the first half, Mays tell *Radio Ink*. "The economy continues to strengthen as a whole, and the recent rise in employment bodes well for local advertising business. Further, the Olympics and the presidential race should increase demand for all advertising in the second half, and we would expect radio to benefit as well."

Mays is quite mindful of the challenges that come both from inside the radio industry and from emerging new media and technologies. "Radio is clearly a highly competitive business, both internally and externally," he observes. "However, the changes that are occurring in the media industry as a whole, as well as the radio industry in particular, position us to succeed. Compared to other media, radio's value and ability to deliver results is increasing. We must get this message out as an industry. It is not a question of survival for the radio industry. To the contrary, at no point has radio's future been brighter."

Radio's biggest challenge, says Mays, is to gain revenue share from in-home media. "Out-of-home media, and radio in particular, have tremendous advantages," he explains. "Radio has adapted well as society becomes more mobile, and audience fragmentation continues to rise in the home. Radio offers reach and targeting, and we must continue to educate advertisers on the power of radio to help drive their businesses."

Prior to being appointed president

and COO in 1996, Mays served in various roles within Clear Channel. Initially, he was vice president/treasurer, and subsequently was named senior VP of operations. Prior to joining Clear Channel, he worked for Eppler, Guerin & Turner in St. Louis, an investment-banking firm, and for CapCities, a broadcast company that now is a part of ABC/Disney. Mays earned an MBA from Columbia University and a BA in economics and math from Vanderbilt University.

Mays currently serves on the National Association of Broadcasters Radio Board of Directors and is involved in numerous industry associations. In addition to his executive roles, the San Antonio, Texas resident is active in a variety of professional and civic activities. He plays a leadership role with the Greater San Antonio Chamber of Commerce and serves on the boards of Junior Achievement San Antonio Chapter, Alamo Area Council Boy Scouts of America, the United Way of San Antonio, and Southwest Foundation for Biomedical Research. He also participates in the community-supportive Mays Family Foundation.

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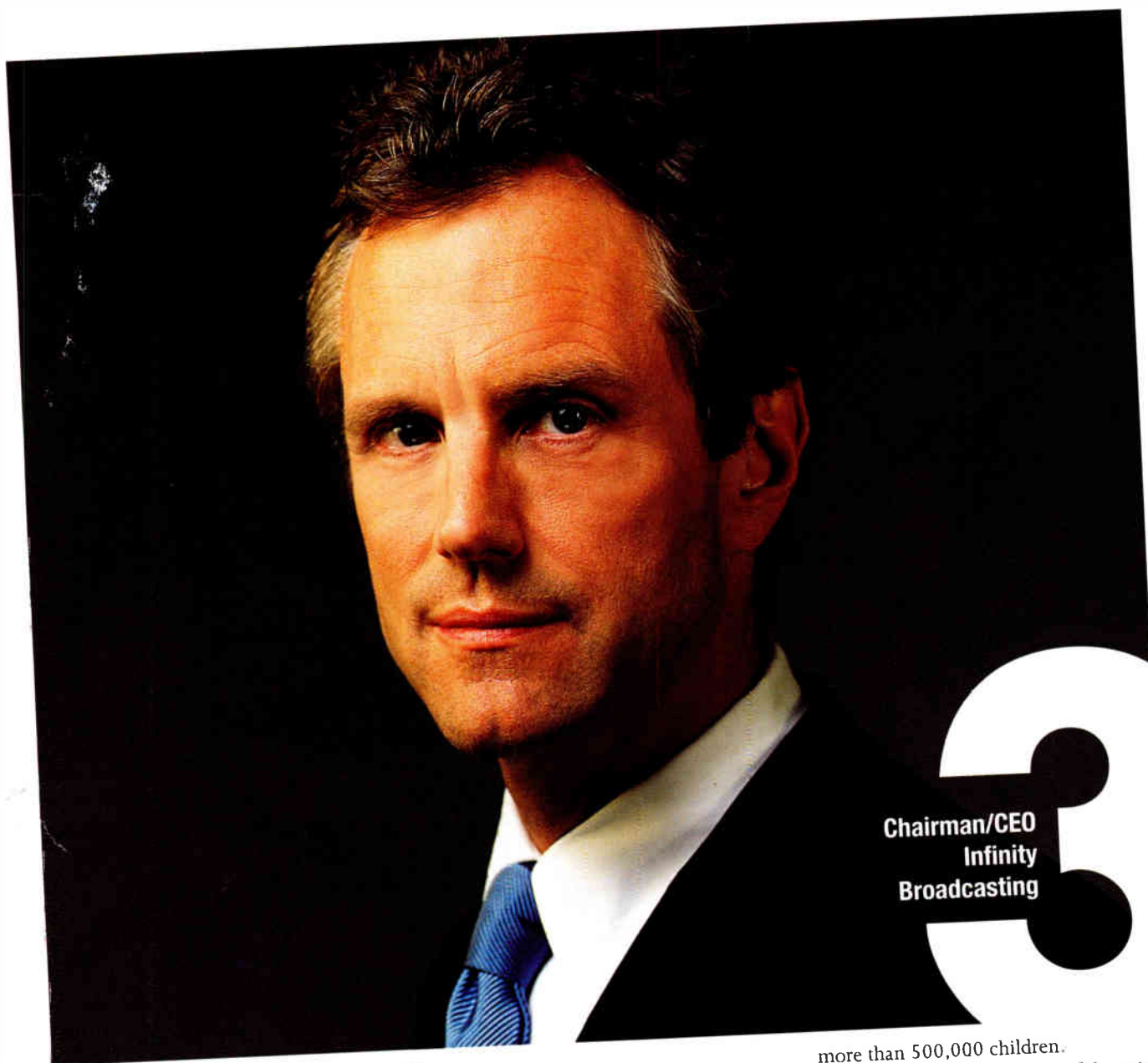


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World Radio History



Chairman/CEO
Infinity
Broadcasting

JOHN SYKES

John Sykes has been chairman and chief executive officer of Infinity Broadcasting since March 2002. He oversees the company's 185 radio stations, a majority of which are in the nation's top-50 markets and reach more than 70 million listeners a week. The stations contribute more than \$2 billion in annual revenue for Viacom. Infinity is one of the largest radio groups in the U.S. and home to many of the leading brands in radio, including personalities Don Imus and Howard Stern, as well as 27 professional sports franchises, such as the New York Yankees, the Los Angeles Dodgers, the New York Giants, the Philadelphia 76ers and the New England Patriots.

Prior to joining Infinity, Sykes served for eight years as president of VH1, one of the premier networks in cable television, and Country Music Television. While at VH1, Sykes led the music network to unprecedented ratings, revenue growth and critical acclaim. Under his leadership, VH1 premiered ground-breaking original programming, such as *Behind the Music*, *Storytellers* and *Pop Up Video*, as well as such signature special events as VH1 Divas and The VH1/Vogue Fashion Awards. In 1997, Sykes instituted the VH1 "Save The Music" program, which raises public awareness about the importance of music education for our nation's public school children. This program has funded more than \$21 million worth of musical instruments for 1,000 schools, affecting the lives of

more than 500,000 children.

In 1980, Sykes was part of the original executive team that developed and launched MTV, where he spent six years, eventually as vice president of programming and production for the network. From 1990 to 1992, Sykes was president of Chrysalis Records North America, where he led the company to its highest sales year in history.

Sykes currently is a board member of The Robin Hood Foundation, VH1 Save The Music Foundation, and the Rock and Roll Hall of Fame. He received his degree in communications from Syracuse University's S.I. Newhouse School of Public Communications, where he now is a member of the school's Advisory Board. He also holds an honorary doctorate in music from the renowned Berklee School.

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4
President/CEO,
Clear Channel Radio

JOHN HOGAN

John Hogan says his vision is to build upon the company's leadership in three primary areas: broadcasting the best local radio content, supporting local communities through events and charitable causes, and providing creative marketing solutions to Clear Channel's advertising partners.

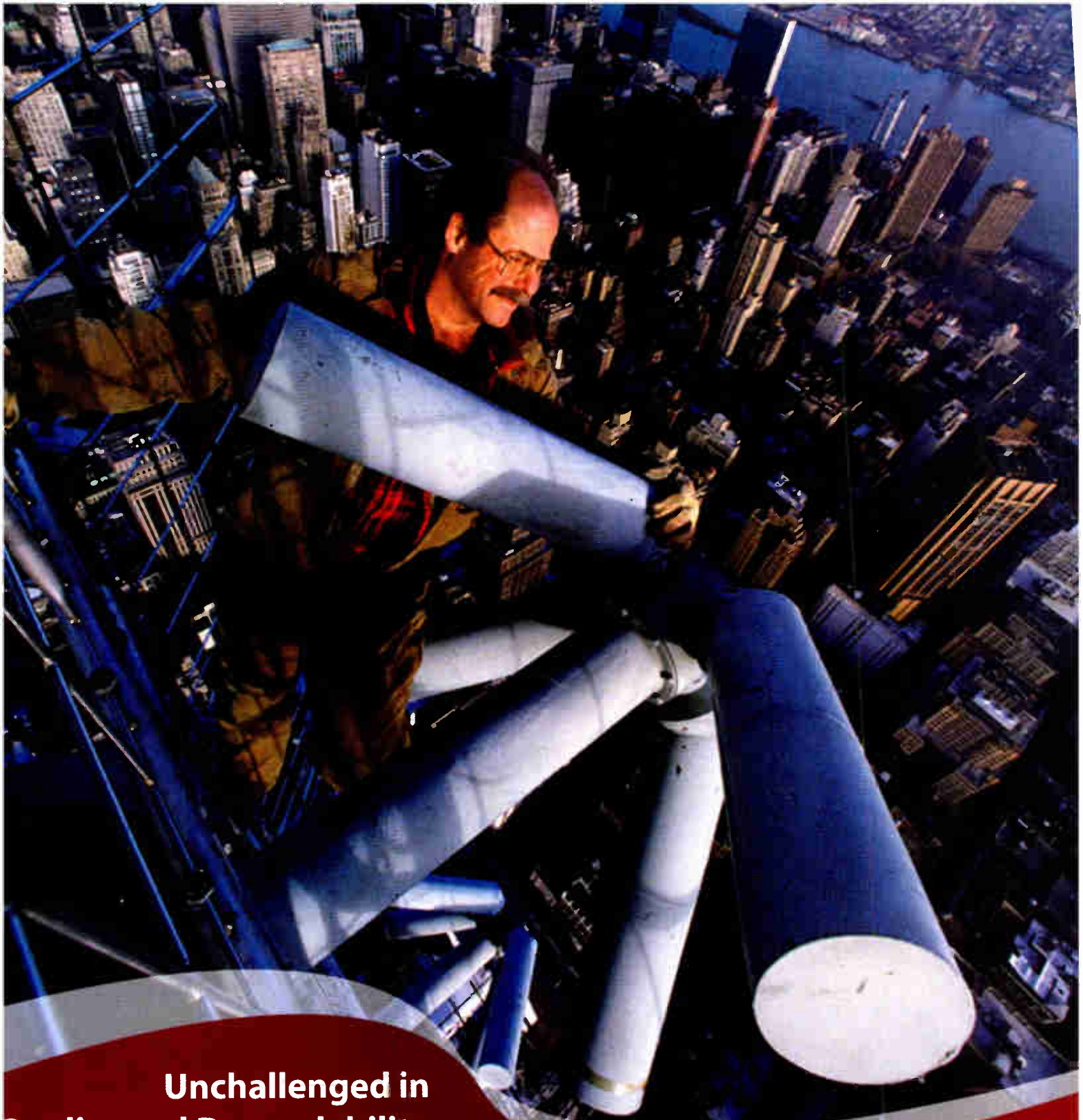
"Clear Channel has high expectations of growth, and it's part of the job of every one of our managers to find and develop business that will allow us to increase our revenues," he says. "We continue to invest in salespeople. A crit-

ical part of our formula for success is that we have more and better people on the street. We're continually challenging our folks to look at the brands and the opportunities they have in-market and come up with new and different ways of generating revenues. There's nothing that succeeds like success, and if we focus on doing the right thing for advertisers — working with them to have effective campaigns — they'll come back."

Hogan's focus on serving the needs of consumers and customers has been cultivated through 23 years of hands-on experience, beginning in 1981 in Atlanta where he was an account executive with Meredith Broadcasting. Hogan's leadership and management skills were recognized eight years later as he was promoted to general manager in 1989; he became market manager of the Atlanta group in 1994. In 1996, Hogan was appointed senior vice president for radio at Jacor Communications, where he was instrumental in significantly expanding its radio holdings. Three years later, Clear Channel Communications acquired Jacor Communications and expanded Hogan's responsibilities to include urban hubs, such as Los Angeles, New York, Houston and Dallas. After only two years with Clear Channel, Hogan was named chief operating officer, then chief executive officer the following year.

"We must not forget that we are in the communications business, not just the radio business," Hogan cautions. "As delivery systems change or evolve, we need to stay current and take advantage of and embrace new opportunities. It is no longer tall towers in big fields. At Clear Channel, we have hired a director and staff that will look only at new technologies and delivery systems."

In addition to his responsibilities at Clear Channel, Hogan currently is on the boards of the National Association of Broadcasters, The Advertising Council, American Women In Radio and Television, and the Emma L. Bowen Foundation for Minority Interest in Media. He lives in San Antonio with his wife, Nancy, and their daughter, Makenzi.



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**President/COO
Infinity Bdcstg.**

JOEL HOLLANDER

Joel Hollander was named president and chief operating officer of Infinity Broadcasting in May 2003. He had been president/chief executive officer of Westwood One since October 1998.

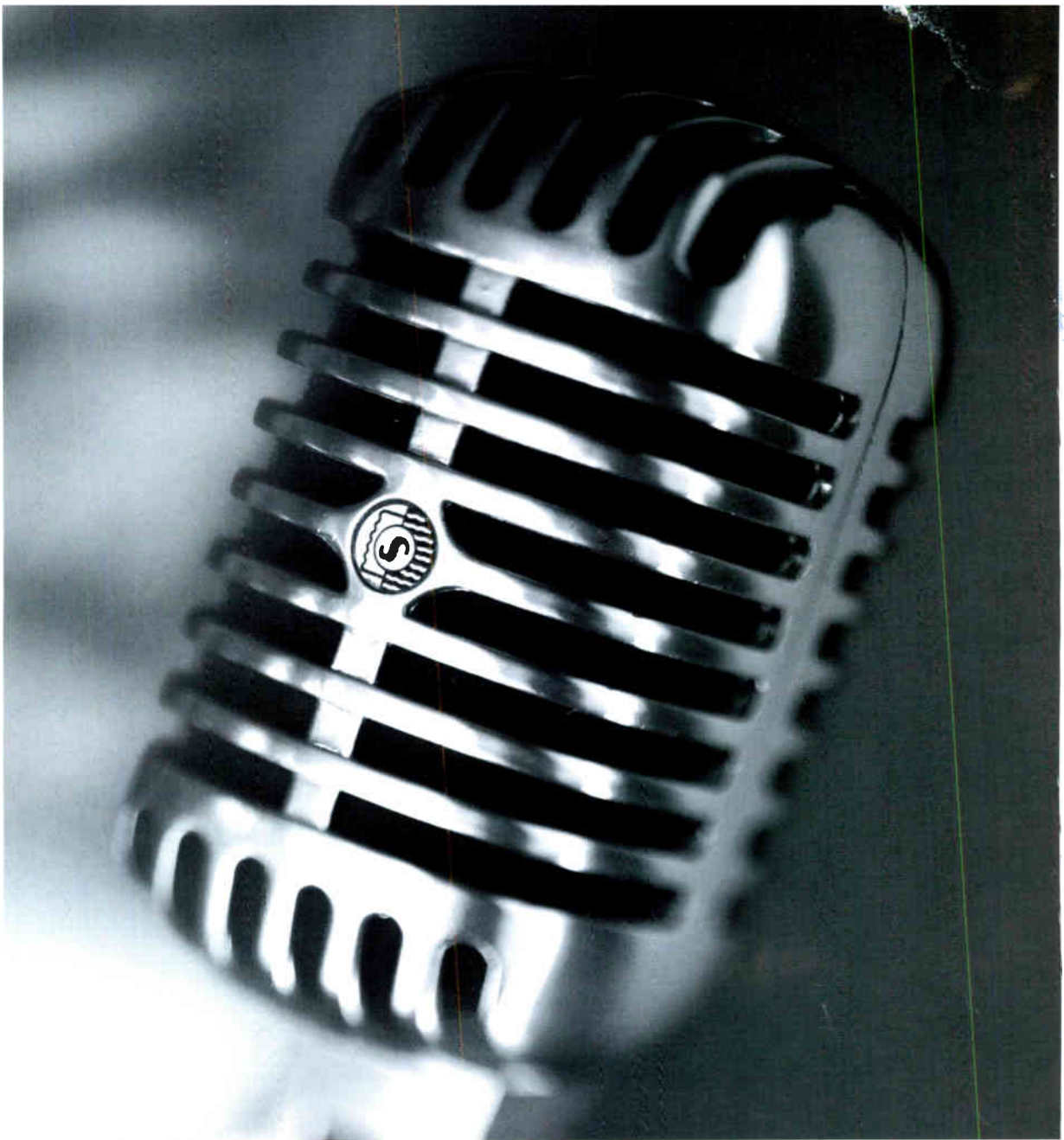
Hollander oversees the day-to-day operation of Infinity's 185 radio stations. During his tenure at the company, Hollander acquired Metro Networks and developed and expanded partnerships with the NFL, NCAA, Notre Dame Football, Wimbledon, USGA, The British Open, The Masters, Marketwatch.com, FOX News, National Academy of Recording Arts and Sciences/The GRAMMYS, and The Academy of Country Music. He has created new programming and added significant "star power" to the company's existing programs, and also has extended key Viacom brands with the launch of radio networks with VH1, BET and CMT, and the expansion of the MTV Radio Network.

Prior to joining Westwood One, Hollander was general manager of WFAN-AM New York. An original member of the WFAN team, Hollander played a major role in the steady yet spectacular rise of WFAN to its current position as one of the most successful radio stations in the country. Under Hollander's leadership, WFAN rode an unprecedented 11-year streak as the leader in sports talk radio and became the number-one revenue-generating station in America.

A graduate of Indiana State University, Hollander began his career in radio as an account

executive in Daytona, Fla. Born and raised in New York, Hollander returned to that city, where he made his way up and down the radio dial. He served in a variety of sales positions, including sales rep at WBLS-FM and WKTU-FM, retail sales manager at WAPP-FM and WHN-AM, and local sales manager at WRKS-FM. He eventually joined WHN-AM as general sales manager. In 1987, WHN flipped to WFAN, and the "great experiment" known as Sports Radio was born.

In 1993, Hollander and his wife, Susan, started The CJ Foundation for Sudden Infant Death Syndrome, a nationwide voluntary health organization dedicated to recognizing the special needs of the SIDS community through funding SIDS research and support services. Hollander is also on the boards of Tomorrows Children's Fund and Westwood One, as well as a trustee of the Foundation of American Women in Radio and Television.



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Chairman
Federal Communications
Commission

MICHAEL POWELL

In previous versions of our 40 Most Powerful list, we often have elected not to include the chairman of the Federal Communications Commission despite the fact that this person wields perhaps the greatest power over the radio industry than any other individual. This year, however, Chairman Powell has focused on the issue of broadcast indecency with such determination that the shock waves are still reverberating throughout the industry.

"I am outraged at what I saw during the halftime show," he announced the day after the Super Bowl in early February. "Like millions of Americans, my family and I gathered around the television for a celebration. Instead, that celebration was tainted by a classless, crass and deplorable stunt. Our nation's children, parents and citizens deserve better. I have instructed the Commission to open an immediate investigation into last night's broadcast. Our investigation will be thorough and swift."

With those words Powell set the ball in motion, not only at the FCC but also within Congress, to crack down on radio and television broadcasters who may have flouted — or at least ignored — the indecency provisions already in place. Weeks later, with promised alacrity, the Commission levied several fines of a magnitude never before seen. "The Commission has an important obligation to punish those who violate our law," Powell said at the time, although he did urge that zeal not obfuscate the First Amendment. "In administering our authority, the Commission must afford parties fair warning and due process and not let our

zeal trample these fundamental protections...As I have said since becoming a Commissioner, government action in this area can have a potential chilling effect on free speech. We guard against this by ruling when a clear line has been crossed and the government has no choice but to act. We will continue to respect the delicate balance of protecting the interests of the First Amendment with the need to protect our children."

Powell, a Republican, was nominated by President William J. Clinton and was sworn in as a member of the FCC in November 1997; he was designated chairman by President Bush on January 22, 2001. Previously, Powell served as chief of staff of the Antitrust Division in the Department of Justice, and before that, he was an associate with the Washington law firm of O'Melveny & Myers LLP. He holds a law degree from the Georgetown University Law Center.



Terry Jacobs, Chairman/CEO

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Chairman/CEO
Cumulus Media Inc.

LEW DICKEY

For the first quarter of 2004, Lew Dickey reported that Cumulus Media's net revenues increased from \$58 million to \$65.5 million, a 12.9 percent increase from the first quarter of 2003. Station operating expenses increased from \$41.1 million to \$46.3 million, an increase of 12.7 percent over Q1 2003.

"Through our strong operating performance and important strategic acquisitions, we continue to execute on our strategy of building a strong platform that generates tremendous free cash flow," Dickey said during his Q1 earnings call. "We are well-positioned to be the premier consolidator in our target space of markets ranked 50-250."

Dickey was born into the radio business, and when he graduated from Stanford with bachelor's and master's degrees in English literature, he wanted to work in the business — just not at his dad's stations. Instead, he founded Stratford Research, providing "strategy consulting" for a growing number of stations that included, in the early years, the Liggett Group and Taft Broadcasting. Lacking a background in finance, Dickey returned to school and earned his MBA from Harvard. "When I got out in 1990, the economy really hit the skids," he remembers. "Those were tough times, and I had to stay with Stratford Research.

"The idea for Cumulus germinated in the middle of 1996, after the Telecom Act was signed," Dickey continues. "At that point, the horse was out of the barn. Most of the large players were already moving quickly in the top 50 markets." To avoid getting trampled by those horses, Dickey and the rest of the Cumulus team focused on stations in markets ranked

50-250. As a result, with a lot of hard work and substantial intestinal fortitude, he has grown the group to more than 300 stations serving 61 cities.

When Congress and the FCC began focusing on broadcast indecency earlier this year, Dickey jumped on the bandwagon, proclaiming that "you are seeing a reaction by the FCC that is long overdue...the decency standard has been overlooked a long time."

Noting that Cumulus Media has never been fined for indecency, none of its programming is being investigated by the FCC, and the company hasn't changed any of its policies since the crackdown, Dickey maintains that he has always refused to broadcast programs that have a reputation for shocking listeners. "We don't think that kind of programming has any place in our company," Dickey says. "We don't need that kind of programming to generate ratings."

Lew Dickey
CEO Cumulus Media



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A close-up portrait of Randall Mays, a middle-aged man with short brown hair, smiling warmly. He is wearing a dark suit jacket, a white dress shirt, and a blue and white striped tie. The background is dark and out of focus.

**Executive Vice
President
and CFO
Clear Channel
Communications**

RANDALL MAYS

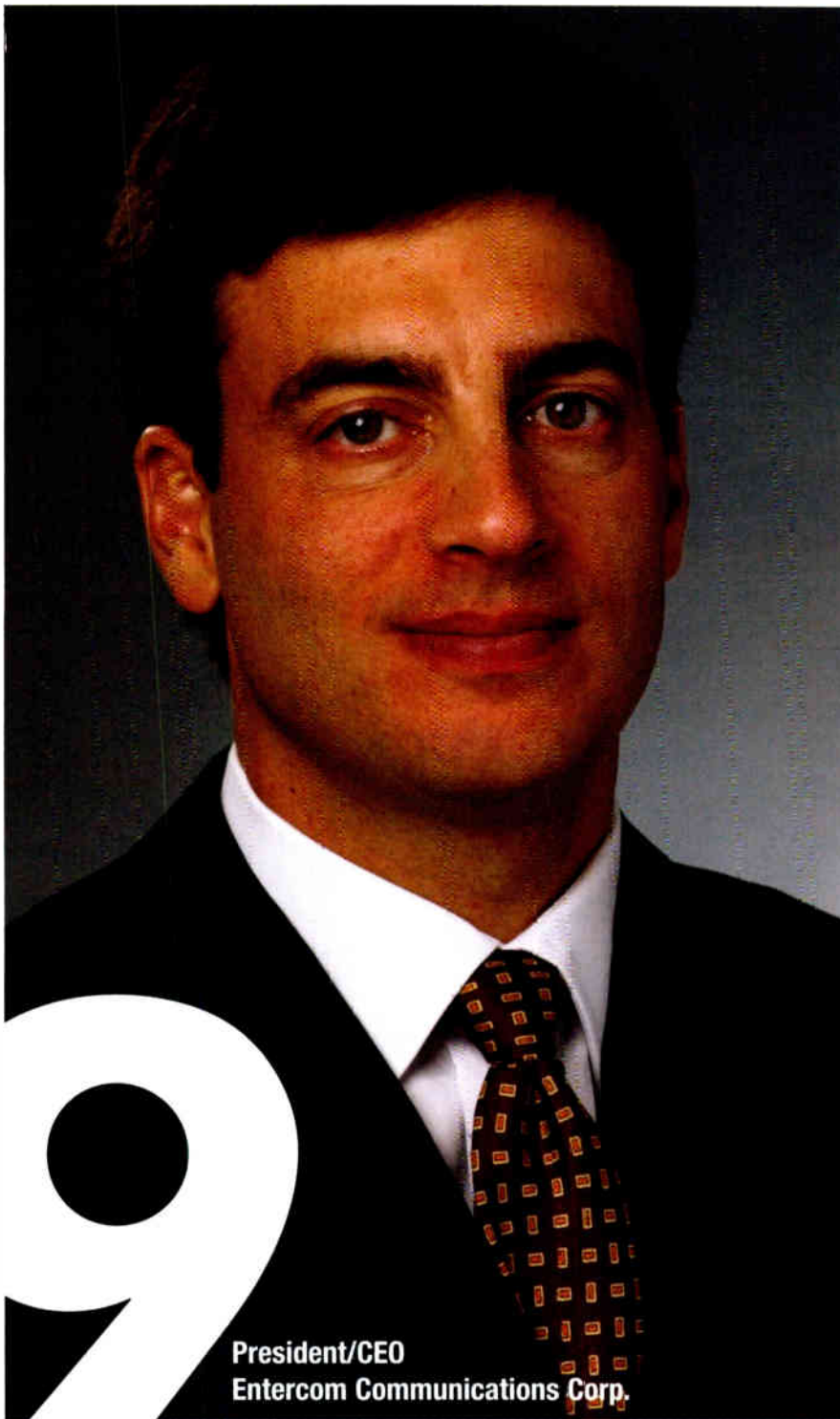
"Over the past two years, we have repaid approximately \$3 billion in debt," says Randall Mays. "[In 2004] the company is in a very strong financial position, with a very strong balance sheet and significant cash-flow generation. We will continue to evaluate the best uses of our free cash flow to maximize shareholder returns. Given the current amount of debt that we have relative to the annual free cash-flow generation of the company, it is possible that in the absence of acquisitions we will choose to distribute an increasing proportion of free cash flow to the shareholders, either directly through dividends or indirectly through share repurchases."

Mays leads the company's corporate development initiatives, guides merger and acquisition activity, helps to set the financial strategic vision for the company and manages the company's capital structure and allocation of capital to the various business units.

Before working at Clear Channel, Mays worked in the mergers and acquisitions department of the investment-banking firm of Goldman, Sachs & Co. in New York and at the Trammell Crow Company real estate firm. In addition to his current corporate duties, Mays also serves on the board of directors for XM Satellite Radio. He is active in the National

Association of Broadcasters, serves on the University of Texas McCombs School of Business Advisory Council, and other industry associations. Additionally, Mays was voted the CFO of the Year by the Broadcast Cable Financial Management Association in 2002, and *Fortune* magazine this year also named him as the best CFO in the radio/television category.

Mays holds a bachelor's degree with high honors from the University of Texas at Austin and holds an MBA from the Harvard Business School. The San Antonio resident participates in the Mays Family Foundation and other community and civic organizations.



**President/CEO
Entercom Communications Corp.**

DAVID FIELD

In its first-quarter conference call this year, Entercom reported that its net revenues increased 7 percent to \$87.0 million, while same-station net revenues increased 6 percent to \$87.0 million vs. the same period in 2003.

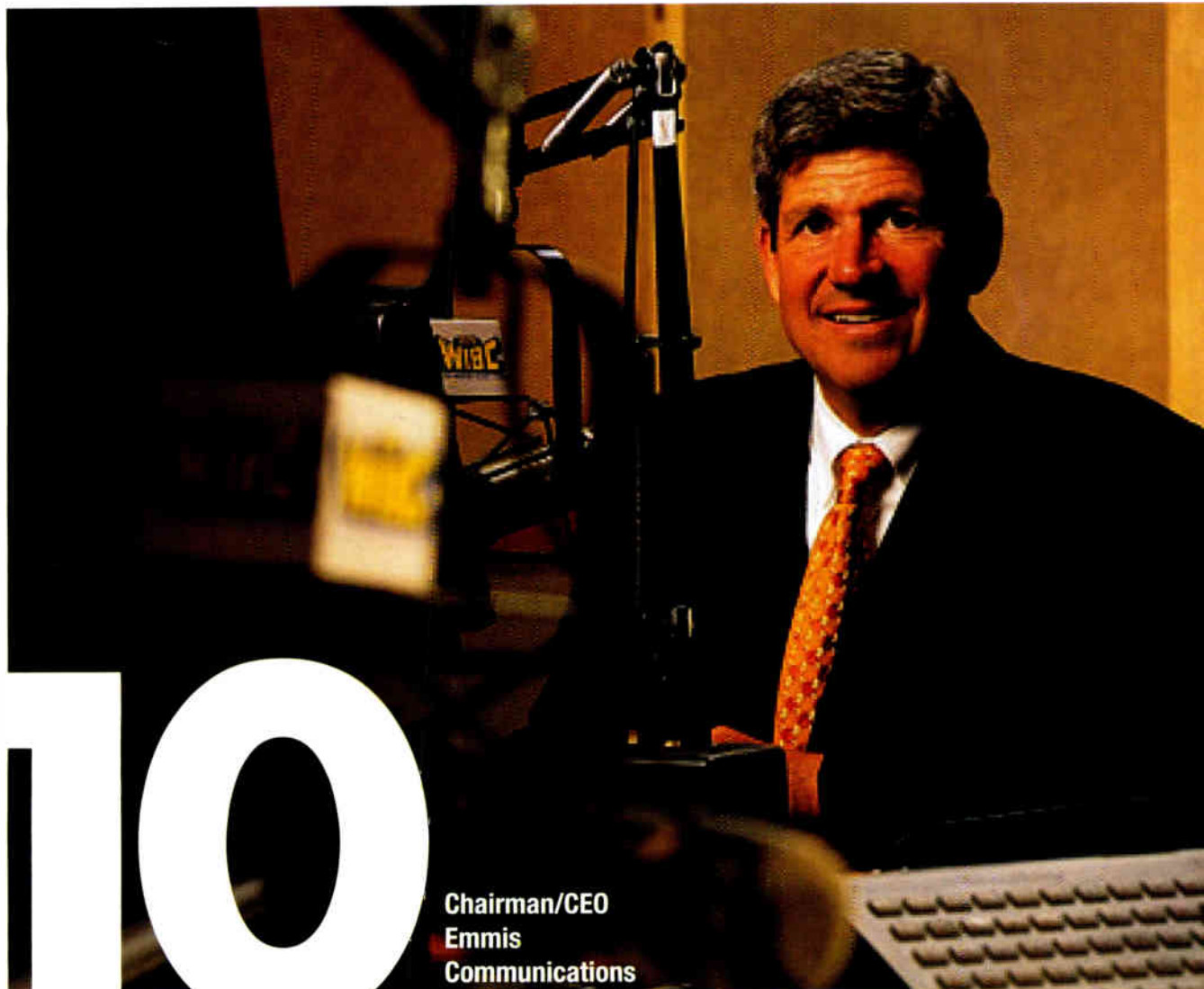
"We are very pleased with our record-breaking results, as we delivered strong growth in net revenues and station operating income, and grew our net income per share and free cash flow by 28 percent and 40 percent, respectively," observed David Field. "In addition, our future prospects continue to improve, driven by a number of recent positive developments, including

our newly announced acquisitions in Indianapolis, Providence and Buffalo, encouraging progress with our sales and brand initiatives, and improving business conditions."

Entercom also announced that its board of directors has authorized a stock buyback program through which the company, over time, may repurchase up to \$100 million dollars of its common stock in the open market. "Entercom's strong free cash flow generation and outstanding balance sheet enable us to take advantage of opportunistic repurchases of the company's stock, while we continue to grow our radio platform with value-enhancing acquisitions. We've been pleased to announce three acquisitions totaling almost \$100 million in recent months. While we will continue to place the highest priority on value-enhancing acquisitions and industry-leading operating performance, this share buyback is a further demonstration of our financial strength and re-investment in the radio industry."

Field says he is very confident about radio's future. "As America's most-used medium morning through afternoon — offering universal reach, long time-spent-listening, portability, targetability, and an infinite reference list of successful customers — it is remarkable that we remain the least expensive and most underutilized of all advertising media," he observes. "However, capitalizing on this enormous opportunity will require us to make some fundamental changes in how we run our businesses. We must shift our focus from reacting to avails and relying on short-term revenue fixes, to making longer-term strategic business development our priority and pricing to a level more commensurate with other ad-supported media."

The good news, Field continues, "is that we have the means to make the necessary changes to enhance our business. I am very encouraged by the fundamental improvements that are starting to be made throughout much of the industry. We are raising the bar on customer service and accountability and rolling out electronic invoicing industry-wide. We are enhancing the quality of the radio listening experience by accelerating the rollout of HD Radio, launching new, innovative formats and beginning to reduce commercial clutter. And we are revamping the Radio Advertising Bureau to a potent sales and marketing force focused on attracting substantial new and incremental revenues from large national advertisers. Our best and brightest days are yet to come."



**Chairman/CEO
Emmis
Communications**

JEFF SMULYAN

For its fourth fiscal quarter, Emmis Communications reported net revenue of \$136.9 million, compared to \$126.8 million for the same quarter of the prior year, an 8-percent increase. On a pro forma basis, net revenue for the quarter was \$136.9 million, compared to \$130.2 million for the same quarter of the prior year, an increase of 5 percent.

"This has been a tremendous year for Emmis," observed Jeff Smulyan. "Despite a challenging advertising environment, our radio stations outperformed our markets by 2 percent in our fiscal year, while in our television markets that are measured, we outperformed for the calendar year by 4 percent. The employees of Emmis deserve the credit for making the extraordinary happen."

Currently, Smulyan is projecting revenue growth in the low- to mid-single digits for the rest of 2004. "While we think we will continue to be ahead of the industry, right now we're projecting that rate for both Emmis and the industry," he tells *Radio Ink*.

"This is an interesting time in radio, because we're seeing a mix of intense competition and unparalleled collaboration," Smulyan observes. "On the one hand, we're witnessing some very aggressive maneuvers within markets, and everyone's competing as fully as ever. On the other hand, it's encouraging to see the major companies coming together to work in the best interests of American radio. As other media try to eat away at radio's market share, we've all recognized that the key to our survival is making sure that audiences respond to our message. As a result, it's imperative that we work together to better understand and respond to our audiences. There will always be competitors to radio, but I think if we work together as an industry, all of us will be better able to respond."

With the emergence of new media, Smulyan says that radio's greatest threat is remaining

relevant to the listening public. "Although technology poses a threat — lots of things fragment our business, from iPods to satellite radio to wireless devices — our biggest challenge is making sure that we provide a compelling experience for our listeners," he explains. "If we do that, we'll remain relevant. If we don't, we won't survive."

Smulyan is a director of the National Association of Broadcasters and former chairman of the board of directors of the Radio Advertising Bureau. In 2000, he was honored with the American Women in Radio and Television's Silver Satellite Award and the National Association of Broadcasters' National Radio Award. Smulyan is past chair of the Central Indiana Corporate Partnership, a consortium of CEOs from central Indiana's largest corporations. He is a member of the American, Indiana and Federal Communications bar associations, and he has served on numerous civic boards and committees.

It really **did** begin at a five-thousand watt radio station in Indianapolis!

"Jeff Smulyan is not only one of the "40 most powerful people in radio", he's one of the most civic-minded and nicest people you could ever meet."

Senator Evan Bayh - Indiana



"You will find people at Emmis like me who would work in this industry for no one else. That could be because Jeff has been a great boss and leader. It could also be because we're unemployable."

Rick Cummings - Emmis Radio

Our very best to

Jeff Smulyan

as one of the top radio executives in this great medium.

Recognized by Radio Ink's

Top 40

Most Powerful People In Radio



FARID SULEMAN

Chairman/CEO, Citadel Broadcasting Corp.

Citadel Broadcasting earlier this year reported that its net revenues in the first quarter were a record \$86.9 million, compared to \$77.2 million in the first quarter of 2003, an increase of \$9.7 million, or 12.6 percent. The increase in revenues was due to higher revenues at the company's existing stations as well as the acquisitions completed in 2003 and 2004. Excluding the effect of the stations acquired in 2004 and 2003, including New Orleans, Des Moines and Memphis, same-station net revenues for the first quarter of 2004 were up 6 percent over the same period in 2003. Citadel currently owns 150 FM and 63 AM radio stations in 44 markets, and operates five others under local marketing agreements.

"The company is pleased with its record first-quarter operating results," observed Farid Suleman. "The company's strategy of acquiring stations in the nation's top 100 markets while simultaneously enhancing existing markets and creating regional clusters has enabled the company to deliver double-digit revenue, station operating income and free cash flow growth in what generally has been a difficult advertising environment."

Suleman also noted that "the company's recent acquisitions, including Memphis and Springfield, should enable the company to continue to deliver double-digit free cash flow growth. Further, as part of the company's recent refinancing transactions combined with the company's significant free cash flow, Citadel is well positioned to continue to make acquisitions."

Suleman has been the chief executive officer of Citadel Broadcasting and a special limited partner of Forstmann Little & Co. since March 2002. From February 2001 to February 2002, Suleman was president/CEO of Infinity Broadcasting. He was executive vice president/CFO/treasurer and a director of Infinity Broadcasting from September 1998 to February 2001, when Viacom acquired Infinity Broadcasting. Suleman was named senior vice president/finance of CBS in August 1998, and SVP/CFO of the CBS Station Group in June 1997. He is a director of Westwood One and was also Westwood One's EVP/CFO from February 1994 to March 2002.



BOB NEIL

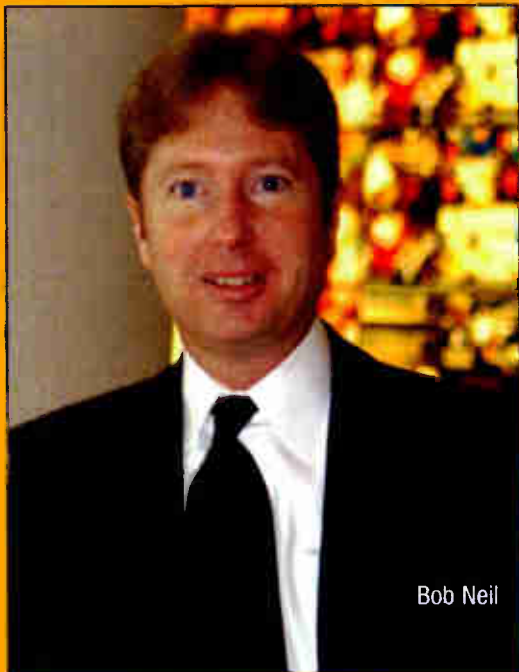
President/CEO, Cox Radio Inc.

Cox Radio's net revenues for the first quarter of 2004 were \$93.1 million, up 2 percent over first quarter of 2003. National revenues increased 3 percent, while local revenues were flat, as compared to the first quarter of 2003. Station operating expenses decreased \$0.4 million, or 1 percent, to \$59.1 million, compared to first-quarter 2003.

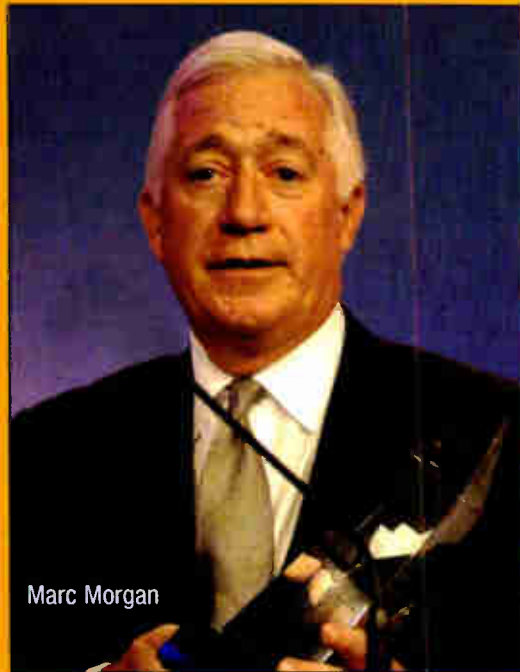
"We are pleased with the way the first quarter materialized and the growth we were able to deliver in both revenues and earnings," Bob Neil observed during an earnings conference call. "After difficult revenue comparisons in January and February, revenues began to strengthen considerably with the month of March, ending up 8 percent over last year. Our disciplined efforts to keep expenses down enabled us to deliver station operating income growth of 6 percent and free cash flow growth of 20 percent during the quarter."

Despite keeping a close eye on the company's share price, Neil insists he doesn't get caught up in the quarter-by-quarter Wall Street share price game. "My job for all of our shareholders is to run the company the best way for the long term, so the company is worth a lot more money to shareholders five years or 10 years from now than it is today," he told *Radio Ink*. "If I do the right thing in running the business, none of the short-term things like that matter. If the analysts downgrade us one day, they'll upgrade us another day. I know that good broadcasting will win, and all of the good things that we want to see — increased revenue and increased cash flow — will come out of that."

Neil was named president and chief executive officer of Cox Radio when it became a public company in September 1996. Previously, he was executive vice president of radio for Cox Broadcasting from 1992 to 1996.



Bob Neil



Marc Morgan

We've got a secret... but not for long.

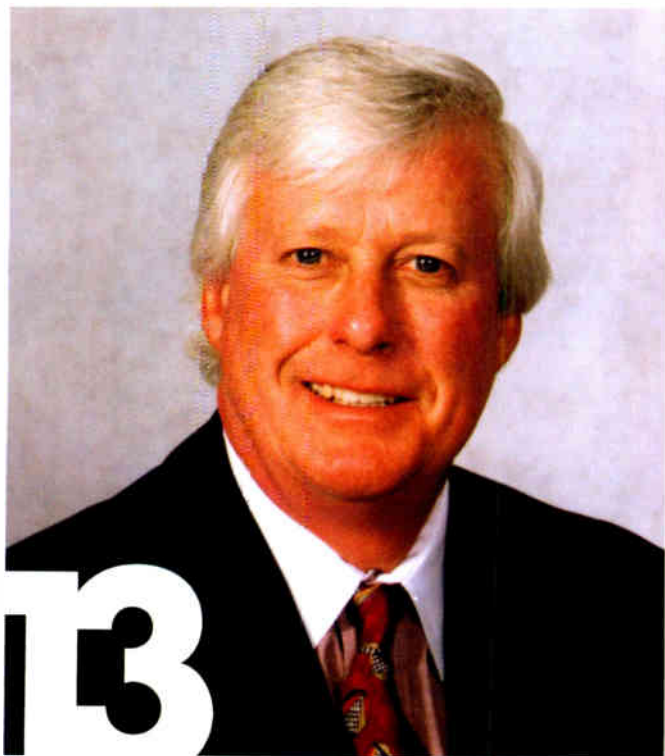
We'd like to tell the world that the reason our names are included in this special issue of Radio Ink is because of all the talented, dedicated, hard-working members of the Cox Radio team...every last one of them.

Please allow us to applaud you and your efforts on our behalf.
Thanks for all you do to make our company an industry leader.

Bob Neil
President and CEO

Marc Morgan
Executive VP and COO

COX
RADIO, INC.



13

JOHN HARE

President, ABC Radio Division

As president of the fifth-largest radio group in terms of revenue last year, John Hare is charged with operating ABC's 74 stations in 43 markets. He is a 30-year radio veteran who got his start as an account executive in Houston at KXYZ-AM/FM, formerly owned by ABC.

After a series of promotions, he moved to Washington, DC, as general sales manager of WROX-FM. In 1980, he became vice president and general manager of WRIF in Detroit, returning to Texas four years later as VP/GM of KRKS-FM. In 1986, he was named president and general manager of WRAP-AM in Dallas-Ft. Worth; in '96, he was given additional president/GM responsibilities for KSCS-FM.

The following year, he was promoted to group president of ABC owned radio stations. In February 1999, he was named president of the ABC Radio Division, which includes the ABC Radio Networks.



14

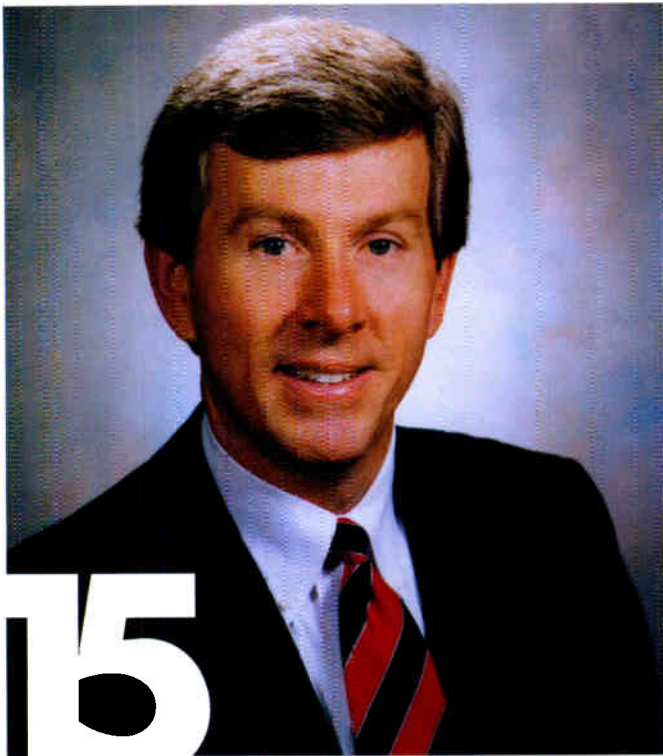
ALFRED LIGGINS, III

CEO/President, Radio One Inc.

Radio One's first-quarter 2004 financial numbers continue to show impressive growth. Net broadcast revenue was approximately \$69.7 million, an increase of 10 percent from the same period in 2003, while operating income was approximately \$25.4 million, an increase of 21 percent from the same period in 2003.

"This was truly a great quarter for us," Alfred Liggins told investors during a conference call in May. "We blew away industry revenue growth and our own guidance, and had strong revenue conversion to station operating profit. We are seeing good strength into the second quarter and are hopeful that our relatively optimistic outlook for 2004 will turn out to be accurate. Additionally, we are seeing the deal pipeline becoming more robust and are hopeful that we will be able to grow our portfolio through acquisitions over the course of the year."

Also this spring, Radio One acquired KRTS-FM in Houston for \$73.5 million and picked up New Mableton Broadcasting, which was owned by an entity Liggins controlled, for \$35 million. "[KRTS] represents one of the last high-powered, independently owned radio stations in the Houston market," he commented. "We are very excited to be able to enhance our competitive position in one of our (and the radio industry's) largest and best markets."



DAVID KENNEDY

President/COO, Susquehanna Radio Corp.

"The extent to which our industry thrives in the years ahead will be directly related to the success we achieve in getting closer to both our listeners and advertisers," says Kennedy, who joined Susquehanna Radio in 1973. "Radio must be relentlessly relevant — to our listeners' lifestyles and to our advertisers' business plans — if we want to grow as a medium. To do this as an industry, we must look beyond the short-term and make decisions accordingly."

Kennedy started his radio career as a staff announcer at WMHE-Toledo in 1971. Two years later, he joined Susquehanna at WLQR-Toledo, holding a variety of on-air, programming and operations positions. He was promoted to director of program research for the company in 1979 and subsequently in 1983 was named vice president of planning and research. In August 1989, Kennedy became senior VP and assumed direct responsibility for WFMS-Indianapolis and WRRM-Cincinnati. He was named president and COO in January 1995.

A former board chairman of the National Association of Broadcasters, Kennedy is now chairman of the Radio Advertising Bureau's board of directors. He is a member of the International Radio & Television Society Foundation, Broadcast Education Association, and American Management Association.



EDWARD FRITTS

President/CEO, National Assn. of Broadcasters

"Certainly, with the advent of the Internet and satellite radio, there is more competition now than ever before for the listener," says Edward Fritts, who just last month received a contract and consulting package that extends his ties to the National Association of Broadcasters into 2008. "Radio has proven to be the most resilient of all media throughout its history and that's why 175 million Americans continue to tune into local radio stations every day. I'm confident that radio will continue to thrive so long as stations retain a commitment to providing local listeners with compelling content."

Fritts contends that the two biggest challenges to radio are changing to HD radio and protecting the integrity of the radio band against interference. "Digital radio is really going to revolutionize radio, offering listeners a far superior quality of sound," he explains. "The second challenge will be ensuring that government preserves the third-adjacent channel interference protections that have been in place for 30 years. We expect there will be a big push from Sen. John McCain to pass legislation that allows low-power FM stations to occupy the first- and second-adjacent channels to incumbent broadcasters. That's a recipe for more interference and a bad deal for radio listeners."



BRUCE REESE

17

President/CEO
Bonneville
International
NAB Radio Board
Chairman

"The word that best describes the balance of the year for Bonneville is the same word I hear other radio execs use when asked the same question — it's 'okay,'" observes Bruce Reese, who last month was elected NAB Radio Board Chairman. "It's better than last year, certainly better than 2002, but it's not robust. We'll show revenue and bottom-line growth this year, and we'll meet our budgets, but it will be a struggle once again."

Reese says the competitive climate facing radio poses some interesting challenges. "I really believe that the consolidation in radio

and television since 1996 has improved the quality of management, sales and programming in the industry," he says. "Some policy-makers would differ, but I also think we're doing at least as good a job of serving local communities as we ever have. We need to figure out how to get credit for all we do on our communities, both as providers of news and service but also as the vanguard in audio entertainment.

"The biggest challenge I see is remaining relevant in the digital world," Reese continues. "We've got to make the IBOC conversion. The combination of digital quality and our loyal local listeners is unbeatable."



McHENRY "MAC" TICHENOR JR.

18

President
Univision Radio

McHenry "Mac" Tichenor became president of Univision Radio following the merger of Hispanic Broadcasting Corp. and Univision Communications Inc. in September 2003. He began his career in Spanish radio in 1979, when he joined Tichenor Media; he became president of the company in 1981.

Tichenor attended the University of Texas at Austin, receiving a BA with honors in 1979 and eventually an MBA, with the Dean's award for Academic Excellence. The University of Texas Graduate Business

Council recognized him as a Distinguished Alumnus in 1987.

An active business and professional leader, Tichenor has served on the University of Texas Leadership Council, Development Board and College of Business Administration Advisory Council. He is a director of the Radio Advertising Bureau and the Texas Association of Broadcasters, and he is an emeritus director and past chairman of the Texas Business Hall of Fame Foundation. Tichenor received the "Broadcaster of the Year" award from the Texas Association of Broadcasters in August 2001 and was inducted into the Texas Radio Hall of Fame in October 2003. Tichenor and his wife, Lisa, live in Dallas with their children, Taylor and Willie. The family is active in the Highland Park United Methodist Church.



STU OLDS

19

CEO
Katz Media Group

As CEO of Katz Media Group, Olds oversees operations for the Katz Radio Group, Clear Channel Radio Sales, the Katz Television Group as well as all corporate departments. A 25-year veteran of the company, Olds was most recently president of Katz Radio Group, a post he held since 1994. In this capacity, he has been instrumental in the company's success, overseeing the creation of divisions such as Katz Dimensions and Katz Hispanic Media. During his tenure as President, KRG billing has increased over 100 percent, to approx-

imately \$1.5 billion annually.

Olds joined Katz Radio's Chicago office in 1977. He was named a vice president of Katz Radio in 1981 and was appointed vice president/manager of the Katz Radio Group Network in 1984. He assumed the presidency of the Katz Radio division in 1987. In 1990, Olds was named executive vice president of the Katz Radio Group. In 1992, he also assumed the duties as general manager. He was named president of the Katz Radio Group in 1994.

In addition to his duties with Katz, Olds is a member of the Radio Advertising Bureau Board, the Bayliss Foundation Board, the International Radio & Television Society, the American Women in Radio and Television, and the Detroit Radio Advertising Group.

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Katz Media Group

World Radio History



PETER H. SMYTH

20

President and CEO
Greater Media, Inc.

Peter Smyth predicts that the radio industry in the second half of 2004 will grow at a rate of 3-4 percent, while Greater Media will grow at a slightly higher rate of 6-8 percent. "We will achieve this growth due to the demographic strength of our stations and our diverse mix of business," he says.

Smyth began his broadcasting career in 1977 as an account executive with WROR-FM in Boston, where he quickly was named local sales manager. In 1978, he was promoted to general sales manager, a

responsibility he held for five years until RKO General, parent company of WROR, recruited him to direct the sales operations of its New York stations.

Smyth joined Greater Media in 1986 as general manager of WMJX-FM in Boston, and was appointed VP/GM the following year. In October 2000, Smyth was appointed to the position of president/COO; in March 2002, he became president/CEO.

Smyth oversees the operations of 19 radio stations (in Boston, Detroit, Philadelphia and the state of New Jersey), 12 weekly newspapers and a printing press in central New Jersey, and a number of communications towers located throughout the United States.



JUDY ELLIS

21

COO
Citadel
Broadcasting

"Our industry needs to place a higher value on our product, and we need to work harder to demonstrate that value to our clients," says Judy Ellis, who joined Citadel in February 2003. "We need to develop and support our people. And we need to be responsible broadcasters while not compromising or impeding any of our First Amendment rights."

Prior to joining Citadel, Ellis was senior vice president/market manager at Emmis Communications, where she was responsible for the company's three New

York stations. She joined Emmis in August 1986, when the company purchased WQHT-FM from Doubleday Broadcasting Company. While at Emmis, she managed one of the most profitable market clusters in the country, having kept all of her stations consistently in the top 10 in the number-one market in the country.

Despite the emergence of new technologies and personal media choices, radio remains the great medium it has always been, Ellis says. "Through all other media competition — such as TV, cable and the Internet — radio still reaches over 90 percent of the entire population on a weekly basis," she observes. "The next step for radio is to support and embrace the technological enhancements to our medium."



CATHERINE HUGHES

22

Founder/
Chairperson
Radio One Inc.

Radio One Inc. is the largest African-American owned and operated broadcast company in the U.S. Its founder, Catherine Hughes, entered the radio business in 1973 as general sales manager at Howard University's WHUR in Washington, DC. In her first year, she raised station revenue from \$200,000 to \$3 million. Two years later, she says, she became the first female VP/GM in the nation's capital and created the format known as the "Quiet Storm."

Hughes purchased WOL-Washington in 1980 and planted the seed for Radio One.

During the early years in the struggle to keep the AM afloat, Hughes and her son, Alfred Liggins, at times slept at the station to save on rent. Her persistence and commitment to the African-American community prevailed, however, and the company now operates 66 stations in 22 markets. In 1999, the company went public, and Hughes again made history by becoming the first African-American woman with a company on the stock exchange.

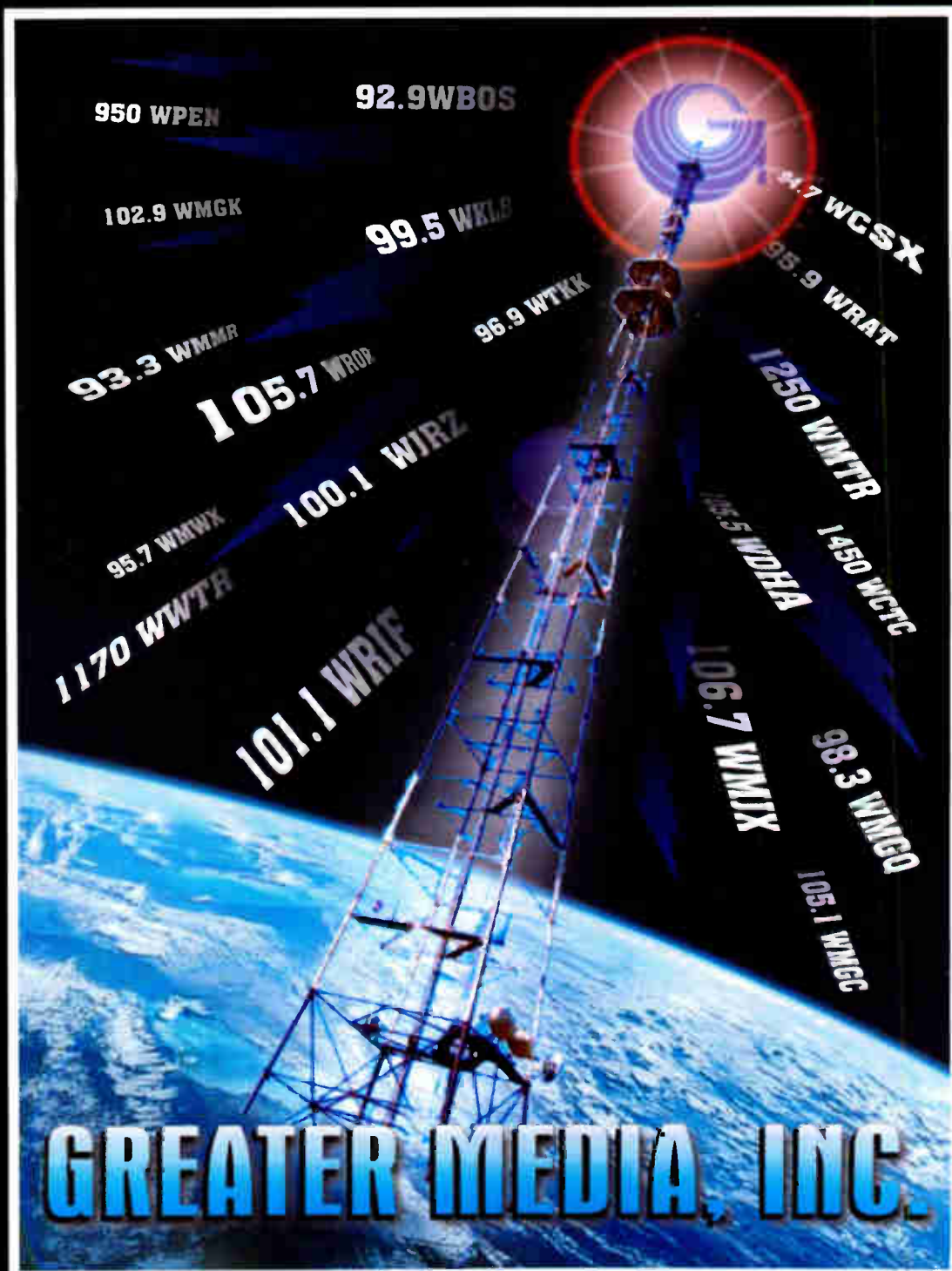
Hughes has received Lifetime Achievement Awards from the National Association of Black Owned Broadcasters and the Washington Area Broadcasters Association, and the National Association of Broadcasters has presented her with its Distinguished Service Award.

Congratulations

To Greater Media, Inc. President / C.E.O.

Peter Smyth

For Being Included On Radio Ink's
"40 Most Powerful People" List
From 19 Very Powerful Radio Stations





ED ATSINGER

23

President/CEO
Salem
Communications
Corp.

"Radio's greatest strength is its ability to combine portability with local programming content in a free, advertising-supported radio context," says Edward Atsinger. "For us, that means not only being a content distributor on our radio platform, but also a content creator as well. This dual role allows us to be nimble when we go into a new market or add a station to an existing market. In the news/talk format, we can put our nationally syndicated personalities on the air right away, thus avoiding the expense and time-consuming delays often associated with

a typical roll-out. There are several reasons to be optimistic about the last half of 2004, and there is no question in my mind that this economic recovery is real and robust, and will continue as far as we can see."

As other media begin to provide more valuable alternatives to radio's strengths, Atsinger says, radio will have to respond creatively and aggressively. "Radio's greatest single challenge remains what it has always been — the need on our part as operators to innovate technological improvements, improve program quality, and minimize clutter," he observes. "If we produce a quality product at a reasonable price while incorporating technological improvement, radio will continue to be the vibrant dynamic medium that it has been since its inception."



JON PINCH

24

Executive Vice
President/COO
Cumulus
Media Inc.

"Cumulus will continue to show growth at or near the top of the radio industry for the remainder of 2004," says Jon Pinch, who joined Cumulus as executive VP/COO in 2000. "Our second quarter will outperform the first quarter. While visibility is limited, I would expect Q3 and Q4 to continue that trend.

"Radio remains an extremely competitive industry," Pinch continues. "I believe that the new media alternatives will actually stimulate creative energies to keep radio fresh. Radio will always have the advantage

of usage anywhere — car, home, office, picnic or ballgame. For this reason, radio will remain competitive the same way it has faced challenge after challenge, decade after decade. It needs to remain local, personal, relevant and intrusive on the product side — and efficient, effective and easy to use on the business side."

The biggest challenge radio faces today, Pinch says, is lack of understanding of the medium's true worth to an advertiser. "Compared to newspaper, for instance, we are ridiculously undervalued," he notes. "We've talked about it for years, but now with consolidation, it should be easier for the large radio companies to coordinate a head-on attack against print."



RALPH GUILD

25

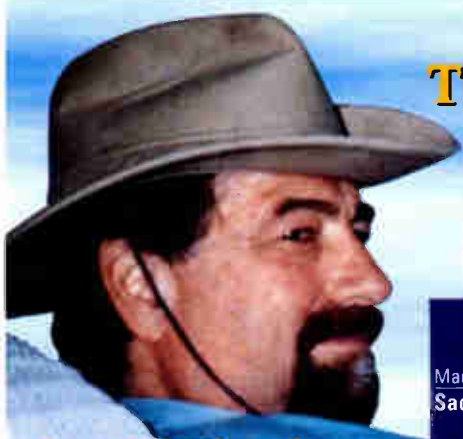
Chairman/CEO
Interop

Interop's total commission revenue for the Q1 2004 dipped 8 percent to \$16.9 million from \$18.3 million for the same period last year, due largely to the cancellation of the company's contract with Citadel. Still, Ralph Guild remains optimistic about the industry's — and Interop's — prospects for the remainder of 2004.

"We saw stronger pacing in the major markets for second-quarter business bookings and are very optimistic that this positive trend will continue," said Guild. "I am pleased to say that we are maintaining our

year-end guidance of mid- to high-single-digit national radio growth in 2004."

Over his 50-year radio career, Guild has received numerous industry accolades. In 1998, he received the Golden Mike Award from the Broadcasters Foundation and was inducted into the Broadcaster's Hall of Fame. In 2000, Howard University honored Guild for his support of its communications graduates and for his pioneering work in creating diversity in the national rep industry. The Black Broadcasters Alliance selected Guild as its 2001 Golden Mike Award honoree for his efforts in supporting African-Americans in attaining their career goals and financial success.



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Winter Ratings Growth

Market	Calls	AQH Share	Fall 2003	Winter 2004	Change	Market	Calls	AQH Share	Fall 2003	Winter 2004	Change
Sacramento	KSTE	P 12+	3.0	5.5	+83%	Cincinnati	WKRC	P 12+	3.9	5.1	+31%
		P 25-54	3.5	5.7	+63%			P 25-54	1.9	4.8	+153%
		P 35-64	4.5	6.8	+51%			P 35-64	4.4	7.1	+61%
Rochester	WHAM	P 12+	13.1	13.5	+3%	Milwaukee	WTMJ	P 12+	14.4	14.6	+1%
		P 25-54	11.8	16.0	+36%			P 25-54	9.9	10.5	+6%
		P 35-64	14.3	21.0	+47%			P 35-64	17.3	13.8	-20%
Portland	KXL	P 12+	4.3	5.3	+23%	San Diego	KFMB	P 12+	3.5	4.3	+23%
		P 25-54	3.7	3.9	+5%			P 25-54	2.9	2.9	0%
		P 35-64	4.4	5.3	+20%			P 35-64	4.4	4.5	+2%
Seattle	KTTH	P 12+	2.1	2.6	+24%	Grand Rapids	WOOD	P 12+	2.6	4.5	+73%
		P 25-54	1.8	2.4	+33%			P 25-54	1.7	4.4	+159%
		P 35-64	2.5	3.2	+28%			P 35-64	2.3	4.4	+91%
Baltimore	WCBM	P 12+	2.8	5.6	+100%	Albany	WGY	P 12+	5.7	8.2	+44%
		P 25-54	0.9	5.0	+456%			P 25-54	5.7	6.3	+11%
		P 35-64	1.5	6.6	+340%			P 35-64	6.2	10.2	+65%
Boston	WRKO	P 12+	5.9	5.4	-8%	Tampa	WWBA	P 12+	1.7	3.0	+76%
		P 25-54	3.7	4.0	+8%			P 25-54	2.8	3.9	+39%
		P 35-64	5.3	6.1	+15%			P 35-64	3.5	4.3	+23%

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GARY FRIES

26

President/CEO
Radio Advertising
Bureau

"Radio will fare well over the course of 2004, with a mid-single-digit increase for the year," predicts Gary Fries, who has served in his current role since 1991. "While we experienced some sluggishness in mid-year, especially in national dollars, I believe the landscape will level out, and Radio will finish off the year with positive results."

Fries says the radio industry is pulling together in a way not seen in the past. "I see group heads from competing companies uniting their energy and

efforts to advance our industry's goal of increasing its share of advertising dollars. Our biggest challenge right now is pricing. We need to stand firm on pricing, with the knowledge that our medium can help our clients sell their products and services. As long as radio is perceived as a commodity sell, and we do not shift to a value sell, we will not be able to maximize our worth and will continue to have the bottom fallout of rates during low demand times."

Another critical issue, Fries says, is the advertising community's perception of the medium. "We are viewed as not having a streamlined back-office system, and not keeping up with competitive media during a time when this is becoming a major issue to the advertiser," he says.



KRAIG KITCHIN

27

President/COO
Premiere Radio
Networks

Kraig Kitchen is one of the founders of Premiere Radio, which launched in October 1987. He began his career at the company as the executive vice president of sales. In 1998 at the age of 37, he assumed his current role and became one of the youngest in the country to run a \$300-million radio company.

"Radio maintains its long-term success by identifying with its core customer, the radio consumer," says Kitchen. "Revisionist thinking on interruptions and commercial loads must take place if we want to maintain the average radio listeners' attention for

three hours a day. Equally important, we have to provide excellent entertainment value for their time investment."

Kitchen observes that radio's greatest challenge is "delivering what we sell to our advertising customer. If we do that consistently, we can elevate the value equation of our inventory and potentially reduce our inventory loads while still maintaining our revenue production goals and needs."

Prior to joining Premiere Radio, Kitchen was sales manager of the Katz Radio Group Network in Los Angeles. He had also served in station management at WFMK-FM in Lansing, MI, and KTYD-FM in Santa Barbara.

A graduate of Michigan State University, Kitchen serves on the board of directors of the Radio Advertising Bureau.



TRAUG KELLER

28

President
ABC Radio
Networks

"Radio's one-to-one connection has always been its strength for advertisers, and it will become an even larger benefit as we move into what will inevitably be an ever-fractioning media landscape," says ABC Radio Networks' Traug Keller. "Radio's success will be determined by its ability to continue to put on the air personalities who create community and loyalty with their listener groups."

Keller says that radio's next great challenge will be "to make sure we stay tuned to how consumers want to get their audio

and to make sure that we are the ones creating that audio content...we also must be more open to how that content is delivered."

Prior to being named president of ABC Radio Networks, Keller was executive VP of advertising sales and marketing for the networks, responsible for all advertising sales. Before joining ABC in 1994, Mr. Keller was New York sales manager for the CBS Radio Networks and held several different marketing and sales positions with the New York Times Company.



SHANE COPPOLA

29

President/CEO
Westwood One

Westwood One's first-quarter net revenues were a record \$129.6 million, compared to \$125.8 million for the first quarter of 2003, an increase of approximately \$3.8 million, or 3 percent. Q1 operating income was a record \$31 million, compared to \$29.2 million in the first quarter of 2003, an increase of approximately \$1.8 million, or 6 percent.

"Westwood One's record first-quarter operating results are indicative of the improvement we have seen, and continue to see, in the advertising marketplace," commented Shane Coppola when the

numbers were released. "We have made investments in additional programs and distribution over the last several quarters, and we expect to experience a benefit in revenues and operating income before depreciation and amortization."

Coppola was named to his current position in May 2003. From 1999-2002, he served as executive vice president of Westwood One; he had been vice president and a board member of Metro Networks from 1992-1999. He was founder and managing partner of Columbus Capital Partners LLC, and he began his career as an associate of the Media Finance Group at The Toronto Dominion Bank. A graduate of the University of Rochester, with an MBA from the Simon School of Business, Coppola lives with his wife and their three children in New York.



JOHN DAVID

30

Executive VP/Radio
National
Association of
Broadcasters

As NAB's top executive for Radio, John David is responsible for much of the interaction with NAB member stations and the Radio Board of Directors. He's been involved directly in the effects of consolidation and technology. "It wasn't long ago that some radio operators came to Washington for annual lobbying trips and asked me why we didn't have any issues for Radio," David recalls. "How that has changed! Take your pick: We have digital radio, responsible programming, spectrum integrity, localism, public interest, ownership."

From NAB's perspective, David says that one of the radio industry's greatest challenges today is sorting out the problems and opportunities created by competition and technology. "Radio can never say 'thank you' enough to the many broadcasters that take the time to communicate with Congress and the FCC," he observes, noting that NAB radio membership is currently at an all-time high level.

David joined NAB in 1989 as vice president of broadcaster congressional relations in NAB Government Relations. In 1992, he became senior vice president of NAB Radio and was promoted in 1998 to executive vice president. He oversees the fall NAB Radio Show as well as all radio content for the spring NAB convention.



MARC MORGAN

31

Executive Vice
President/COO
Cox Radio, Inc.

"We're radio specialists, and that helps us attract the best talent," says Marc Morgan, who was named executive vice president and chief operating officer of Cox Radio in February 2003. "Because people know we are passionate about radio only, they know we can't, and won't, have another higher priority. We have people here who think radio every waking hour...who constantly work on how radio can serve our listeners better; that just naturally translates into doing a better job for our advertisers."

A director of Cox Radio since August 1999, Morgan was vice president and co-chief operating officer from July 1999 to February 2003. Before that, he was senior group vice president of Cox Radio (May '97-June '99) and senior vice president of Cox Radio (July '96-May '97). He was VP/GM of WSB Radio from 1992 to 1998, and VP/GM of WCKG-FM in Chicago from 1984 to 1992. Morgan held various sales and sales management positions with ABC Radio in Chicago and New York from 1973 through 1984. A 1971 graduate of the University of Kentucky, he is married and has two daughters.



32

President and CEO
The Arbitron
Company

STEVE MORRIS

“The last three years have been a very difficult economic environment for radio,” says Morris, who joined Arbitron as president in December 1992. “Radio faces competition on two fronts: competition for its listeners from satellite, the Internet and other media, as well as competition for its ad dollars. Keeping its listeners is a job for radio’s programmers, and we are working on improved information services to help PDs do just that.”

Keeping and increasing radio’s share of ad dollars is a more daunting challenge, Morris adds. “The most important

thing radio can do is to make the medium more accountable to advertisers. Under way are a number of initiatives that the industry must continue to embrace: schedule integrity, EDI, and improvement of the quality and reliability of audience estimates that advertisers use to gauge radio’s effectiveness. Arbitron is doing its part — from developing the Portable People Meter to improving our diary-based services, from improving our software links to traffic and accounting systems to continuing our outreach to advertisers on behalf of radio — all with the goal of increasing advertiser confidence in the medium.”

Before joining Arbitron, Morris was president and CEO of VidCode until the company was sold.



33

President/CEO
Saga
Communications

ED CHRISTIAN

For the first quarter of 2004, Saga Communications’ net operating revenue increased 11.6 percent over the comparable period in 2003, to approximately \$29.2 million. Operating income increased 23.0 percent to approximately \$5.3 million.

“We certainly see local advertising firming and growing,” says Christian, who began his career in 1958 at age 14. “The problem currently for the industry is national advertising, which is either at dead stop or proceeding in a disjointed fashion. If you rely heavily on national, as do most

major markets, it is a difficult time, as there is nothing that a local station can do to effectuate national advertising. It either is or isn’t.”

Christian notes that most broadcasters candidly admit that they aren’t having a lot of fun now. “Because of national problems, rate pressure has been passed down to the local level,” he explains. “The industry as a whole faces some interesting challenges. We must find a way to bring young adults back to our business. The challenge is making radio fun to the 18- to 24-year-olds. We can’t compete with iPod on a music basis; thus we must break through with compelling programming and make it worthwhile to listen to radio — again.”



34

Chairman/CEO
Beasley Broadcast
Group Inc.

GEORGE BEASLEY

“With stronger-than-expected revenue performances across our portfolio, 2004 is off to a solid start,” George Beasley commented in April, when the company announced a 6.3-percent increase in Q1 consolidated net revenue vs. 2003. In fact, Beasley Broadcast Group revenues increased from \$24.5 million in Q1 2003 to \$26.1 million in the same period this year.

“The tone of radio advertising thus far in 2004 has been neutral,” Beasley cautioned. “However, there is a trend within our industry toward improved local rev-

enue growth. A continuation of this trend in 2004 may bode well for our revenue prospects, given our relative strength in this category.”

Beasley says that no matter how the economy and advertising climate play out in 2004, the company “remains squarely focused on operating our stations in the most efficient manner possible.” While certain revenue opportunities sometimes involve higher expenses, he notes: “Our ultimate goal is to increase operating margins, so we scrutinize every dollar spent, with the goal of delivering the highest possible return to our stockholders. This philosophy has served the company well over the past four decades, and I can promise it will continue to serve as our guiding principle going forward.”

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35

President, Radio Division
Emmis Communications

RICK CUMMINGS

“Today, there is a greater spirit of cooperation among radio companies as they see a need for the industry to have and promote advances like HD Radio, electronic invoicing and PPM,” says Rick Cummings. “If we want to be considered a significant force in media, we’ll have to put differences and competitive circumstances aside and work to support these advances.”

Cummings recalls that Larry Brown supported zone defenses in the NBA “because he knew it would be good for the game, even though in the short term, it

likely hurt Alan Iverson and therefore his team. I see more of that kind of attitude now among radio companies than I ever remember seeing.”

Radio’s greatest challenge, Cummings says, “is to remain a force in competing media — or put another way, to avoid becoming viewed as some ‘cottage industry’ and to erode as an effective medium in the eyes of advertisers or in the ears of listeners. If we find or create and nurture great talent — both on air and in management and sales — we will continue to be a force to be reckoned with. If we don’t, we’ll slowly become a less important medium in a world now filled with technology and choice.”



36

President/Radio Division
Jefferson-Pilot Communications

CLARKE BROWN

“We have budgeted to see 8-percent revenue growth in the last half of the year,” says Clarke Brown, who oversees stations in Miami, Charlotte, San Diego, Denver and Atlanta. “Q3 is pacing unevenly with July and slower than August. Q4 is really anybody’s guess, but we are hopeful for some meaningful improvement in the overall economy. If oil prices are stabilized, interest rates remain low, and the employment numbers continue to improve, then I think the second half will be more robust.”

Brown says that radio continues to focus on battling for dollars within the industry and that continues to be the governor preventing industry growth. “Although satellite radio is getting the attention, the real, aggressive emerging competitor for radio dollars is cable,” he explains. “They are using targetability as their primary selling point and are challenging radio directly on this point. Most of their sales hires are former radio sellers.” Radio’s greatest challenge is the oncoming viability of competing technologies, says Brown. “We must deal with this by acknowledging the threat, and countering with better all-around product, production and technical elements — and then we must as an industry meaningfully communicate our advantages.”



37

Chairman/CEO
Regent Communications Inc.

TERRY JACOBS

For the first quarter of 2004, Regent Communications’ net broadcast revenues increased 8.5 percent to \$17.8 million from \$16.4 million reported for first-quarter 2003. For the same period, operating income increased to \$1.4 million from \$871,000.

“We are pleased to report record first-quarter revenue and station operating income, which were above our expectations,” observed Terry Jacobs during the company’s Q1 conference call. “We experienced broad-based strength in local advertising in essentially all of our markets and witnessed an improving advertising environ-

ment as the quarter progressed. We were also successful in converting our top-line performance into significant growth in station operating income and free cash flow, which increased 24 percent and 65 percent respectively.

“These results highlight the benefit of operating leading market stations as well as the tremendous operating leverage inherent in our business,” Jacobs continued. “We are optimistic the environment will continue to improve throughout the year, and are confident in our ability to capitalize on this growth.”

Jacobs founded Jacor Communications in 1979 and, through mergers and acquisitions, built the company into the ninth-largest radio group in 1993. He co-founded Regent Communications in 1993 and sold it to Jacor in 1997; he subsequently founded Regent (II) Communications.

CONGRATULATIONS, CLARKE BROWN

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FROM THE STAFF AT



JEFFERSON PILOT
COMMUNICATIONS

ATLANTA, GA
CHARLOTTE, NC
DENVER, CO
MIAMI, FL
SAN DIEGO, CA





RAUL ALARCON JR.

38

President/CEO/
Chairman
Spanish
Broadcasting
System

Spanish Broadcasting's net revenue for first quarter 2004 was \$29.2 million, compared to \$27.9 million for the same prior-year period, resulting in net revenue growth of 4.7 percent.

"Our first-quarter results exceeded our expectations, reflecting the exceptional ratings position of our top-10 market assets in a rebounding advertising market," commented Raul Alarcon. "Leveraging our continued strong ratings, coupled with the expansion of our station group in 2003, we generated increased revenues in Los

Angeles, Chicago and Miami. The momentum has continued into the second quarter in these key markets, and we expect our future revenue generation to be bolstered by the recent addition of radio personality Renan Almendarez Coello to KLAX-FM in Los Angeles."

Alarcon said the company also sees improving revenue trends in New York: "We are well positioned to capitalize, given our rating leadership position," he observed. "Supported by the investments we made in our station group, programming and management resources in the past year, we remain focused on pursuing our primary long-term goal, which is to drive revenues and close the gap between Hispanic media industry ratings and revenue across all our markets."



SKIP WELLER

39

President
NextMedia Group

For the first quarter of 2004, NextMedia posted net revenues of \$24.4 million, a 3.4-percent increase over the \$23.6 million brought in during same period last year. The company's radio division delivered \$16.6 million of this, a 3.8 percent gain over the \$16 million generated in Q1 2003. Broadcast cash flow for the radio division was \$5.7 million.

"Radio's greatest strength is that it is local, local, local," says Skip Weller, who co-founded NextMedia. "In order for radio to remain competitive, we must listen to our research and get back to what makes radio a

great medium. That means taking chances and having fewer cookie-cutter and homogenized formats. Make it 'live and local,' and make sure we really super-serve the local communities, rather than just saying we do."

Weller has 26+ years of broadcasting experience. Prior to co-founding NextMedia, he was executive vice president/regional manager for Chancellor Media Corporation/AM-FM, where he oversaw 24 radio stations in Denver, Phoenix, Pittsburgh, Long Island and Sacramento. He played a significant role in the formation of Chancellor in 1996 and assisted in the subsequent IPO. Before joining Chancellor, he was VP/GM for the Tribune Broadcasting Company, where he was responsible for the company's Denver radio operations.



GEORGE PINE

40

CO-President/
Co-COO
Interrep

During his 37-year career in radio, George Pine has become known as one of the industry's leading sales and marketing executives. He oversees all of the company's radio representation firms. He is also responsible for client development, client service, performance evaluation of the presidents and regional executives, share performance at agencies, and the achievement of new-business development goals.

Prior to assuming this position, he was president of ABC Radio Sales, an Interrep company. Previously, Pine managed Interrep's entire eastern region, which includes the

New York, Boston and Philadelphia offices. He was responsible for the region's profits, client shares and overall agency performance, and developed new and innovative selling strategies for client stations.

Pine began his national radio sales career with McGavren Guild Radio in 1973 as an account executive in the New York office. After a series of promotions, in 1985 he was named executive vice president of the New York region. In 1989, he was appointed a regional executive for Interrep/New York and in 1993 became president of Interrep East. A graduate of Ithaca College with a bachelor's degree in communications, he began his career with Ogilvy & Mather Advertising.

Hit Your Market!

Founded in 1983, Spanish Broadcasting System is the nation's largest Hispanic radio broadcaster. The Company currently owns and/or operates 25 radio stations located in six of the nation's top-ten Hispanic markets, including Los Angeles, Puerto Rico, New York, Miami, San Francisco and Chicago.

Spanish Broadcasting's mission is to serve the Hispanic audiences in the top U.S. Hispanic markets and the advertisers that target their dynamic purchasing power.



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WWW.SPANISHBROADCASTING.COM

World Radio History

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BUMMPED

FROM
THE
LIST



JOSEPH FIELD
Last Year: #20

It's been said that the mark of a great manager is to groom someone to take over someday in your role within the company. That's exactly what Joseph Field deftly engineered over the past few years, as he bestowed more and more

corporate responsibility on his son, David J. Field. Now that the younger Field is operating Entercom on a day-to-day basis, *Radio Ink* essentially "retired" Entercom's chairman and founder so that another able-bodied executive could be added to this esteemed list.



CARL GARDNER
Last Year: #36

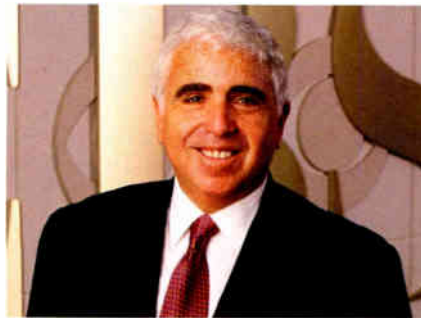
Gardner was named to the list of the 40 Most Powerful People in Radio last year largely on his position as chairman of NAB's Radio Board of Directors.

Now that he has been replaced in that role by Bonneville International's Bruce Reece, he has returned full-time to his position as president of Journal Broadcast Group's Radio Division president — and in so doing left a vacancy on the list.

MEL KARMAZIN
Last Year: #2

It was just over a month ago that Viacom President/Chief Operating Officer Mel Karmazin announced that he would be vacating his corner

office at Black Rock and, of course, relinquishing his long-term command over Infinity Broadcasting. No one really expects him to remain idle for long, and there's a strong chance that he once again could find himself in control of a media enterprise that operates radio stations. Until that day arrives, however, Mel Karmazin is off our list.



WATCH

PEOPLE
TO

JOSEPH CLAYTON
President/CEO
Sirius Satellite
Radio

Despite a shaky start and a share price that temporarily dipped below \$1.00 on the NASDAQ, Sirius has begun to settle in as a player in the two-horse satellite radio race. While subscription numbers and revenues still are far short of where President/CEO Joseph



Clayton wants and expects them to be, the company is making gains in listeners and visibility on the national consumer front. Watch this space.



HUGH PANERO
President/CEO
XM Satellite

Just last month, XM announced it had crossed the 2-million-listener threshold, and President/CEO Hugh Panero maintained that the company was on

target to meet its listenership and revenue numbers for this year. While still a far cry from having a commanding market share in the new (and limited) satellite radio space, the company is leading the charge — and investors appear confident that, with its share price stable at around \$23 per share, XM will remain a strong media contender.



MARK MASTERS
CEO
Talk Radio Network

With such talk show hosts as Michael Savage, Laura Ingraham and Rusty Humphries currently in his programming stable, Mark Masters seems in command of his

network destiny. As the U.S. electorate becomes more and more divided politically, and as the country heads toward a hotly contested election, talk radio programming will become increasingly contentious — and fascinating. Masters is definitely one to watch.



Research Directions

A quarterly publication of Research Director Inc.

Summer 2004

Reliability of Audience Estimates: Who Cares?

"Are these ratings real?" Everyone wants to believe the ratings when they're up, and question them when they're down. So how can you tell? The primary ingredient that creates bounce in audience estimates is small sample size, which directly relates to the reliability of the estimate. Reliability is one of the statistical measures that tells you the quality of the survey.

So who cares?

- ▶ Advertisers care because they are the ones investing in the medium and they want the best possible audience estimate.
- ▶ Sales people care because it is easier to sell consistent ratings than those with an unexplainable bounce.
- ▶ Programmers care because they want to know that the decisions they are making are based on estimates that can be replicated if the survey was taken again. In other words, was the change real or due to limitations of sampling?

Research Director Inc. has worked with client radio stations who have suffered a devastating Arbitron report and were forced to demonstrate reliability to advertisers. "I remember one case," reflects Rhody Bosley, a partner in Research Director Inc., "when the client was a perennial first place station, but this particular Spring survey the station dropped to number 5. We were able to demonstrate that the

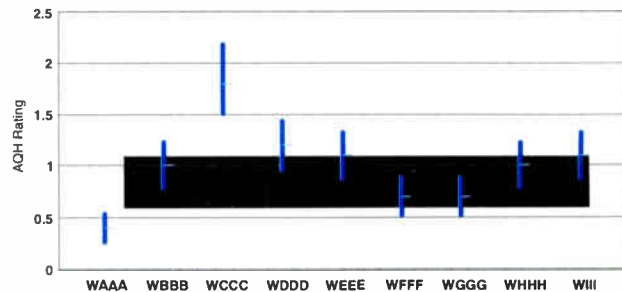
station's previous rank and the current rank could have statistically been the same number. While this may not be an easy sell, it did provide a plausible excuse to clients and granted the station time to sell through the bad book and wait for the next book to be released."

In another case shown in the chart on this page, several stations were very close in ratings but agencies were seeking the "x top stations" as usual. The issue for the station was how to get the buyer to look at their station, which had a lower rank in the ratings. Research Director Inc. produced a chart that showed: (1) the leading station in the market was clearly out in front, (2) the next five stations [one of which was the client station] were so close in ratings that they all fell within a 95% confidence interval. This helped convince the buyer to consider factors other than absolute rank.

Reliability is an important measure of survey quality. In the case of Arbitron radio audience estimates, special studies have been conducted to produce tables in the back of the printed report that permit the user to calculate the reliability of the individual audience estimates. This can be very useful in positioning a bad book.

- ▶ Reliability is the statistical measure of sampling error
- ▶ Reliability tables in the back of the Arbitron printed report can be used to sell through a bad book
- ▶ Understanding reliability helps you be the market expert

Reliability: Top 9 stations P 12+, M-S 6A-12M, Metro



The radio stations represented here are those with the highest P12+ Mon-Sun 6AM-12 Mid AQH rating. The range of error was calculated using published Arbitron values. The box highlights all radio stations whose 95% confidence interval falls within that of the client station. The actual rating is shown with a horizontal line on each vertical bar. We can be fairly certain that WCCC's rating is higher than WBBB's, and WBBB beats WAAA. But due to the reliability of this particular sample, there is no statistical difference between the ratings for WBBB and the remaining stations.

Research Director Inc.
the ratings experts™

914 Bay Ridge Road • Suite 215 • Annapolis, MD 21403

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Feel free to share this newsletter with colleagues and friends. We only ask that when you do so, please source Research Director Inc.

Clients are Winners at the NAB

The winners of the National Association of Broadcasters 2004 Crystal Radio Award competition were announced at the recent convention in Las Vegas. Established in 1987, the award recognizes the efforts of radio stations to improve the quality of life in their respective markets. The pool of finalists was narrowed to 40 and then 10 were selected to be given the award. Research Director Inc's partners and market specialists are pleased that 6 of the 10 winners are on the company's client list.



(Back row, l-r) Dan Seeman, President/General Manager, WDEL, Wilmington, DE; Jerry Schnacke, Vice President/General Manager, WDRV, Chicago, IL; Rolland Johnson, Chairman/CEO, Three Eagles Communications, KFOR, Lincoln, NE
(Front row, l-r) David Kennedy, President, Susquehanna Radio, KFOG, San Francisco, CA; Bill Lueth, Operations Manager, KDFC, San Francisco, CA; Cris Ohr, Vice President/General Manager, WLUP, Chicago, IL; Jim Lerch, Program Director, WSYR, Syracuse, NY; Leighton Peck, Program Director, KSTP-FM, Minneapolis, MN.
Not pictured: KSTZ, Des Moines, IA.

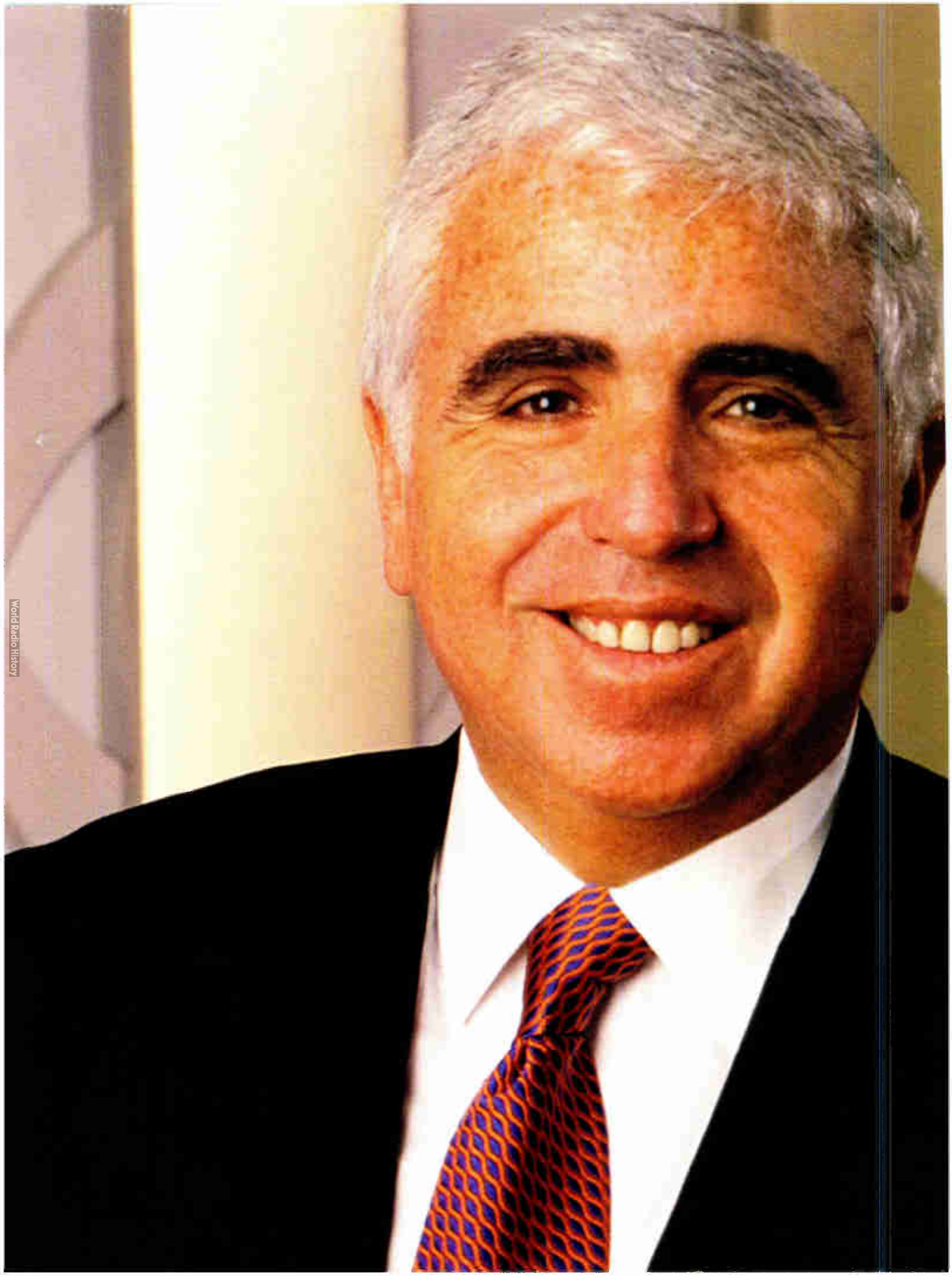


914 Bay Ridge Road, Suite 215
Annapolis, MD 21403

Most Powerful People

IN RADIO 1996-2003

	2004	2003	2002	2001	2000	1999	1998	1997	1996
Raul Alarcon Jr., Spanish Broadcasting	38	39	26	24	27	27	—	30	—
Lyn Andrews, ABC Radio Networks	—	—	—	—	—	39	—	—	—
Edward Atsinger, Salem Communications	23	28	36	40	26	28	36	37	—
George Beasley, Beasley Broadcasting	34	35	40	—	38	—	—	39	33
Steve Berger, Pres. Nationwide Comm.	—	—	—	—	—	—	—	28	21
Don Bouloukos, Infinity Broadcasting	—	—	32	35	25	30	28	—	—
Pierre Bouvard, Arbitron	—	—	38	39	—	—	—	—	—
Alan Box, EZ Communications	—	—	—	—	—	—	—	—	25
Clarke Brown, Jefferson-Pilot	36	29	34	27	29	35	39	35	36
William Bungeroth, Cumulus	—	—	—	—	—	—	31	—	—
Robert Callahan, CBS	—	—	—	—	—	—	9	9	4
Ed Christian, Saga Communications	33	31	39	—	32	36	26	40	—
Kerby Confer, Sinclair Radio Div.	—	—	—	—	—	—	38	—	31
Shane Coppola, Westwood One	29	37	—	—	—	—	—	—	—
David Crowl, Clear Channel Radio	—	—	29	30	—	—	—	—	—
John Cullen, AMFM	—	—	—	—	—	40	32	—	—
Rick Cummings	35	—	—	—	—	—	—	—	—
John David, NAB	30	30	37	37	35	—	—	—	—
Jim de Castro, Chancellor Media	—	—	—	—	—	3	3	17	—
Harry Demott, Credit Suisse First Boston	—	—	—	—	—	—	—	24	34
Lew Dickey, Cumulus Media	9	9	12	21	17	21	29	—	—
Steven Dinetz, Chancellor	—	—	—	—	—	—	—	8	11
Steven Dodge, American Radio Systems	—	—	—	—	—	—	—	6	7
Barry Drake, Sinclair Radio	—	—	—	—	—	33	40	—	—
Judy Ellis, Citadel Broadcasting Corp.	21	32	—	—	—	—	—	—	—
Dick Ferguson, Cox Radio	—	—	35	36	—	—	—	—	19
Mike Ferrel, SFX Broadcasting	—	—	—	—	—	—	—	21	—
Paul Fiddick, Heritage Media	—	—	—	—	—	—	—	—	32
David Field, Entercom	9	15	16	18	33	—	—	—	—
Joseph Field, Entercom	—	20	19	11	11	13	27	29	—
Bill Figneshu, Infinity	—	—	30	32	40	—	—	—	23
Gary Fries, RAB	26	19	20	20	23	22	22	19	20
Edward Fritts, NAB	16	18	18	16	10	19	20	23	29
John Fullam, Clear Channel	—	—	—	34	—	—	—	—	—
Carl Gardner, Journal Broadcasting	—	36	—	—	39	—	—	—	—
John Gehron, Infinity Broadcasting	—	—	—	24	24	23	—	—	—
Scott Ginsburg, Chancellor	—	—	—	—	—	—	—	4	5
Ralph Guild, Interop	25	21	21	19	16	18	18	18	15
John Hare, ABC Radio	13	14	14	12	9	9	—	—	—
Steve Hicks, AMFM	—	—	—	—	—	29	4	7	22
Tom Hicks, Hicks, Muse, Tate & Furst	—	—	—	—	—	4	1	1	16
John Hogan, Clear Channel	4	4	8	26	—	—	—	—	—
Joel Hollander, Infinity Broadcasting	5	7	25	31	34	37	—	—	—
Catherine Hughes, Radio One	22	13	24	29	28	—	—	—	—
Reed Hundt, FCC	—	—	—	—	—	—	—	—	12
Don Imus	—	—	—	—	—	—	—	32	—
Terry Jacobs, Regent Communications	37	38	—	—	37	—	—	—	—
David Kantor, AMFM	—	—	—	—	—	26	25	26	27
Mel Karmazin, Viacom	—	2	2	2	2	1	2	3	1
Traug Keller, ABC Radio Networks	28	25	31	—	—	—	—	—	—
David Kennedy, Susquehanna	15	17	15	15	15	15	30	33	37
Kraig Kitchin, Premiere Radio	27	23	23	25	30	32	—	—	—
Joel Klein, U.S. Dept. of Justice	—	—	—	—	—	—	—	22	—
Robert Lawrence, Jacor	—	—	—	—	—	—	10	—	—
Alfred Liggins, Radio One	14	10	13	13	20	31	—	—	—
Rush Limbaugh	—	—	—	—	—	—	15	13	10
Jeffrey Marcus, Chancellor	—	—	—	—	—	—	8	—	—
Dan Mason, Infinity	—	—	4	6	4	5	11	16	6
Lowry Mays, Clear Channel	1	1	1	1	1	2	5	5	2
Mark Mays, Clear Channel	2	3	3	3	3	6	12	—	—
Randall Mays, Clear Channel	8	6	5	5	5	10	—	—	—
Randy Michaels, Clear Channel	—	—	6	7	6	8	6	2	3
Thomas Milewski, Greater Media	—	—	—	—	—	—	35	36	39
Marc Morgan, Cox Radio	31	34	—	—	—	—	—	—	—
Steve Morris, Arbitron	32	24	—	—	36	38	33	31	26
Bob Neil, Cox Radio	12	8	10	8	12	11	14	14	14
Kenny O'Keefe, AMFM	—	—	—	—	7	7	—	—	—
Stu Olds, Katz Media Group	19	22	22	17	22	23	24	27	18
Lowell "Bud" Paxson, Paxson Comm.	—	—	—	—	—	—	—	—	13
David Pearlman, Infinity	—	—	27	23	19	20	21	—	30
Jon Pinch, Cumulus Media	24	33	—	—	—	—	—	—	—
George Pine, Interop	40	—	—	—	—	—	—	—	—
Michael Powell, FCC	6	—	—	38	—	—	—	—	—
Bruce Reese, Bonneville Intl. Corp.	17	27	33	22	31	34	34	38	40
Doyle Rose, Emmis	—	—	—	28	21	25	—	—	—
Dr. Laura Schlessinger	—	—	—	—	—	—	19	34	—
Robert Sillerman, SFX Broadcasting	—	—	—	—	—	—	—	10	8
Jeffrey Smulyan, Emmis Communications	10	11	9	10	8	16	17	25	17
Peter Smyth, Greater Media	20	26	28	33	—	—	—	—	—
Howard Stern	—	—	—	—	—	—	37	11	9
Farid Suleman, Citadel	11	12	11	4	—	—	—	—	—
John Sykes, Infinity	3	5	7	—	—	—	—	—	—
Mac Tichenor Jr., Univision	18	16	17	14	13	12	13	15	28
Wayne Vriesman, Tribune Co.	—	—	—	—	—	—	—	—	38
Richard Weening, Cumulus	—	—	—	—	18	17	—	—	—
Skip Weller, Next Media Group	39	40	—	—	—	—	—	—	—
Lawrence Wilson, Citadel	—	—	—	9	14	14	16	20	35
Frank "Bo" Wood, Secret Comm.	—	—	—	—	—	—	—	—	24
Sam Zell, Jacor	—	—	—	—	—	—	7	12	—



M E L K A R M A Z I N

A Lifetime Leadership

By Reed Bunzel, Editor-In-Chief

Each year, Radio Ink identifies an individual who has committed his or her career to the radio business and has dedicated a lifetime of service to this industry. For 2004, Radio Ink unanimously selected former Viacom president/COO Mel Karmazin to receive this award.

The news took many people by surprise, even though Wall Street — and myriad media pundits — had been talking about the possibility for over a year. On June 1, Viacom President/Chief Operating Officer Mel Karmazin announced that he would be vacating his corner office at Black Rock to seek his fortune and to “pursue other interests.” Of course, the fortune part is only figurative, as Karmazin already has amassed \$500 million in assets during his 40-year career. The “interests” part is what has investment bankers, fund managers and corporate board chairmen fascinated (and in some cases, highly nervous). Word has it that a “Mel Pool” has participants betting on Karmazin’s next move.

But let’s not get ahead of ourselves. The son of first-generation Americans, Melvin A. Karmazin was born in 1943 in Queens, New York, and was raised in a housing development in New York’s Long Island City. His late father was a taxi driver, and his mother worked in a curtain-rod factory. After finishing high school, the young Karmazin landed a job at the Irwin Zlowe ad agency, working his way up to media buyer while attending Pace University, where he earned

a degree in marketing. He began his radio career as an account executive at WCBS-AM New York in 1967, and steadily worked his way through the ranks, demonstrating a sales prowess that continues to this day.

Karmazin remained at WCBS for three years, leaving in 1970, when his bosses tried to scale back the \$70,000 he was earning in compensation and commissions. He spent the next 11 years with John Kluge’s Metromedia, assuming more and more responsibilities until eventually he was managing the company’s New York cash cows, WNEW-AM and FM. When Karmazin offered to manage one of the company’s television properties, however, his request was rejected, and he started exploring other options. After all, what did he know about TV?

Meanwhile, Michael Wiener and Gerald Carrus — a pair of Metromedia executives who had watched Kluge purchase “oceanfront” radio properties in major markets — set out on their own and founded Infinity Broadcasting. Realizing they needed someone to run the properties, they approached Karmazin, offering to match his salary of \$125,000 and give him 1 percent of the » 72



Linda Chavez

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Mel has had a great career, of which the last chapter has not yet been written. Early on, he understood the value of radio franchises and wasn't afraid to pay for them. As a result, he assembled one of the best collections of assets in the industry, and subsequently played a key role in media consolidation.

— Lew Dickey, Cumulus Media

company's equity up front. A persuader in Karmazin's contract was the promise of a red Mercedes, which the patriotic Kluge (who bought only Detroit-made Cadillacs) had refused to provide him.

Once he arrived at Infinity, Karmazin quickly caught the eye of Wall Street. He was a sharp businessman, knew the acquisitions game and was extremely astute in the way he operated the company's properties. From 1981 to 1996, when the Telecommunications Act opened the floodgates on radio consolidation, Karmazin took the company from six stations to 44. During that 15-year stretch, he also managed to lure Howard Stern and Don Imus into the fold, providing the national platforms they wanted. Reportedly an early condition of their contracts: Neither was allowed to mention Karmazin's name on the air.

In 1986, Karmazin hired Farid Suleman — now chairman and CEO of Citadel Communications — to help him take the company public, then private again. In 1992, he took it public once more. Amazingly, the shares issued that year at \$17.50 were valued at \$170 in 1997, when Infinity was acquired by CBS for stock.

AN EYE ON CBS

In 1996, Karmazin approached CBS Chairman Michael Jordan with an offer to purchase the company's radio stations; Jordan promptly said, "No." Karmazin countered with an offer to sell Infinity to CBS with the proviso that he — Karmazin — be put in charge of the group. Jordan agreed, and CBS paid \$4.9 billion in stock for Infinity, adding Karmazin to the board and making him the largest individual shareholder. In January 1997, Karmazin merged Infinity into CBS, where he subsequently was named chairman/CEO of CBS Radio.

Four months later, he became chairman/CEO of the CBS Station Group, overseeing the network's radio and television properties. President and chief operating officer of CBS from April 1998 until January 1999, Karmazin was named president/COO of Viacom in May 2000, following the merger of

the two companies. In that role he oversaw such properties as MTV, Nickelodeon, VH1, BET, Paramount Pictures, Viacom Outdoor, Infinity Broadcasting, UPN, Spike TV, TV Land, CMT: Country Music Television, Comedy Central, Showtime, Blockbuster and Simon & Schuster.

Over the years, Karmazin emerged as one of the most effective operating executives in the media industry. As a result of his sometimes-coarse management style, unbridled enthusiasm to make a buck, and an undying need to come out on top, Karmazin made himself and his investors a lot of money. Despite (or maybe because of) his departure from Viacom, Wall Street remains impressed by his ability to drive cash flow to the bottom line, while many employees are alternately inspired by and terrified of him. Stories of his frugality abound. He has been known to fly coach, he replaced the employee pension plan with a stock option plan, and he doubled the number of station salespeople, adding people who did not come from TV sales and thus wouldn't have the "order-taker" mentality he is said to despise. One story that still circulates at CBS is that, after perusing a station manager's expense account, Karmazin chastised him with the comment, "Don't you have anything better to do than take an intern to lunch?" He also cut two of CBS's private jets and reduced the kitchen staff at Black Rock, CBS's headquarters.

Karmazin's leadership style "is blunt as a punch in the nose," CBS Evening News anchor Dan Rather once told *BusinessWeek*. "Direct, but mixed with an ability to listen."

LOVE-HATE RELATIONSHIP

Love him or hate him — and any informal poll of his contacts over the years might be split evenly on this issue — there's no question that much of what Karmazin has touched has yielded gold. It involved hard work, though, as many station managers, whose annual budgets required double-digit revenue gains, will attest. Even in the months following the attack on the World Trade Center, Karmazin rode his employees hard, incurring some executive blood-letting when

quarterly numbers proved disappointing and ultimate responsibility was assessed.

It was during this tumultuous post-9/11 period that Karmazin's displeasure with Viacom's operations (and succession plan) became known. During the first few months of 2003, the media were full of stories speculating that he was ready to walk when his contract expired. Even Viacom Chairman Sumner Redstone, who privately was said to believe that he had given Karmazin too much power, worried about a Wall Street backlash if Karmazin was not persuaded to remain on board.

All that speculation (and trepidation, on the part of many stockholders) apparently ended when Redstone announced that he and Karmazin had come to terms, inking a new deal that was to keep Karmazin in place at least through May 2007. At the time, Viacom insiders said that a sticking point in the contract talks had been Karmazin's demand that his power at the company not be diluted by Redstone, who clearly was con-

cerned that he may have relinquished too much of his own power when Karmazin joined the company following the merger with CBS in 2000.

Six months after Karmazin and Redstone buried the hatchet, Viacom began to ride the tide of a rising economy. Earlier this year, the two men jointly announced that the company's first-quarter 2004 revenues increased 12 percent to a record \$6.8 billion from \$6.1 billion for the same quarter last year. Contributing to 2004 first-quarter results was a 21 percent gain in overall advertising revenues, which totaled \$3.2 billion. First-quarter operating income increased 20 percent to \$1.2 billion from \$987 million, led by strong growth of 24 percent in cable networks, 38 percent in television and 55 percent in the entertainment segment.

Infinity Broadcasting, which had been struggling even before 9/11, managed a 3-percent gain in Q1 revenues. The radio division posted first-quarter revenues of

"Mel is the ultimate teacher. He made me a better businessperson just working with him day to day. Nobody is more passionate and dedicated to shareholder value than Mel. If he goes to a public company, I'll buy stock on day one. It will be interesting to see what he does next."

Dan Mason, Dan Mason LLC



Mel Karmazin



Shmuley

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\$455.1 million; operating income increased 5 percent to \$199 million from \$191 million; and the company's top 10 radio markets, paced by New York, Los Angeles, San Francisco and Boston, grew revenues 6 percent.

"Our best-ever first-quarter results highlight Viacom's ability to grow revenues, pick up market share and maximize our leading positions in the fastest-growing advertiser-supported media businesses," commented Karmazin during a conference call at that time. "Equally important, we demonstrated our superior capability to leverage this growth into strong bottom-line results, while continuing to expand our margins. Our overall advertising revenues in the first quarter grew 21 percent...[and] our radio operations also turned in revenue increases, a significant and positive indicator of the building revival of

local advertising in key markets. Advertising is a great business, with excellent growth prospects in 2004 and well beyond. In the near term, we have the 2004 elections and the tightening of demand for advertising caused by the Summer Olympics, as well as the strengthening economic environment. In the long term, we see an escalating need for companies to use advertising to introduce new products and create and maintain strong brands in an increasingly competitive and crowded marketplace."

Less than a month later, however, there was growing speculation that Karmazin was increasingly dissatisfied with his position inside the Viacom environment. His discontent was fueled largely by the lack of a clear succession plan that one day would let him ascend to the top slot at the company, currently

occupied by Redstone. Observations that Redstone might be grooming his daughter, Midway Vice Chairman Shari Redstone, to grab that brass ring did little to ease his concerns. Additionally, Karmazin reportedly was upset with Viacom's share price, which was nowhere near where he believed it could — and should — be. Insiders say he was concerned that Redstone was too focused on acquisitions, when operations needed primary attention.

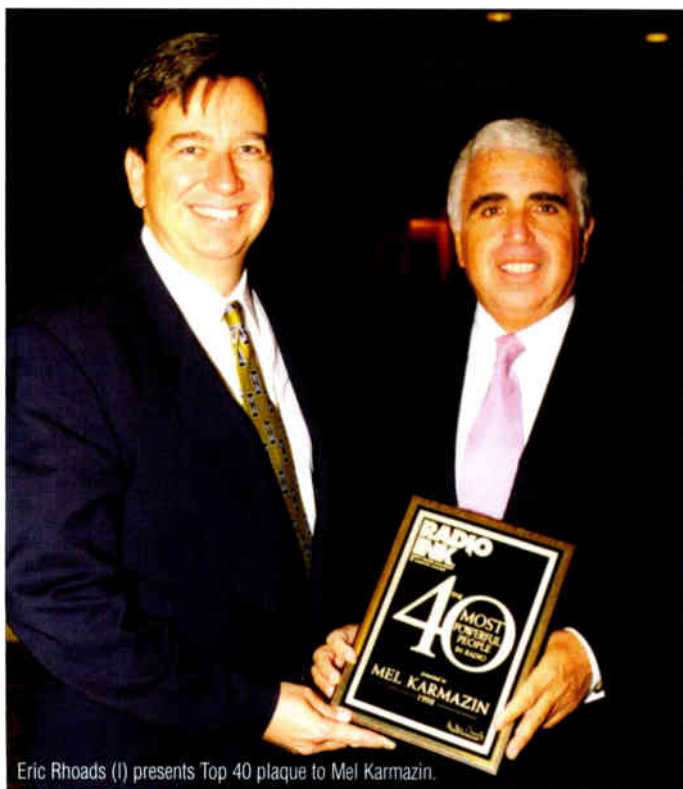
INDECENT PROPOSAL

Amidst all this, on the first Sunday in February, there was a "wardrobe malfunction" on Karmazin's watch. After all, it was Viacom's MTV division that produced this year's controversial Super Bowl half-time show with Janet Jackson's momentary nipple exposure. While the performance might appear to be "much ado about nothing," the election-year political winds already howling around Washington seized the issue and took off with it.

Ever-mindful of both share price and the First Amendment, Karmazin found himself in an unenviable position: having to defend shock jock Howard Stern and other performers whom many media critics believed to be purveyors of on-air indecency, while simultaneously pumping up the company's value on Wall Street. Unlike such other companies as Clear Channel and Emmis Communications, which immediately put the kibosh on programming that the FCC might deem indecent, Karmazin defended Stern on

Mel Karmazin is regarded as a money-maker by Wall Street. He successfully took Infinity public three times — a record for a New York Stock Exchange company. He agreed to manage Westwood "One-and-three-eighths" and made that company and stock a winner. He also orchestrated the mergers of CBS and Infinity, and CBS and Viacom. He is a smart, tough manager who understands operations, the income statement, balance sheet and Wall Street."

Drew Marcus, Deutsche Bank Securities



Eric Rhoads (I) presents Top 40 plaque to Mel Karmazin.

A True Radio Pioneer

Mel Karmazin is a pioneer in the American Radio landscape. His intense focus and tough negotiating style at Infinity-CBS-Viacom gave him the ability to build an incredible organization with accelerated and unparalleled growth. Though stories of Mel's brash moments have become folklore, his managers have stuck with him — in many cases for decades — because he provided the tools for success, and when they succeeded, he rewarded them well. Of course, when they failed, he was extremely tough.

Although Mel held many employees' feet to the fire on issues of top-line growth and expense management, he managed to keep Infinity a company that consistently held talent in high regard. He has always invested in talent and stood behind those in whom he believes. While many other broadcast companies have scaled way back in the talent department, Mel has been less prone to cut into what he believes is a critical driver of radio listening: talent.

Radio Ink's Lifetime Leadership Award is not a popularity contest; it is recognition for great contributions to the industry. We applaud Mel Karmazin for what he built, for maintaining high standards in his on-air product, and for his ability to create what became one of the most powerful and effective radio companies in America. Though we cannot predict where he will land, we believe we have not seen the last of Mel Karmazin. — *B. Eric Rhoads*

Mel has made a big difference in radio. He raised everyone's operational and programming standards because you knew you had to be at your best to compete against him. He raised the public's perception of our industry by demanding quality and never hesitated to take the lead on First Amendment issues. And he raised Wall Street's appraisal of radio by demonstrating that the sector includes innovative and well-run companies that build value for investors.

— Jeff Smulyan, *Emmis Communications*

grounds of freedom of speech.

During an interview at a forum sponsored by the S.I. Newhouse School of Public Communications, he noted, "We are fighting in Iraq for freedom... If it doesn't appeal to you, shut the radio off. Just because you don't like the words 'anal sex' doesn't make it indecent." Noting that "many journalists have not been supportive of the First Amendment," he said that "we think it is a very slippery slope." He insisted that Viacom doesn't broadcast "indecentcy," which he said was defined by the FCC as "a discussion of sex or excretory matter with a patently offensive manner."

Though Redstone recently has said that Stern will be welcome at Infinity (a good thing, since he still has a contract), the "king of all media" threatened to bolt if Karmazin resigned. No one's taking bets on whether Howard Stern will make good on this threat (promise?), but the statement alone indicates how much he believes he owes to Karmazin.

WHAT'S NEXT?

Now that he's free to weigh business options, Karmazin is being courted by a gaggle of investment bankers and private equity fund managers who are eager and willing to help him build his own media kingdom from scratch, if he chooses to pursue that angle.

Karmazin has said little in public about the "whys" and "wherefores" of his resignation, but he did mention in a statement that "personal and professional reasons" led to his departure, and he wanted to pursue "other interests." Without a non-compete clause in Karmazin's Viacom contract, he is free to join a competitor — a fact that has fueled speculation that he could join another high-profile media conglomerate. In the interim, Karmazin will remain at Viacom as a consultant through July.

Karmazin's sudden resignation quickly sent shockwaves through the media industry, and investment bankers, fund managers,

and even some high-ranking executives quickly began a corporate mating dance that continues today. Karmazin's resignation is said to have prompted Walt Disney Company Chairman George Mitchell quickly to express his confidence in Michael Eisner and the rest of Disney's management. When dissident Disney shareholders Roy Disney and Stanley Gold called for the board of directors to look at Karmazin as a replacement for Eisner, Mitchell proclaimed: "The board has complete confidence in the current management."

Despite his tremendous business success, Karmazin has never been one to flaunt his wealth or its trappings. He raised his two children in the modest community of North Brunswick, NJ; only after a divorce did he move into his Manhattan apartment. He once said that he made more money than he'll ever need from the Metromedia stock options in the 1970s. "He's very frugal about business and even in his own social life," Kluge told *Newsday*. While Karmazin's stake in Viacom is now estimated at more than \$400 million, Kluge says that "he acts like it's \$40,000."

Mel Karmazin is simply a solid businessman who's been hard-wired for success, and he has the desire, drive and determination to achieve what he wants. Some who read this profile will believe that Karmazin single-handedly changed the face of radio broadcasting from what they once loved to what they now fear, and they will criticize *Radio Ink's* selection of him for a Lifetime Leadership Award.

But also without question, Mel Karmazin long ago had a vision for what he could do in the radio industry, and he accomplished in grand fashion what he set out to do. No change is achieved without the push of a strong individual, and Karmazin is a man who has pushed us all.

Congratulations, Mel, on receiving this year's Lifetime Leadership Award. 📧

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SEEK YOUR ENTHUSIASM

By Michael Tate

Every day, there are many mundane decisions to make, many challenges to overcome, and many burdens to bear. We can easily lose our focus and perspective of what's important. However, if we connect with the enthusiasm rooted deep within us, we will always know which way to go and what to do.

Action is always a very good catalyst to spark enthusiasm. Make a decision, get active, and enthusiasm won't be far behind.

Remember that enthusiasm moves from the inside out, not the other way around. Don't seek outside stimulus — look within. Ultimately, no one else can motivate you except you. This is your job, and it's an inside one.

Life will always be as we choose to see it, because perception is everything. We can focus our attention on the problems and circumstances that surround us, or we can keep our eyes on the opportunities and answers presented to us.

Seek your enthusiasm today. Sell without regret.

Michael Tate is president of RadioDCL, a radio sales and management consulting firm. He may be reached at 866-723-4680.

TAKING THE INITIATIVE

By James Neal Jr.

People with initiative are self-starters. They carry out assignments with little or no direction. They are solution-seekers who think constructively. They are resourceful, self-reliant, and they take charge.

Initiative is one of your best tickets to job security. The opportunities for displaying initiative are always present. Demonstrate to your superiors that you are forward-looking and would welcome an opportunity to contribute to the development of the annual marketing plan, profitability plan, etc. Temporary assignments offer excellent opportunities to demonstrate your ability and value to the company.

It is better to take the initiative and be told that you are out of line than to always maintain the status quo. You are sending a message whenever you display initiative. Initiative is the spirit of enterprise.

James Neal Jr. is the author of Job Survival Strategies — A Guide To Turbulent Times. You can reach him at 419-874-4878.

Leadership + Commitment = Power

As this is the annual 40 Most Powerful People in Radio issue of *Radio Ink*, it's appropriate to write an article that includes the ingredients that most likely these 40 individuals demonstrate every day — not only in their secular careers, but also in their personal lives.

Our country recently celebrated the life of the "Great Communicator," former president Ronald Reagan, who utilized the power of humor with self-deprecating precision, which often made his counterparts underestimate him in his political battles. Here's my list of the 10 components that make great leaders:

1) Slow to Hire, Quick to Fire: The top three things a manager hates to do, according to the Harvard Business School, are: fire somebody, fire somebody, fire somebody. Author and marketing expert David Ogilvy (a great leader, by the way) said, "If you hire people bigger than yourself, you'll be a company of giants. If you hire people smaller than yourself, you'll be a company of dwarfs."

2) Lead from the Front Lines: Where were you today — talking with the front-line staff, wondering how you can get more spec spots out of your creative department, or contemplating what to do after work tonight? Leading from the front demands respect. No one deserves the title of "leader" until that appointment is ratified in the minds and hearts of the people who work with them.

3) Be the Guinea Pig: Great leaders never ask their people to do something they wouldn't do. This doesn't mean you have to do it for them; show them once and then get out of their way. If you demand commitment but consider yourself too good to do it yourself, then get ready for a mutiny.

4) Provide Results, Not Just Your Best Effort: Where do you draw the line between recognizing someone for their best effort as opposed to winning? I always wanted our people at stations I managed to know that there were no moral victories. We got paid for winning, hitting budget, bringing in BCF (bottom-line cash flow) and outperforming our competitors. You won't win every time, but why not try? Vince Lombardi, the former coach of the Green Bay Packers, said, "The quality of a man's life is in full measure of that man's personal commitment to excellence and to victory, regardless of what field he may be in."

5) Training, Training, Training: Somebody probably told you that people are your best asset. What kind of people are your best assets? Lazy people? Unmotivated people? Undisciplined people? Crazy people? People are not your best asset. Well-trained people are your best asset if they're trained the way you want them trained and know how you expect them to perform.

6) Build a Winning Team: Sorry, Lakers fans, but you know the story. Four future Hall of Fame players were in the starting five, but the Detroit Pistons blew the Los Angeles Lakers away in the most recent NBA championships. Why? The Pistons are a team, and the Lakers are a group of individuals. Teams accomplish great things when their leader shares a common vision.

7) No Immunity for the Rich and Famous: Do your standards accommodate prima donnas? Are you afraid they'll quit if you demand excellence? Does the top biller get away with coming in late and leaving early? Never be afraid to hold your top people to higher standards. I always wanted our top sales reps to know that I wasn't afraid to have them do extra work and set the example for our younger reps.

8) Preparation is the Mother of Success: Joe Paterno, coach of the Penn State Nittany Lions, said, "The will to win is important, but the will to prepare is vital." Do you legislate productivity, or are you the manager who provides experience and expertise in planning? Remember: Only 3 percent of today's managers plan for the future. This might be why radio is a month-to-month business.

9) Focus Follows Fun: See Ronald Reagan and the fall of the Berlin Wall. He had an intense focus on freedom along with the ability to charm his perceived enemies. That combination can accomplish amazing things.

10) Just Do It: My martial arts master said it best: "One do better than one thousand say." Some people will remember you for your words, but most people will remember you for your actions, what you stand for and what you actually do.

Congratulations to this year's *Radio Ink*'s 40 Most Powerful People in Radio. 📧

Sean Luce, head national instructor for the Luce Performance Group, can be reached at Sean@luceperformancegroup.com or 281-496-6340.



ELIMINATE YOUR STRESSORS

By Tim Briethaupt

Stress is a great motivator. We can be motivated toward something positive (positive stress) or motivated away from something (negative stress). Positive stress keeps us focused, motivated, energized and challenged.

To help you put more positive stress and less negative stress into your life, follow these four sequential steps:

- » Identify the source. What is causing the stress — what are the stressors? Examine your environments, both work and play, and isolate potential stressors. Explore all areas of your life.
- » Recognize the symptoms. What symptoms are you experiencing because of the stress: losing weight, gaining weight, drinking or smoking more, general poor health? Everybody reacts differently to stress. Know your body and how it reacts.
- » Create solutions. What can you change; what can you do differently? You are in full control of initiating change. Other than death, taxes, parents and siblings, you can change almost anything. You have control over your destiny — no one else does. If you don't like your job, change it. Don't like the city you live in? Change it. Don't like your level of education? Change it.
- » Set smart goals. What is your action plan for change? Set a course of action that eventually will bring about a change. It won't happen overnight. Distractions can be a major deterrent to getting things done. Identify the distraction, and find ways to eliminate it.

There's no question that stress continues to be a virus that robs us of valuable face time with potential customers. All you need to do is identify your stressor and get rid of it. Sure — easier said than done, but get off your butt and just do it.

Tim Briethaupt is author of 10 Steps To Sales Success, published by Amacom © 2003

5 New Ways To Stay In Touch With Clients

(Even When Your Sales Reps Don't!)

Today, there are dozens — if not hundreds — of advertisers who have not heard from one of your reps in months. The sick feeling comes when you hear them on the air of another station or see them in print or on cable one evening. Sure, AEs tell you they see all the clients on their lists — but you know they don't. When is there time to reach everyone when they need to get the car washed, swing by the dry cleaners, meet their friend at the bookstore for coffee, or of course, just pick up a few things at Target?

The good news has arrived through technology. There is a universe of e-marketing you probably know somewhat, but you don't realize the game. Learn the game, and you will personally stay in touch with more clients, prospects and decision-makers than you ever dreamed possible. And that will make attrition slow, repeat business rise, and revenues soar.

WHERE TO START

E-marketing begins with building a database of e-mail addresses. This is not about spam. This is about getting people to voluntarily offer you their e-mail addresses. Why would they do that? Because of the valuable information you possess and they need — information that you quickly turn into a simple e-newsletter every month. Provide snippets of advice on marketing, business building, customer service, or anything else appealing to business owners and decision-makers.

Once you do this and they are receiving helpful tips, you can find some room on your e-newsletter to list upcoming specials or sales opportunities. Cha-ching!

Let me say this: Even if the e-newsletter is all you provide advertisers, it will do wonders for you. You will be in touch with as many prospects, clients and local business people as you can get e-mail addresses for. Then you will be in constant contact — a milestone that no one else in your market can claim (unless they're reading this, too).

AUDIO E-MAIL

Now, let's take this e-marketing to the next level. Let your list of subscribers get to know you, the boss. How? With audio postcards and tele-classes! You have a studio somewhere nearby, right? Cut an audio message about the specials and promotional opportunities you have coming next month, then turn it into an audio file and e-mail it to your list. In fact, you can even do two of these: one for prospects and one for clients.

The other option for getting yourself in front of clients and prospects is a tele-class, essentially a new way to share information with your invited guests via a central phone "bridge line." Everyone calls in, and you conduct your class just like a big conference call, except that it's with dozens of prospects interested in the valuable information you are about to share.

Suggested topics include "How to build TOMA" or "How to develop radio commercials that sell." You can even do a tele-class with your business manager to discuss billing procedures, or invite happy advertisers to share their stories and techniques for advertising success.

BONDING TOOL

These audio e-marketing concepts will build a bond between you and advertisers — a bond that never could have existed before the power of automation, e-mail and the Internet.

Let technology put you in touch with 10, 20 or 30 times more businesses. Use the technology so they get to know and trust you. Build a bond through e-marketing. With e-marketing tools, you will always be in touch. You will share a unique, constant bond with your clients — even if your reps don't. ☎

Gregg Murray is president of SalesImaging.com and designer of "The Million Dollar Sales Department Makeover" and "E-marketing for Radio Sales." He can be reached at 304-437-2346 or gmurray@salesimaging.com.



SPEAK CAREFULLY

When meeting with a prospective client, make your conversational tone one of respect. Suppose we carelessly utter to the prospect, "Do you know what I mean?" He or she just heard from us: "How could you possibly disagree?" A more respectful offering is: "I want to be sure I express this properly, so may I clarify?"

How about when the buyer poses the same question to us? Seize the opportunity to clarify the exchange of ideas by responding this way: Look into the buyer's eyes and state inquisitively, "No, I do not quite understand. Could you tell me more?" This may also persuade the customer to state his/her position in a way that might reveal critical motivations.

Source: Sales consultant/trainer Robert A. Menard II

A SALES PROCESS CHECKLIST

Here are some considerations that a good salesperson should continually focus on throughout the sales process:

- » Asking questions
- » Listening
- » Qualifying (the opportunity for both parties)
- » Discovering hot buttons (what's in it for me)
- » Building rapport
- » Establishing trust
- » Developing credibility
- » Developing a valuable relationship
- » Addressing objections
- » Planning next action steps
- » Confirming understanding
- » Asking for referrals
- » Seeking additional opportunities to serve and sell
- » Evaluating responses and results (positive/negative)
- » Affirming decisions (minimizing buyer's remorse)

Source: www.justsell.com, © 2004

From www.rab.com

Invest Your Time Wisely With *Real* CNAs

When training salespeople and managers, I often hear — usually from veteran salespeople — that customer needs analyses (CNAs) are not a wise investment of time. These are the same people who write few proposals and rely on the station one-sheeter to reach monthly sales quotas. They tout one trip per client per month with a one-size-fits-all package safely priced at a bargain no one could refuse — and loaded with great value added, such as free remotes or scads of promotional announcements.

Real selling is not an instant process. CNAs actually are the middle part of the entire sales process. "Pitching" is accepting loose change from clients who see other media as their primary marketing tool. It's accepting what's left; this is why "pitchers" ask only for small dollars. Real sales is creating reasons for clients to tie their annual marketing plans to us, because we enhance their success.

Here are the 12 steps of the entire sales process. CNAs are the pivotal point in the process. I've seen CNAs performed on prospects who have no money or whose clientele do not match a station's demo. How does that happen? Again, the "instant radio" syndrome would dictate that we simply fill in a questionnaire and expect \$\$\$ to follow. There are no short cuts to professionalism, and there is nothing instant about success.

1. All things begin with commitment. Commit to a minimum of three CNAs per month at first. Identify these three prospects; name them.

2. Examine these three closely. Are they currently advertising with you or other media? What media are they using? What message are they putting out to the public? Research their industry.

3. Examine their competitors, using the same criteria as above.

4. Set an appointment for a professional meeting.

5. Prepare your own questions based on your research and anything happening in their industry or your community that will affect the prospects current or future situation.

6. Conduct the CNA. The process averages 45 minutes to one hour. You ask questions; they answer. No sales are attempted or expected at this meeting.

7. Manage your time. Book your return appointment within two to three days of your

initial visit, and plan the time between for the following activities:

a. Brainstorm ideas/positioning statements/marketing strategies.

b. Investigate copy and promo ideas — the RAB is your best source.

c. Write a proposal filled with benefits.

d. Practice your presentation, and include asking for the sale. Do not skip this step.

(Note: If you do steps 1-7, you'll understand why you commit to three CNAs per month, rather than three per week. The process does take time; if you make it part of instant radio, nothing at your station will change.)

8. Don't cheapen or rush the process. Many salespeople drop the ball here by asking for too few dollars or commitments of less than a full year. They also drop the ball by returning to the client with a proposal that looks exactly like the one-sheet, one-shot promotion they've always pitched.

9. Present your ideas to the client with enthusiasm. The No. 1 reason people buy is confidence in the product or service. If only 7 percent of communication is words, the success of your proposal actually depends on your belief in it! It's that belief that you must convey to the client.

10. Meet clients regularly; service them well.

11. Do a re-evaluation appointment in nine months. You want to know what the client is planning for next year and make yourself part of that plan. Help your client really use his advertising dollars through wise planning. This is also your opportunity to learn about changes in his budget.

12. Never forget that you are a salesperson. Always be asking for more dollars. Your justification is that radio works best with frequency over time. If you let yourself or your client get into a comfort zone, it becomes difficult at the end of the contract to ask for rate increases or bigger schedules.

Obviously, CNAs are not a wise use of time if they are just filling-the-blanks. As Phil McGraw, Ph.D., ("Dr. Phil") says, "You teach people how to treat you." I'll take long-term, profitable relationships with my clients over instant radio any day. ☺

Sandy Johnston is president of Johnston Management and Sales Systems. She can be reached at 402-964-0500 or via e-mail at SJAchieve@aol.com



YOUR LINER GUY

Much of your stationality (station personality) comes through your station's "liner guy," your station voice. What is the feeling that voice projects? Is the voice friendly? Serious? Authoritative? Playful? Arrogant? Annoying? Most important, is it appropriate?

If your format has evolved over the years, does the style of your liner guy still fit? Years of investment in your station voice shouldn't be tossed out the window; you may just need to consider writing their scripts in a new way. Talk with fellow program directors in other markets within your station group; ask them how they update station voices with new material.

Source: Tom Zarecki

MUSIC DIRECTORS = AUTOMATION DIRECTORS

These days it's odd, but often the station music director gets the technical gig of "automation director" in addition to his or her regular duties. When a station installs a digital automation system, the engineers get first crack at learning it, after which the responsibility falls to the program director to learn the inner workings of their latest "toy." But far too frequently, the music director gets hit with the daily responsibilities of knowing how to run it.

Next time you're preparing to fill that MD slot, remember to ask applicants about their computer interests and competencies. Make sure they have an interest in segue management, transitions and talk-overs, as all digital system installers show you how to customize these for your wishes. If your MD is not into this, your station will lack momentum and consistency.

Source: Tom Zarecki

Coaching Your Team... One Person At A Time

As a program director, you must know what you want from each on-air person in order to get the best from each one. Sadly, most air talent get no detailed coaching. It's a rare PD who coaches each full-time air talent in some way every day, and each part-timer twice a month. Here are some of the best coaching ideas still practiced today:

AIR STAFF MEETINGS: Don't have too many, but when you do have them, keep them short, general and positive. Group meetings are good prior to ratings sweeps or an important contest. Never play tapes of individual staffers unless it's for applauding a specific segment you admire, identifying it as an example of "how it's done." Play tapes of other non-market stations you admire in your format. Get other stations in your group within your format to provide samples of their best people. Keep in mind that group meetings are great spotlight moments for you to clarify station vision and direction.

DISTRIBUTE GOOD ADVICE. E-mail or make copies of advice from trade magazines in which top consultants, PDs, or group heads make statements you agree with. Highlight the sentences you want your staff to read, or circle entire paragraphs that are (or should be) most meaningful to your station. Show your staff that you are not the world's leading expert in programming, but you recognize those who are and want your staff to benefit from their knowledge. Remember: Just because group owners or top-level radio people aren't on the air anymore doesn't mean a talent can't benefit from their advice! Pass along their best stuff.

GET INPUT FROM OTHERS YOU RESPECT. When you meet people at trade shows or stay in contact with those from past radio jobs, ask them for input on a problem air person or ideas on making your best talent even better.

FOOD OPPORTUNITIES. Breakfast, lunch, dinner make great times for quick and meaningful discussions to chat about a person's radio show. Again, compliment them, listen a lot, and bring up the one or two things of concern in the midst of all that positive talk.

STATION EVENTS. Make sure to set the example for all public events. If you're an off-air PD, you still need to show them how it's done on location. Don't stay behind the scenes. Just because you're not on stage doesn't mean you can't meet and greet listeners and spread friendly

feelings. Hey, they're your listeners, too. You can't relate to your staff or their listeners if you're never where they are.

"ONE POINT" MANAGEMENT. Take any opportunity to bring up one thing they did on the air recently. Say why it was good, interesting (or sometimes, not good), then stop. This can be done on the phone or in person. Calling an air personality with a specific compliment works best — yes, even during a show! Say what it was, why you liked it, then go away! Specific compliments during a show are powerful energy-boosters for any air talent. Example: "Sue, that tease you did going into the :50 break was killer. Not only did your tease bring up an interesting factoid about Mick Jagger, but you made it relate to American Idol and the West Side Mall and made me want to hear how it ties together. It's exactly the type of relatable we're looking for. Nice work." Your air talent should look to you as their biggest fan. Do lots of these every week. Short. Specific. Positive.

AIRCHECK SESSIONS. The best weapon in your arsenal to coach talent, airchecks are still the most overlooked way to improve someone. How do you do it? Go break by break. Play back a recent show, and stop it often to discuss. Point out what they did, what you liked about it, and move on. Schedule at least one 30-minute aircheck session each week for every full-time air talent. Unbelievably, many of America's best air personalities (and thousands of America's worst) never get any sessions, ever. Make sure to focus on the show, not external complaints or typical station bitching. The benefits are exponentially beneficial.

Example: "Dave, that last bit was great! Making the woman describe her experience at the gym was priceless because that's happened to many women, she was funny and right in our demo, and you let her have the last laugh! Nice editing of the call, too. Well done."

Stay close to your air staff, and they'll deliver more inspired performances. Bring up many more compliments than criticisms, and they will look forward to seeing you walk down the hall. ☺

Tom Zarecki is still active on air. He spent 11 years as a national programming consultant before joining RCS Sound Software, where he handles public relations and marketing. Contact Tom at tomzshow@rcsworks.com.

Surround Sound On HD Radio

How To Use an Amazing New Technology To "Wow" Today's Listeners

Your car probably has four (or more) speakers, but most likely you are using them to listen to two-channel FM broadcasts — a technology that was invented in the 1950s. Now, imagine that your radio is feeding your ears immersive digital surround music and cinematic production effects — the sort of thing that you hear in a well-equipped movie theater or on a state-of-the-art home theater surround set-up. There has been an amazing recent advance in audio technology that would allow this to happen with HD Radio.

We demonstrated it for the first time to engineers at the NAB in Las Vegas. The near-universal reaction was: "Wow, this is the killer app for HD Radio." The phrase "killer app" comes from the computer industry, where it means the software application that drives the purchase of computers. iBiquity's HD Radio is a wonderful advance over analog AM, where the sound changes from low-fi static-filled mono to nearly FM-quality stereo. But what do we gain on the FM side? Yes, there is less noise, but the enhancement probably is not enough to motivate the purchase of an expensive new radio. Surround would be a dramatic and immediately noticeable improvement. It would let us keep up with the growing popularity of surround for television.

You will understand the appeal of this idea only if you have already heard high-quality surround music. If you haven't yet had the experience, you probably will soon, and then you will know what the excitement is all about. You will also have a hard time going back to old-fashioned stereo.

Look around, and you will see plenty

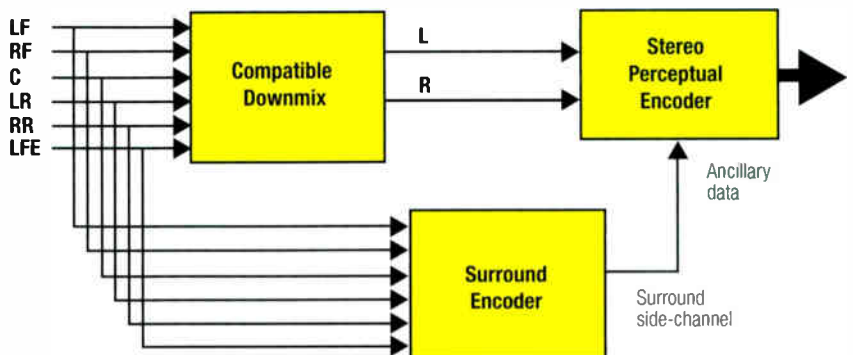


Figure 1: Encoding (transmitter) side



Surround is breathing new life into the home entertainment industry. Why not radio?

of action in the surround audio sphere. DVD Video audio tracks are universally in 5.1 (5 speakers plus a subwoofer) surround format. You will see surround-speaker setups in any store that sells audio or video equipment. Even computer shops are full of 5.1 sound cards and speaker systems. The new DVD Audio and SACD disks are almost always produced with a surround version of the music.

While the focus has been elsewhere, surround actually makes a lot of sense for radio. A lot of radio listening is in cars, and cars are a pretty good place for enjoying multi-channel music. In contrast to an office or home, you are in a stable position. There is no problem to

have four or five speakers and subwoofer. Indeed, surround is already in a few high-end cars — the new Acura TL has a Panasonic DVD Audio system — and more are on the way.

But there hasn't been much talk yet about surround for radio. That's because the technology needed to accomplish it effectively is only now being introduced. Just a few years ago, it seemed we didn't have enough bandwidth for quality stereo in IBOC, let alone surround. But multi-channel audio coding technology has advanced remarkably, and with surround a real here-and-now possibility for radio broadcasting, you can expect to hear a lot about it in the coming months.

As always, Germany's Fraunhofer Institute (FhG), the people who invented MP3 and most of MPEG AAC, have been busy pushing the frontiers of audio research. With their U.S. partners Agere Systems, they have invented a powerful spatial audio coding system that takes advantage of the latest knowledge in aural perception — and that can be transmitted over the HD Radio system in a

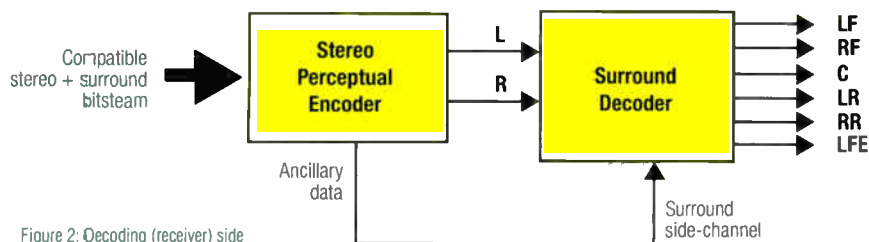


Figure 2: Decoding (receiver) side

fully stereo-compatible way.

Maybe you remember the '70s quadraphonic systems that had a brief and unsuccessful run on vinyl as well as a few radio stations. Don't confuse this modern multi-channel perceptual approach with those, or any of the current descendants that are around. While these latter ones have new names, they are lip-stick applied to the withered old lips of the failed '70s vinyl quad schemes. They have the critical drawback that stereo compatibility is no good. This is one reason the '70s-era matrix systems didn't catch-on — they had a weird, soft and indistinct quality for listeners with stereo-only radios. Clearly, this is an important issue for broadcasters. With most people listening in stereo, we can't compromise our fundamental service.

These "matrix" schemes also have poor surround-channel separation because they must mingle everything into a two-channel signal for transport, a crippling constraint on performance. Because FhG's system uses an independent digital side-channel and a modern perceptual approach to spatial cue encoding, it offers very high separation that is not dependent on the nature of the audio, and it doesn't have to be compromised for stereo compatibility. It really must be heard to be appreciated.

Where will we get the music to play? There is a lot of material already available in surround. There are a few hundred DVD Audio and SACD multi-channel discs to get us started. These are perfect source material for surround HD Radio, and they are off-the-shelf today. Less perfect, but still useful, are the Dolby Digital and DTS 5.1 audio tracks that accompany DVD video clips and concerts.

With surround broadcasting up and running, record companies will have a powerful incentive to release new material in multi-channel versions. With radio promoting it, the record companies



Remember Quad? Yes, your father's surround. But pay attention to the 'tech behind the curtain' on some of these so-called new surround approaches. Some are just repackaged quad! Dad would be proud.

are going to sell a lot of surround disks, including back-catalog in the new format — a repeat of what happened when CDs were introduced. Record companies should love surround radio. (Who knows, they might even be convinced to underwrite it. It would certainly be in their interest to do so.)

One lesson from digital radio in Europe is that mere "improved digital sound" is not enough to cause listeners to buy new and more expensive radios. We need a significant and clear message to motivate change. The one country that has had DAB success is the U.K., and they did it with a combination of new programs and cross-promotion. The new program door is closed to us in the U.S. because HD Radio must be simulcast. But take a look at any shop that sells car audio gear — do you see all the

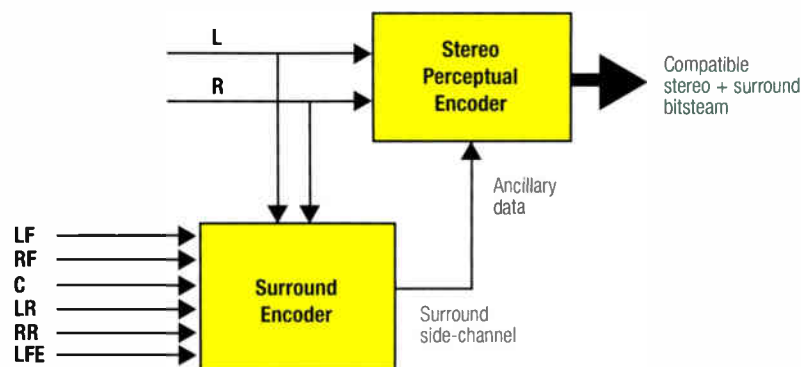


Figure 3: Encoder with external downmix process

multi-speaker setups? The subwoofers? The early adopters who are looking for the maximum aural experience?

What about all the people with surround home theater systems? Wouldn't immersive audio on your air appeal to them — and be a good thing for your station? A recent *Radio Ink* article told of a declining interest in radio among 18-24s. Wouldn't an exciting new technology help to draw them back? Wouldn't you like to have this to promote — to position radio as being innovative and relevant in the digital era?

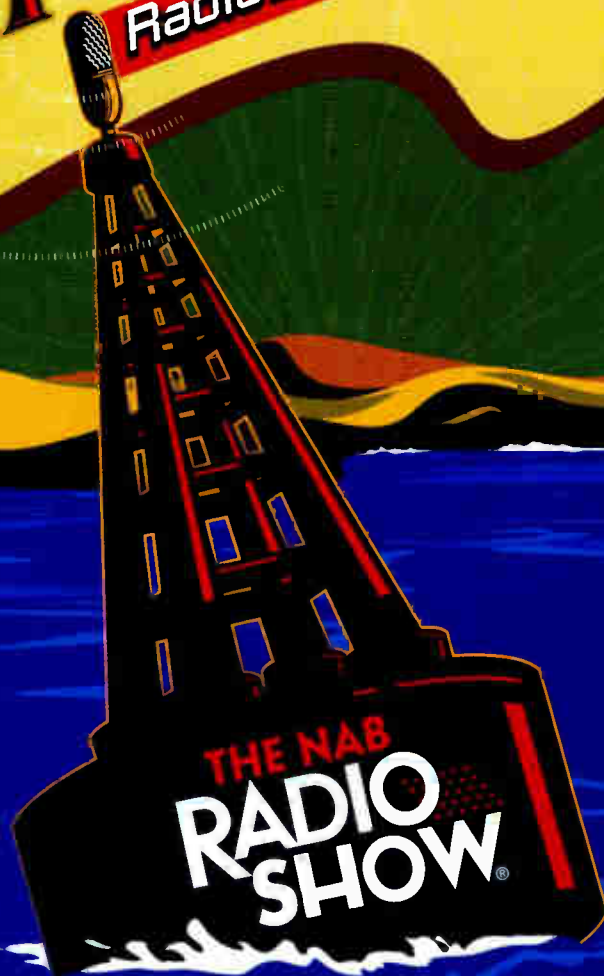
And isn't this a win for all? Listeners get something compellingly new and interesting: the biggest technology advance for radio in our lifetime. They already know about surround from their exposure to home theater and could readily imagine the benefits of having that experience on radio and in their cars. FM radio stations again take the lead in offering a superior audio technology. HD Radio gets a clear and understandable value proposition. Record companies get to sell their libraries all over yet again, and in a format less amenable to MP3 copying. Programmers and production directors get to create cinematic high-wow-factor promo pieces to breathe new life into programming. And there's even something for you guys in the sales department — audio shops will sell a lot of new gear and will need to advertise their wares on radio (of course).

So, when do we start? ☎

Steve Church is founder and CEO of Telos Systems and Omnia Audio. He can be reached at 216-241-3343. Images from Telos-Omnia.

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Courtesy of the Library of American Broadcasting.

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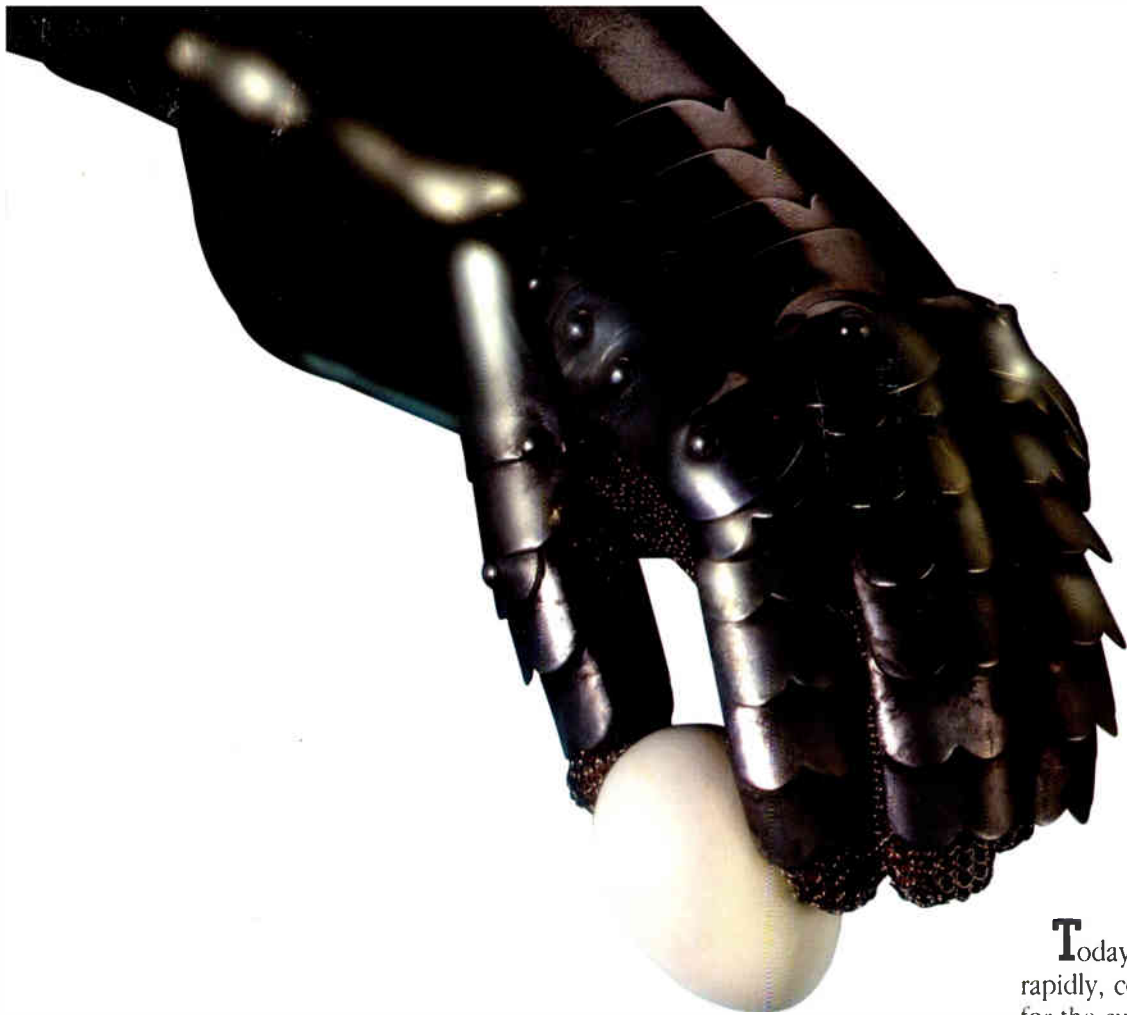
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