Tuned in

RADIO WORLD'S MANAGEMENT MAGAZINE

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october 1996

Leeza Gibbons
p. 24

Market Watch Section:

Los Angeles
p. 8

CASPER, WYOMING
P. 16

Top 10 List

Radio's Top Group Owners
p. 22

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The Evolution Continues

A friend who recently lost his job as a result of the buyout tells me that it makes him sad to read through the industry trade papers these days. "I'm watching the business I love disintegrate before my eyes," he says.

Perhaps it is not so much disintegration as it is reinvention.

Another colleague speculates that within the next decade, nearly all radio stations will be owned by a handful of supergroups. (Sort of like the early days of the medium.)

To these guys, deregulation has punctured the radio universe, and they see the industry folding in on itself.

Group owners are buying stations faster than they can set up the infrastructure to operate them. Some stations recently purchased are running a tight playlist and without DJs or any other distinguishing personalities until their owners can figure out what to do with them.

Many companies clean house after a takeover, filling the positions with their own people and leaving a lot of good people who care about radio "on the beach," as they say. Those employees who keep their jobs are subsequently saddled with the responsibility of managing/selling/programming more stations, stretching — and stressing — them out.

For this special NAB Radio Show issue, BIA compiled a list of the top 10 group owners in the country for us. Combined, these stations pulled in nearly $3.2 billion in 1995. That's out of $10.5 billion total for all radio stations last year, or about 30 percent. Whether these figures are precise to the dollar is less significant than the larger picture that emerges.

It's exciting that radio is finally getting its fair share of press these days and that it's being treated as a valuable commodity on Wall Street again. But at what cost? The idea of so many stations and so much money in the hands of a few operators may seem a little unsettling at first.

There is a bright side. The concentration of power and resources should prove a potent force down the road, pushing radio over its hump of 7 percent of all advertising revenue, where it has been stuck for a while. The end result of this manic acquisition and consolidation period should be phenomenal. In the interim, the growth and transformation is painful, full of hiccups.

Many of these issues will no doubt be addressed at the NAB Radio Show this month, both at scheduled sessions and as people gather for less formal conversation. The well-publicized group heads meeting at the radio show may be a standing-room-only event, as people look to some of the industry's leaders for answers.

For now, it's all speculation. Eventually, the buying-swapping-selling will slow down. In the meantime, while working toward increasing listenership and pushing radio to a new pinnacle, group owners would be wise to remember that radio's strongest assets are the intangible creative devotion of its best people and as importantly, its listeners.

* * *

On a lighter note, October is the month of the annual Bayliss Media Roast at the Waldorf-Astoria in New York. Time to don your tux or glamour gown as retiring FCC Commissioner James H. Quello takes his place on the spit for a round of good-natured jabs. Proceeds go to the John Bayliss Broadcast Foundation, which awards scholarships to outstanding college and university radio broadcast students.

Whitney

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Tuned In

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Circle 27 On Reader Service Card

contents

double take

"People who have been displaced in our industry or new people coming into the business should look at radio sales as where the action is."

— Dan Mason, president, CBS Radio Division

See page 22

LOS ANGEL

Fierce Competition, High S

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Digital Courier Would Like To Poll Your Chain

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After a row of unprecedented disasters, the sun-drenched region of Los Angeles seems to be shining once again. Sure, people still lock in news stations KNX(AM) and KFWB(AM) on their car radio pre-sets, just in case there's another rage of fires, earthquakes and riots. But the mood in 1996 is optimistic.

Memories don't stretch too far back here in radio's No. 2 market, where tradition means driving a '65 Mustang. Angelenos seem to feel that the worst is over and it's time to party once more in this weather-blessed part of the world. Hollywood is cool again, and even Letterman is thinking of moving out here to book more stars on his show. A new dance-disco station, "Groove Radio," harkens back to the carefree world of clubs and dancing in the 1970s.

Los Angeles is radio rich. Scan down the FM dial with an analog tuner and there are no sound breaks, no frequency is untapped. As the nation's No. 1 radio market in revenue with estimated earnings well over half a billion dollars last year, the competition remains fierce and the stakes are always high. Eighteen area stations bill more than $20 million a year in Los Angeles, attesting to the tremendous vitality of radio here.

On a typical weekday afternoon between 4 and 5 p.m., nearly three million people are on the road in their cars — equivalent to the entire population of Atlanta. It makes radio a potent communication tool for advertisers, where not surprisingly, the No. 1 spenders are automotive companies, followed by department stores, network and local TV, grocery chains and financial institutions. California's economic recovery has quickened the pace of change in radio.

"There have been more changes in the last six months than in the last two years," according to media consultant Jeff Pollack. "The market leaders are very well programmed in L.A. There are not a lot of holes in the market when you have 90 signals getting in."

Two significant changes Pollack sees are the introduction of Odyssey Communications' modern rocker "Y-107" (KLYY-FM) last fall, and Ken Roberts' "Groove Radio" — KACD(FM) 103.1, Santa Monica, and KBCD(FM) 103.1, Newport Beach — this summer. Y-107, despite a spotty signal, already posted a strong showing in the Spring '96 Arbitrons with a 1.2 share 12+ after six months on the air. (The previous sports/talker on the signal, KMAX(FM), barely registered on Arbitron radar.)

"Boutique formats still clip off a bit of the ratings," says Pollack. Indeed, Y-107's auspicious debut apparently clipped several tenths of a point off its "world-famous" neighbor down the dial at 106.7, No. 8-ranked modern rocker KROQ-FM.

"They mirror us unbelievably," says KROQ-FM General Manager Trip Reeb. "In the final analysis, all they are is an imitation. I wish they weren't there, but they are. I have always believed that there is a magic in a radio station — that we've built over the years. You can play the same music and get some listeners, but ultimately there is a difference that even a casual listener will notice."

KACD(FM)/KBCD(FM) Owner Ken Roberts, who sold KROQ to Infinity in 1988, introduced the "Groove Radio" format after a year-long attempt to break into ratings nirvana with a hot AC format. (A year before that, his station was smooth jazz "CD 103.1.") Now with urban/CHR whiz Jeff Wyatt in the general manager's seat, he hopes to make a dent in the ratings by exploiting the untapped niche of "House Music," which is popular in nightclubs.

Asleep on the job: Kevin and Bean on the KROQ Morning Show

One effect of L.A.'s incredibly fractious band-bashing is that no station calls the shots in any demographic category. This has allayed fears of market domination since the mega-merger of Westinghouse/CBS and Infinity in June. Although the operations of the six stations involved are not likely to be in effect until after the first of the year, the housing of $142 million of the market's advertising revenue and 25 percent of the audience under one corporate roof has raised a few eyebrows. Fierce competition seems to mitigate any strong-arming by the new combination.

by Sandy Wells

"There are no must-buys in L.A." says Southern California Broadcasters Association President Gordon Mason. "It's difficult because of the population of stations."

Before the merger, Infinity owned two highly successful stations: alternative/modern rock KROQ-FM and oldies KRTH(FM) ("K-Earth"). Now joined with the market news leaders — KNX(AM) and KFWB(AM) — No. 7-ranked smooth jazz/NAC KTWV(FM) ("The Wave") and rock-oldies KCBS-FM ("Arrow 93"), this broadcasting juggernaut is enhanced by its control of Westwood One (which sends Howard Stern to Greater Media's KLSX(FM) "Real Radio") and "Imus in the Morning" to Chancellor's KLAC(AM) (which takes Westwood's Adult Standard's format the rest of the day).

The fact that 36 percent of the 12+ population is Hispanic has had some L.A. general managers up in arms about the way Arbitron conducts its surveys.

KIIS-FM General Manager Roy Laughlin has been an outspoken critic of Arbitron for not distinguishing between Spanish-speaking Hispanic households and Hispanic households where English is spoken.

"L.A. is the embryo of this problem in the U.S.," says Laughlin. "It's near the border with Mexico, and it has the third-largest Hispanic population in the world behind Mexico City and Barcelona. Arbitron will not address the issue, because it does not have the answer."

Last December, Laughlin and 12 other L.A. radio station general managers signed a letter to Arbitron asking the company to respond to their concerns. Arbitron is expected to release a preliminary study of the "Spanish-language enumeration" issue later this year.

In one sense it is a sign of L.A's successful "melting pot" that some demographic lines have blurred. One writer derisively dubbed Los Angeles the "Capital of the Third World" in a best-seller published earlier in the decade. But L.A.'s diversity has created unique responses.

Emmis' urban/CHR KPWR(FM), "Power 106," is the No. 1 English-speaking station with a sound some call "Blaxican," referring to its popularity

Los Angeles
Radio Market Overview

Station	Freq.	Format	1995 Est. Rev. in $ Mil.	Owner	Arbitron 12+ Spring '96
KLVE(FM)	107.5	Spanish	23.0	Heftel Broadcasting Corp.	7.2
KPWR(FM)	105.9	CHR	26.0	Emmis Broadcasting Corp.	5.4
KKBT(FM)	92.3	Urban	21.9	Evergreen Media Corp.	5.0
KFI(AM)	640	Talk	26.7	Cox Enterprises	4.0
KRTH(FM)	101.1	Oldies	28.6	Infinity Broadcasting Corp.	3.8
KIIS-AM-FM	1150/102.7	Top 40	29.2	Gannett Company Inc.	3.6
KTWV(FM)	94.7	Smooth Jazz	16.0	CBS Radio Station Group	3.5
KLAX-FM	97.9	Ranchera	22.0	Spanish Broadcasting System	3.3
KROQ-FM	106.7	Alternative	27.2	Infinity Broadcasting Corp.	3.3
KOST(FM)	103.5	Soft Hits	24.0	Cox Enterprises	3.2
KABC(AM)	790	News/Talk	28.9	ABC Radio	3.1
KBIG(FM)	104.3	AC	23.8	Bonneville International	3.0
KYSR(FM)	98.7	Hot AC	20.0	Viacom International	2.9
KLAC(AM)	570	Nostalgia	2.8	Chancellor Broadcasting Co.	2.7
KLOS(FM)	95.5	AOR	27.0	ABC Radio	2.7
KCBS-FM	93.1	Classic Rock	20.1	CBS Radio Station Group	2.4
KFWB(AM)	980	News	24.0	CBS Radio Station Group	2.2
KLSX(FM)	97.1	Talk	17.0	Greater Media	2.1
KNX(AM)	1070	News	24.1	CBS Radio Station Group	2.1
KZLA-FM	93.9	Country	16.0	Chancellor Broadcasting Co.	2.0
KTNQ(AM)	1020	Spanish	6.0	Heftel Broadcasting Corp.	1.8
KBUE(FM)	105.5	Tejano	3.5	Liberman Broadcasting Inc.	1.6
KKGO-AM-FM	1050/105.1	Classical	6.5	Mt. Wilson Broadcasters	1.6
*KXEZ(FM)	100.3	Soft AC	9.2	Viacom International	1.6
KKHJ(AM)	930	Spanish	5.0	Liberman Broadcasting Inc.	1.4
KRLA(AM)	1110	Oldies	3.0	Greater Media	1.4
KSCA(FM)	101.9	AAA	—	Golden West Broadcasters	1.4
KWKW(AM)	1330	Spanish	4.0	Lotus Communications Corp.	1.2
KJLH(FM)	102.3	Urban	3.0	Taxi Productions Inc.	1.1
KLYY-FM	107.1	Modern Rock	1.0	Odyssey Communications Inc.	1.2
KACE(FM)	103.9	R&B Oldies	2.3	Cox Enterprises	1.0

* Now KIBB-FM; flipped to rhythmic AC format

BIA PUBLICATIONS

Stations are ranked in order of Arbitron Spring 1996 12+ ratings. Information provided by BIA Publications Inc. through its MasterAccess Radio Analyzer Database software.

among African-Americans and Latinos. Evergreen's urban-formatted KKBT(FM), "The Beat," boasts "no color lines" as it appeals to the city's diverse population.

Oldies icon Art Laboe, whose "Oldies but Goodies" collections have been stocked in record store bins for decades, has attracted a large, heavily teen Latino audience on his Sunday night "Killer Oldies Show" on Greater Media-owned oldies station KRLA(AM).

Another oldies "legend," Dick "Huggy Boy" Hugg, has given dominant "K-Earth" (KRTH) a run for the ratings in his evening time slot. The "soulful" blend of oldies, first implemented by former PD Mike Wagner, is now going another step further. In July, Greater Media hired Laboe to bring the rest of the station up to par. Laboe calls his new format "Mix 11, Oldies and More."

L.A.-Orange County demographics have always stymied country station KZLA-FM, which abandoned its slick young country sound in favor of an older-skewing sound crafted by John Sebastian, who joined the Chancellor-owned outlet earlier this year. Known for his innovative approach to solving programming puzzles, Sebastian added country rock cuts to the mix and toned down the DJs. AOR jock Bob Coburn now holds down the afternoon drive shift, and top 40/oldies Humble Harve has a regular weekend gig, giving the station more of a big city flavor. Still, fine tuning aside, the station held steady with a 2.0 share in the Spring '96 Arbitrons (country KFRG(FM) in neighboring Riverside-San Bernardino is a strong No. 1).

KZLA sister station KLAC(AM), on the other hand, has been a bit of an anomaly in the market. Under Shamrock's tutelage, the 5 kW nostalgia outlet was treated with determined neglect and still outperformed its country cousin, scoring a 2.9 12+ vs. the FM's 2.0 in the Winter '96 book. The upper demos delivered by its musical diet of Patti Page and Sinatra keep many advertisers at arm's length, however, billing a modest $2.8 million against KZLA's $16 million.

A year ago, news powerhouse KNX(AM) was hitting the low threes in this O.J. trial-obsessed market with its gavel-to-gavel coverage of the trial. A recent trend, however, showed the 50 kW clear channel skidding into the upper ones. Rival KFWB(AM), with 5 kW, has kept the two engaged in a perpetual tussle for decades. Both stations billed about $24 million in 1995, prompting independent owner of classical KKGO-FM, Saul Levine, to replace the "K-Joy" adult standards format on his two AM outlets (1260 and 540) in favor of "K-News." His AP Network affiliated all-news stations were up and running last fall, but have yet to make significant inroads against the two leaders.

KABC(AM), which has led the market since the 1970s in ratings and earnings, gave way to "more stimulating" talker KFI(AM) earlier in the decade. The latest ratings showed KFI's afternoon hosts John Kobylt and Ken Champiou challenged by KABC's "Sage of South Central," conservative African-American ➡

Los Angeles Financial Snapshot

Market Rank: 2
Revenue Rank: 1
Number of FMs: 36
Number of AMs: 27

Revenue 1992: $424 mil.
Revenue 1993: $443.7 mil.
Revenue 1994: $482.4 mil.
Revenue 1995: $11.6 mil.
Revenue 1996: $38.2 mil. est

Revenue Growth
'88-'94: 3.9%
'95-'99: 5.2%

Local Revenue: 72%
National Revenue: 28%

1993 Population: 11,815,000
Per Capita Income: $17,640
Median Income: $42,713
Average Household Income: $53,7666

Source: BIA PUBLICATIONS

Larry Elder. Bill Handel's morning scream-fest overrides KABC's milder Ken and Barkley, while Howard Stern earns huge 25–54 numbers on "Real Radio" KLSX(FM).

KABC's sister AM, talk-formatted KMPC, is still struggling to gain a toe-hold. Some observers speculate that if parent company Disney/ABC/Cap Cities were to purchase Chancellor, as is rumored, then KMPC might be sold off or converted to sports/talk.

Many still refer to KLSX-FM as "classics" a year after it hired O.J. Simpson trial celebrity Kato Kaelin to lead the charge into a talk format tailored for young listeners habitually glued to the FM band. The former classic rock station had been hard-pressed to find its audience after the overpowering Stern signed off. A year later, the post-Howard drop-off still plagues the station, despite the energetic efforts of "The Regular Guys" — Eric Haessler and Larry Wachs — Jim Daniels, and afternoon drive and former "Loveline" co-host Riki Rachtman.

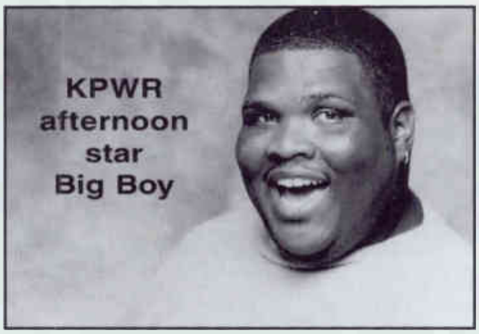

KIIS-FM crew attempts to launch a human cannonball.

Greater Media recently brought Program Director Jay Clark in from Orlando, Fla., where he successfully led "Real Radio" on WTKS-FM. "I see no reason why we can't do (for KLSX) what we did in Orlando, where we were No. 2 in 25–54 and No. 1 with men," Clark says. "Advertisers are making out like bandits now. It takes Arbitron a while to catch up with the streets. We are extremely strong with 25–34 and generally strong with 18–44. If you're over 44, you're not going to get it."

Pollack is looking to see how the ➡

revamped KIIS-FM will affect the other music stations in the market. Gannett's CHR earned close to $30 million last year, enough to justify morning star Rick Dees' hefty compensation, reputed to be more than $3 million a year. In June, Program Director John Cook joined the station from sister CHR KISS-FM in Dallas. Cook changed the entire lineup following Dees. CHR veteran Billy Burke is now in middays, and "Magic" Matt Alan returns to afternoon drive. Alan, a ratings champ for the station from 1989–91, faces formidable competition, ranging from KROQ's Jed the Fish to KPWR's Big Boy and urban KKBT's Theo.

Spanish AC KLVE(FM) has consistently earned high numbers since it traded places with Ranchera KLAX-FM in 1995 for L.A.'s top spot. Yet even here, fragmentation is threatened by the recent entry of KRTO-FM. The CHR-styled Spanish pop station serves up a diet of Latin alternative rock mixed with occasional "Anglo" hits by artists such as Madonna.


KPWR afternoon star Big Boy

Disney/ABC/Cap Cities' active rock KLOS(FM) is returning to the AOR-style basics. Its aggressive, uptempo presentation of new, hard metallic rock has been tapered back a bit. The station recently rehired AOR stalwart "Uncle Joe" Benson to hold sway on Sunday nights after a 19-month gig at KLSX (which still programs modern rock on the weekends). In the morning, Mark and Brian, who were hit badly by Stern's hurricane-like entry into the market a few years ago, seem to be holding their own and have even added music to their morning roughhousing.

Triple A station KSCA(FM) has yet to hit its stride after two years. The Spring '96 book only nudged it up a bit to 1.4 12+, and Music Director/Midday Host Merilee Kelly gave her notice in August. Alternative KROQ is now modern rock and still leads the pack. Classic rock KCBS recently repositioned itself as "all rock 'n' roll classics," but still favors hit singles over album cuts. Generally, there seem to be some nervous moves towards capturing rock radio's elusive mainstream center.

Complicating things has been the move of hot AC KYSR(FM) ("Star 98.7") to create the Los Angeles version of "alternative AC," a format that Pollack expects to catch on from coast to coast.

"The modern or alternative AC sound will be in all the top 50 markets within the year," Pollack says, adding that "Star 98.7 has impacted all the ACs in (Los Angeles) and, indirectly, some rock stations."

Generally, Pollack also predicts a strong year for rhythmic CHR and dance stations, perhaps including KYSR's sister station, KXEZ(FM), which flipped from soft AC to rhythmic AC at the end of August, changing its calls to KIBB ("B-100.3"). The market will continue to fragment, Pollack says, and boutique formats will pare the edges off the market leaders. Dominant mainstream ACs, such as Cox Broadcasting's KOST(FM) and Bonneville's KBIG(FM), may become vulnerable in this environment.

Los Angeles has always been the first to confidently embrace all the contradictions and absurdities of America's technology-driven culture. People may laugh at its superficiality and reputation for taking life to seemingly mindless extremes, but for those who dare to face its blinding brilliance and revel in its vibrant pop scene, the city will remain the ultimate litmus test for anybody's idea of what showbiz is, including, of course, radio.

Sandy Wells is the editiorial coordinator for Los Angeles Radio Guide, where he writes about the Los Angeles radio scene.

Radio on the Range

In the center of Wyoming, nestled in the North Platte River Valley, lies Casper, the largest city in the state. Although not a metropolis like New York or Los Angeles, Casper is the hub of industry, commerce and international trade in Wyoming.

Home to the pronghorn antelope and cowboy legends, Casper is also the country's smallest, Arbitron-rated market — No. 262. You would think that a market this size wouldn't see a lot of action. Actually, Casper has seen as many changes and challenges as a medium-size market might encounter, only on a smaller scale. The most notable challenges facing Casper radio stations have included surviving a period of economic ups and downs and learning how to divvy up the ratings pie among new signals entering the market.

"Our economy was very oil- and mineral-based," says Bill Hart, general manager of hot AC KTRS(FM). "When that boom busted, we had a mass migration of people and that really hurt the market."

According to Hart, in 1981, Casper was the richest radio market in America per capita. Two years later, it was fourth from the bottom. Slowly, steadily, the market is bouncing back.

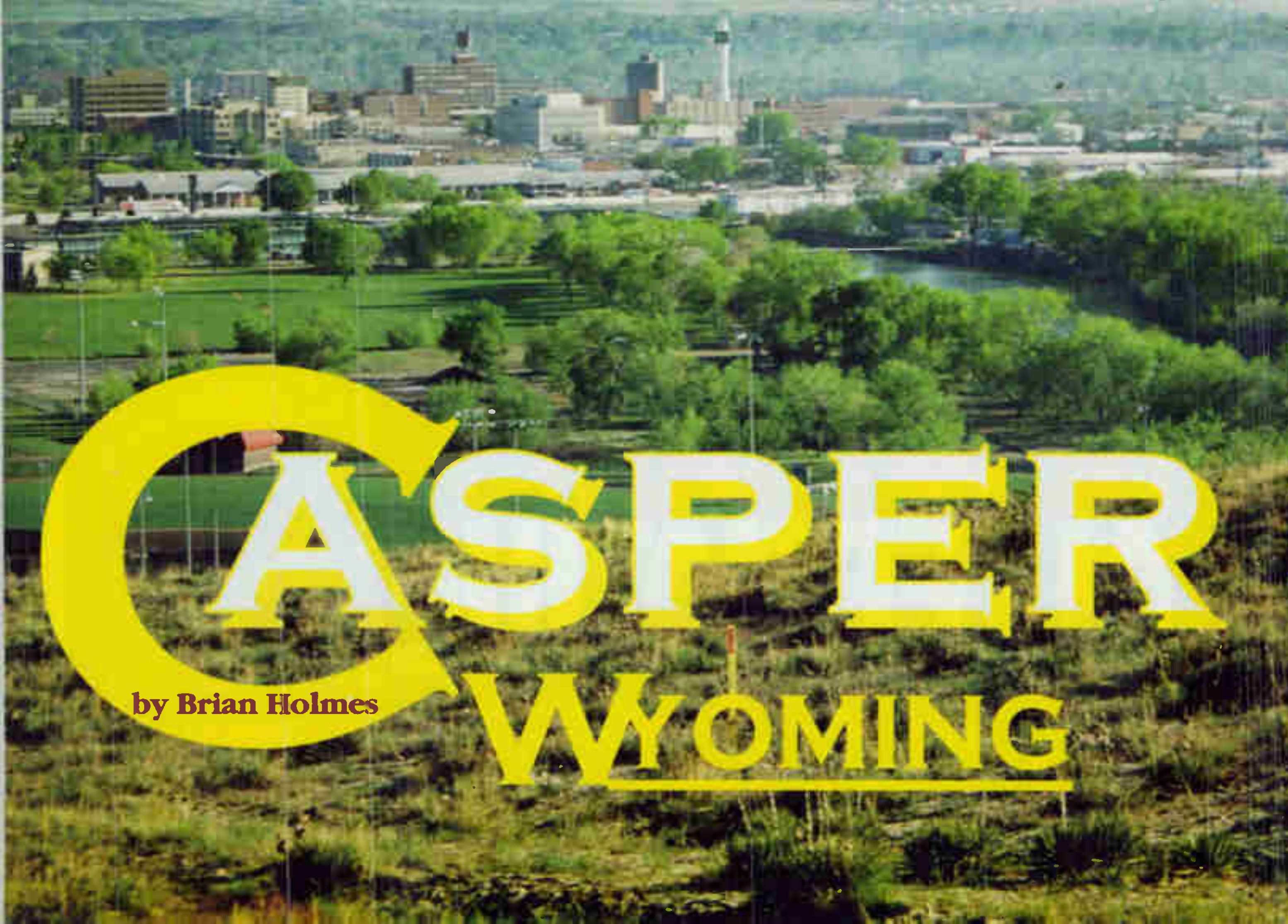
Casper is now ranked 249th in terms of revenue with seven commercial signals serving the metro population of 55,000 people.

Over the past six years, the market has seen a lot of format changes and general tinkering. In 1989, the market leader was CHR station KTRS with a 48.9 share 12+. Its closest competitor was more than 37 shares away. Since then, a classic rocker, another hot AC and a country station have signed on to help pull KTRS down to its current 9.9 share, good for fourth place.

"We had been CHR since I put the station on the air in 1981," Hart says. "In 1994, we thought we would soften it up a bit to go after the growing older population. It's obvious that wasn't the way to go. We need to go back to the CHR we were."

Hart is in the process of building a new morning team. His popular Rick & Susan morning show was just dissolved last month. New Program Director Pat Butcher now handles the morning duties, with Devon Wood in middays and Dave Cannon in the afternoon. From 6 p.m. to 6 a.m., the station uses the services of Jones Satellite Networks' "Adult Choice FM."

continued on page 19 ➡



Casper Wyoming

by Brian Holmes

➡ continued from page 16

KTRS had some direct competition in this last ratings period from KMGW(FM), owned by Clear Channel Radio (not to be confused with the larger Clear Channel Communications). Just a year ago, KMGW was programming a AAA format from Radio One in Denver, and just a year before that, the station was a soft AC. Last year, the station switched to ABC's "Star Station" format under the moniker "Star 94.5: The Best of the '70s, '80s and '90s."

Kick _ _ _

Even with this competition, KTRS was able to hold onto its lead in the 12+ demographic, but KMGW tied KTRS in the important 25–54 category with a 7.1. Probably even more surprising is that KTRS and KMGW both share nearly 50 percent of their respective audiences with Mt. Rushmore Broadcasting's classic rock KASS(FM).

STAR 94
KMGW 94.5 FM

KASS debuted its classic rock format in Jan. 1995. General Manager Tim Swanson says the original moniker for the station was "Kick Ass 107." However, after three weeks of client complaints, the offensive word was removed.

The station morning-drive show is live with "Big Daddy" Mark Hayden, with Rude Dog taking over from noon to 3 p.m. The station then goes back to its ABC/SMN Classic Rock programming from 3–4:30 p.m. Local programming continues when Amy Paine takes over for "Amy's Office Party" and "Drive Time Classics" until 7 p.m. Kick 107 saves its heavier rock and roll for the nighttime hours when Rude Dog returns to the air from 7–9 p.m. for "The Overdrive Show."

Wyoming's Radio Station.
K2 1030 KTWO RADIO

Swanson also oversees country KQLT(FM), giving him the only FM/FM combo and the highest ratings in the market. Combined, both KASS and KQLT have a 48.2 share of the market 12+, a 69.3 share 18–34 and a 58.5 share 25–54.

Hart Media (owner of KTRS) is expected to debut "Coyote Country" at 104.7 FM any day, but until then, KQLT ("Colt Country 103.7") is the only full-time country music station in the market, although other stations do play some country music.

KVOC(AM) plays country music but stops for three hours, beginning at 10 a.m., to make room for the Rush Limbaugh show. KUYO(AM) plays only Christian country music.

The 50 kW clear-channel powerhouse KTWO(AM) has been a full-service country station for a while now. While KTWO is now best known as being the home to local news and a lot of sports teams, General Manager Bob Price, who also runs KMGW, says it wasn't always that way.

"This was the first radio station in Wyoming back in 1930 with the call letters KDFN," Price says. "The calls stood ➡

Casper
Radio Market Overview

Station	Freq.	Format	1995 Est. Rev. in $ Mil.	Owner	Arbitron 12+ Spring '96
KQLT(FM)	103.7	Country	8.0	Mt. Rushmore Bdcstg Inc.	24.7
KASS(FM)	106.9	Classic Rock	7.0	Mt. Rushmore Bdcstg Inc.	23.5
KTWO(AM)	1030	Country	5.0	Clear Channel Radio	13.6
KTRS(FM)	95.5	AC	7.0	Hart Mountain Media	9.9
KVOC(AM)	1230	Country	3.5	KVOC Inc.	8.6
KMGW(FM)	94.5	Mix AC	1.0	Clear Channel Radio	7.4
KUYO(AM)	830	Christian Cntry	—	North Valley Enterprises	—

BIA PUBLICATIONS

Stations are ranked in order of Arbitron Spring 1996 12+ ratings. Information provided by BIA Publications Inc. through its MasterAccess Radio Analyzer Database software.

for 'Casper's Darn Funny Noise,' and the most popular show on was at noon with the local county Sheriff. He would read the county's top 10 most wanted list."

Nowadays, KTWO is the flagship station for the Wyoming Radio Network and has had exclusive rights to the University of Wyoming football and basketball games for the past 10 years.

Promotions

In a market where there is only one ratings book per year, the role of station promotions is magnified. In most small markets, the promotional budget and ideas are reserved for the 12 survey weeks only, but some Casper stations promote year-round.

Both Price and Swanson use television advertising for their stations year-round. In fact, Swanson recently signed on the local NBC affiliate to do three-minute newscasts for both KQLT and KASS during mornings, middays and afternoons. With another television station, Swanson has a promotion tied into its airing of "Seinfeld" each day.

KQLT and KASS also have listener cards into which they tie a lot of their contesting. Listeners can pick up a free card from different locations and just have to listen for their number to be called on the air to win. The card is also good for discounts at local businesses that advertise with the stations.

"The card gives us a tangible item that's always with them," Swanson says. "Always having that logo in front of the listener is very important."

Swanson says he also believes in print advertising. "It's nice to do the giveaways, as all the stations do, but I think it's important to reinforce the promotion with print advertising showing all the winners," he says. When it's all said and done, people really like seeing the winners, how many people actually won and who they were."

Price says all of his promotions have to be based on community involvement, whether it's a sales or a station promotion. KMGW and KTWO recently raised more than $12,000 for a Casper high school with its "Million Dollar Hole-in-One" contest. KTRS has found tremendous success in bringing the city its annual Fourth of July fireworks celebration with more than 15,000 people in attendance this year. It has also been a big sponsor of the annual Great River Raft Race, which is now in its 16th year, raising money for the local chapter of the YMCA.

Some kind of edge

Selling radio in a market the size of Casper isn't easy.With only $3.4 million radio dollars available in 1996, you have to have some kind of edge in order to hold your own. Each station seems to have its own edge in Casper because even though the Arbitron ratings really distinguish/separate the stations, the revenues do not.

According to BIA Publications, market leaders KASS and KQLT billed $700,000 and $800,000, respectively, in 1995 while the third- and fourth-ranked stations, KTWO and KTRS, still billed $500,000 and $700,000, respectively.

Obviously, the edge that KQLT and KASS have is ratings success. Price says his success with KTWO is simply results.

"The other stations still have salespeople writing copy," Price claims. "I employ a full-time continuity director who writes all spots to produce the best results for our clients."

"The thing that's unfortunate in a small market like this," says Hart, "is when you get your national buys, they go to their computers and look at Casper and here are these 12 weeks that determine the fate of the station for 52 weeks."

Dealing with those 12 weeks has become difficult since Arbitron changed the market from a standard book to a smaller, condensed book, meaning less diaries are sent out into the market.

Due to the change in books and other disagreements that Price has with Arbitron's methodology, Price has not subscribed to the past few books.

Instead, he has relied on overnight coincidentals compiled by TRS out of Tempe, Ariz. TRS places 600 to 700 phone calls over a three-day period, in different dayparts, to homes in the area. Price says he does this several times a year to "trend" his own stations.

Although not a promotion, public service time enables Price's station to both serve the community and increase listenership. If a group or an organization wants public service time on the station, they have to come into the station and record it themselves.

"Sally comes and records her message, then goes home and tells her husband Jim that she'll be on the air for the next week and a half," explains Price. "Jim may not care for us all that much, but he turns us on to hear Sally. Then Sally tells her sister, and so on. Then by the end of the year, your cume goes up just based on a service you're doing."

Hart says the challenges are what brought him back to Casper in 1981 and that's what will keep him there. He also says the fact that there is no outside, major-market penetration into Casper makes each station work hard to sound its best.

Swanson says that even with all the radio competition, "It's a real hometown atmosphere — very laid back and always enjoyable."

Brian Holmes currently is the evening air personality for oldies WSRZ-FM and OM of all-news WSPB(AM) in Sarasota, Fla. He's also a radio columnist for Music Forum Magazine in Tampa.

Casper Financial Snapshot

Market Rank:	262
Revenue Rank:	249
Number of FMs:	4
Number of AMs:	3
Revenue 1992:	$2.4 mil.
Revenue 1993:	$2.9 mil.
Revenue 1994:	$2.9 mil.
Revenue 1995:	$3.2 mil.
Revenue 1996:	$3.4 mil. (est.)
Revenue Growth	
'88-'93:	7.7%
'94-'98:	5.7%
Local Revenue:	90%
National Revenue:	10%
1993 Population:	64,300
Per Capita Income:	$16,984
Median Income:	$36,574
Average Household Income:	$42,995

Source: BIA PUBLICATIONS

Top 10 List

Groups are ranked in order of 1995 revenues. This list assumes that pending deals (e.g., CBS/Infinity) will be completed as planned. *Source: BIA Publications*

Note: The following numbers were accurate at press time. However, with the face of the industry changing so rapidly, this information may already be outdated when it reaches you.

This month the annual NAB Radio Show packs up its bags and travels to Los Angeles. Running Oct. 9–12, the Radio Show again joins forces with three other conferences — those of SBE, RTNDA and SMPTE — for World Media Expo '96.

The show kicks off with the Radio Opening Reception at the Biltmore Hotel on Wednesday, Oct. 9.

A hot topic at this year's show will be the Internet and radio's ventures into cyberspace. NAB has scheduled both a beginner's course ("Internet 101") and a session for radio stations already on-line ("Congratulations! You've Got a Website. Now What?").

As perhaps predicted, several of the show's sessions will focus on deregulation, the subsequent manic buying-selling-swapping spree and how the new radio landscape affects the people and companies caught up in the whirlwind. These sessions include "Restructuring the Merger-Mania Sales Team," "Taking Full and Lawful Advantage of the Revised Radio Ownership Rules" and "The Future of Radio Ownership: Is There a Place for the Private Broadcaster?"

The session that has sparked the most talk is "Group Heads Meeting the Challenge of Change," a gathering of six of the most powerful people in the industry. Moderated by Bill Clark, former Chairman/CEO of Shamrock Broadcasting, this session features panelists Bob Callahan, ABC Radio; Steve Dodge, American Radio Systems Corp.; Scott Ginsburg, Evergreen Media Corp.; Dan Mason, CBS Radio Station Group; Mark Mays, Clear Channel Communications; and Randy Michaels, Jacor Broadcasting Corp.

These group heads will talk about the future of radio and field questions from members of the audience. NAB intentionally scheduled this session to be the only radio session running in its timeslot on Thursday, Oct. 10.

Just to get an idea of how much money and how many stations will be represented onstage by these group heads, we have assembled a Top 10 List — the 10 largest radio groups in the country based on revenue — beginning on this page. Combined, these stations amassed approximately $3,190,800,000 out of the total $10.5 billion for all radio stations in 1995, according to BIA — that's 30 percent of all radio revenues for the year. Whew!

On the last night of the show, stick around for the NAB Marconi Radio Awards Dinner and Show at the Westin Bonaventure Hotel. Leeza Gibbons (see profile on page 24) will host this ceremony recognizing the best personalities and stations in radio.

Q: In this era of radio mega-companies, where will the jobs be?

A: "People who have been displaced in our industry or new people coming into the business should look at radio sales as where the action is. Currently at CBS, there are at least 100 radio sales positions open across the company. The supply of radio salespeople is very low for the demand.

"If I were at a major university now and teaching broadcasting students, I would do everything I could to discourage them from standing in those long lines for programming jobs and encourage them to seek the opportunity that a radio sales career could provide."

– Dan Mason

CBS Radio Division
Dan Mason, President
51 W. 52nd St.
New York, NY 10019

212-975-4321
212-975-9886 (fax)

83 stations in 17 markets with estimated revenues of $973.5 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
1	New York	3	4	168.0	461.0	36.4%	22.3	1.63
2	Los Angeles	4	2	140.0	511.6	27.4%	21.0	1.30
3	Chicago	6	4	121.6	328.3	37.0%	32.4	1.14
4	San Francisco	4	3	42.35	212.8	19.9%	16.5	1.21
5	Philadelphia	3	3	86.8	194.1	44.7%	92.2	1.44
6	Detroit	4	2	53.3	170.0	76.1%	56.9	1.34
7	Dallas-Ft. Worth	8	3	90.0	203.0	44.3%	39.1	1.13
8	Washington	3	1	43.8	201.7	21.7%	18.0	1.21
9	Houston-Galveston	2	3	32.5	188.1	17.3%	13.3	1.30
10	Boston	5	1	72.6	179.1	40.5%	33.7	1.20
12	Atlanta	2	1	30.5	168.8	18.1%	20.4	0.89
16	Minneapolis-St. Paul	1	1	26.2	107.5	24.4%	22.0	1.11
17	St. Louis	1	1	21.0	89.3	23.5%	19.2	1.22
18	Baltimore	2	2	14.9	80.7	18.5%	20.8	0.89
19	Pittsburgh	0	1	11.8	76.6	33.9%	35.9	0.94
21	Tampa-St.Petersburg-Clearwater	1	1	12.9	82.1	15.5%	10.5	1.47
30	San Jose, Calif.	1	0	5.25	39.1	13.4%	10.8	1.24
	Totals	**50**	**33**	**973.5**	**3,295.1**	**29.5%**	**—**	**1.22**

Evergreen Media Corp.
Scott Ginsburg, Chairman/CEO
433 E. Las Colinas Blvd., #1130
Irving, TX 75039-5002

214-869-9020
214-869-3671 (fax)

41 stations in 12 markets with estimated revenues of $338.5 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
1	New York	1	0	12.50	461.0	2.7%	2.6	1.04
2	Los Angeles	1	0	21.9	511.6	4.3%	4.5	0.95
3	Chicago	6	2	74.3	328.3	22.6%	21.4	1.06

List continued on page 26 ➡

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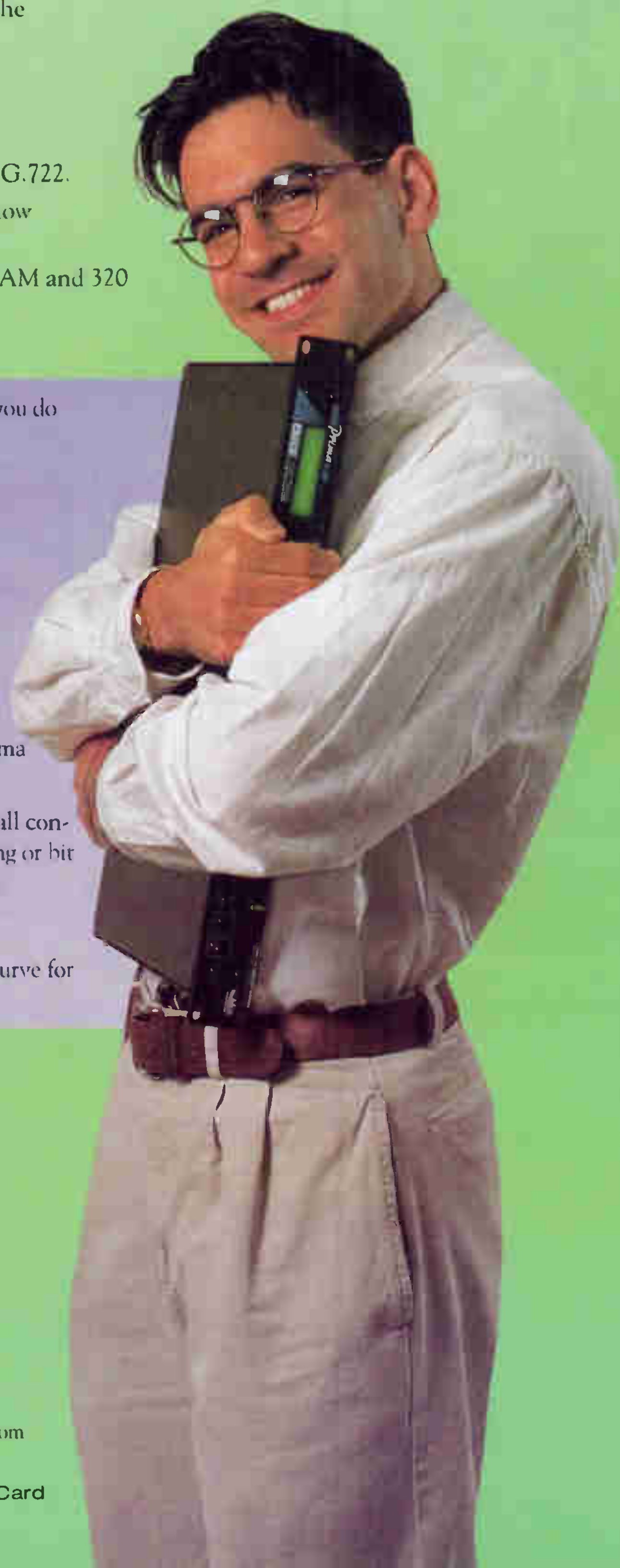

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Leeza Gibbons Angel of the Airwaves

Twenty-two coveted Marconi Awards, recognizing the top radio stations and air personalities, will be handed out on the evening of Oct. 12 at the NAB Radio Show in Los Angeles.

Emceeing the black-tie event is Leeza Gibbons. Although many people consider Leeza more of a television star, she is one of the most popular personalities on radio today.

Syndicated by Premiere Radio Networks, her "Entertainment Tonight on the Radio" and "Blockbuster's Top 25 Countdown" are heard on more than 130 stations.

"I just love radio. It's where I started," Leeza says in the warm voice that makes her such a joy to listen to. "I've always had an appreciation for the intimacy of radio. That appeals to me. I love the fact that you can have an idea in the morning, put it on (the air) in the afternoon and get immediate feedback."

Leeza worked in radio long before gaining exposure on TV, starting as a DJ at NPR affiliate WLTR while attending the University of South Carolina School of Journalism.

"I was known as the Angel of the Morning," Leeza adds, obviously embarrassed by the moniker. "I had my redneck twang and a breathy voice."

She signed the station on in the morning, riding her bicycle from the dorm to the studio. But like many people who have done that shift, Leeza quickly developed a fear that she would oversleep. Her solution was to camp out on the sofa in the station lobby.

Teenybopper and the radio

Leeza was bitten by the broadcasting bug early in life. Growing up she loved listening to the radio; her favorite station was WCOS in Columbia, S.C., which featured "Woody with the Goodies."

"There is always the one DJ who gets the young crowd," Leeza affectionately recalls. "Woody was it! He called people on their

by Bob Rusk

birthday. When I turned 16, Woody called my house to wish me a happy birthday and my sister answered the phone.

"It was on the weekend and I was sleeping late. She told Woody she wouldn't wake me up. Later when she told me about it, I was furious. 'But that was Woody Windom on the phone!' I told her."

All worked out fine, though. Once on her "Leeza" show, now a staple of the NBC-TV daytime schedule, she announced that she would enjoy getting a call from Woody on her birthday — and he phoned.

"I loved that!" Leeza excitedly says, sounding a bit like a teenager who has just met her idol.

Career goals

Even before she began listening to Woody, however, Leeza knew that she wanted to be a communicator. Legendary CBS newsman Walter Cronkite was a major influence.

"He represented so much that was right. He had great integrity, compassion and tremendous credibility," says Leeza. "He was the most trusted man in America.

"It was a powerful image that guided me. I thought that it would be great to be a conduit for information — to be the person who is trusted with other people's stories.

"I've never gotten far from that, whether it's been as a news reporter or magazine show host on television or radio. Whatever the focus, I've always served as a storyteller. That's where my great passion is."

No screaming!

After college (where she graduated magna cum laude), Leeza followed in the footsteps of Cronkite, joining WSPA-TV in Spartanburg, S.C., as a news anchor. She then went on to TV jobs in Beaumont, Texas, and Dallas before moving to New York as co-host "Two on the Town" at WCBS-TV. She joined the nationally syndicated and highly rated Paramount Television "Entertainment Tonight" in 1984, which brought her back to radio.

"Entertainment Tonight on the Radio" airs twice each weekday; her countdown — with soft AC and hot AC versions — is a weekly program.

She records them in studios on the Paramount lot and at her home in the Hollywood Hills, where she lives with her husband and two young children.

"No matter where I am, I can flip on the microphone and do my feeds," explains Leeza. "I had the booth built at home so I could do a lot of my radio work and not take time away from my family. I can record before the kids wake up or after they go to bed.

"They call the booth the screaming room," she says with a chuckle, "because it's soundproof. They think I go in there and flip out!"

There is a direct line from the house to Premiere. "I have a board and it's really as simple as dialing them," adds Leeza. "Our production team goes out and gets all of the elements for the show — the fan interaction, celebrity sound bites. I can hear those as I'm recording. I can do phoners from home as well."

Leeza assures us that she never loses her cool in the "screaming room," but her children have to be quiet if they're playing in the backyard.

"There is a window that overlooks their tree house," she explains. "It's very picturesque, but sound seeps in. We have to

continued on page 27 ➡

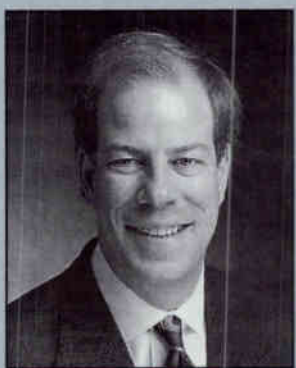
➡ List continued from page 22

4	San Francisco	3	0	33.5	212.8	15.7%	13.2	1.19
5	Philadelphia	3	0	20.5	194.1	10.6%	11.2	0.94
6	Detroit	5	2	56.4	170.0	33.2%	31.6	1.05
7	Dallas-Ft. Worth	0	1	0.0	203.0	0.0%	0.0	0.00
8	Washington	2	2	36.6	201.7	18.1%	15.5	1.17
9	Houston-Galveston	1	1	28.5	188.1	15.2%	10.1	1.50
10	Boston	2	1	26.5	179.1	14.8%	16.1	0.92
11	Miami-Ft. Lauderdale-Hollywood	1	1	8.2	149.9	5.5%	7.1	0.77
37	Charlotte-Gastonia-Rock Hill, N.C.	4	2	19.55	57.3	34.1%	35.8	0.95
	Totals	**29**	**12**	**338.45**	**2,856.9**	**11.8%**	**—**	**1.05**

Q: What can you say to GMs who fear losing their jobs when a large company acquires their station?

A: Our company is always looking for good managers. We have found that it's more efficient to keep someone already managing a station rather than to replace that person. We would rather trim expenses in other ways than having a manager run multiple stations. Of course, our stations are concentrated in larger markets. Maybe the case would be different in medium-size markets, but so far that hasn't been our experience.

–Scott Ginsburg



American Radio Systems License Corp.
Steve Dodge, CEO
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88 stations in 20 markets with estimated revenues of $327.5 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
5	Philadelphia	2	0	18.0	194.0	9.3%	11.4	0.81
10	Boston	2	2	43.9	179.1	24.5%	21.6	1.13
13	Seattle-Tacoma	4	2	26.8	124.2	21.6%	18.7	1.15
17	St. Louis	3	2	22.5	89.3	25.2%	19.4	1.30
18	Baltimore	1	2	10.4	80.7	12.9%	8.6	1.50
19	Pittsburgh	2	0	8.3	76.6	10.8%	11.4	0.95
24	Portland, Ore.	4	1	16.9	77.1	21.9%	21.2	1.03
26	Kansas City, Mo.	2	1	9.7	57.0	17.0%	15.9	1.07
29	Sacramento, Calif.	7	4	29.45	71.1	41.4%	45.2	0.92
30	San Jose, Calif.	3	1	14.4	39.1	36.8%	32.8	1.12
37	Charlotte-Gastonia-Rock Hill, N.C.	2	0	12.1	57.3	21.1%	18.6	1.14

➡

continued from page 22

get the kids rolled out of there before I can do any recording."

Future plans

While many people in our business would settle for being a major national personality on both radio and television, leaving the producing duties to others, the verstatile Leeza likes the hands-on approach. Leeza Gibbons Enterprises produces all of her radio shows, in addition to "Leeza" on TV.

Leeza is at home on radio.

She has also made an aggressive move into cable, developing and producing prime-time specials for the Lifetime channel's highly acclaimed "Intimate Portraits" series. She has signed on with The Nashville Network as well. A Christmas special will feature Leeza interviewing top country artists and their spouses.

With all of these video projects, however, she has no plans to put radio on the back burner.

"Because I have a continuing relationship with the entertainment community and a 12-year catalog of interviews and experiences with a lot of stars, I'd like to package those elements into (more) great radio shows," Leeza says.

"Hopefully I'll be working with Premiere on some specials. I love the creative process and think-tanking with my buddies there. Our shows are doing well and we definitely plan on getting bigger."

Bob Rusk spent 20 years in radio. He is a regular contributor to Tuned In.

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
40	Buffalo-Niagara Falls, NY	3	1	9.95	39.2	5.4%	31.4	0.81
41	Hartford-New Britain-Middletown, Conn.	3	1	22.8	45.9	49.7%	43.9	1.13
45	Rochester, N.Y.	4	3	18.6	31.7	58.7%	53.4	1.10
47	W. Palm Beach-Boca Raton, Fla.	4	2	20.15	40.5	49.8%	39.8	1.25
48	Las Vegas	4	2	11.0	38.1	28.9%	24.9	1.16
52	Dayton, Ohio	2	1	10.2	30.8	33.1%	24.4	1.36
65	Fresno, Calif.	5	2	11.35	26.1	43.5%	35.2	1.24
72	Omaha-Council Bluffs, Neb.	1	1	6.7	27.8	24.1%	17.1	1.41
106	Worcester, Mass.	1	1	4.3	14.3	30.1%	22.1	1.36
	Totals	**59**	**29**	**327.5**	**1,340.0**	**24.4%**	**—**	**1.13**

List continued on page 31

products and services

products and services

➡ List continued from page 27

Jacor Communications Inc.
Randy Michaels, President
201 E. 5th St., Suite 1300
Cincinnati, OH 45202-4115
513-621-1300
513-621-0090 (fax)

60 stations in 15 markets with estimated revenues of $273.7 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
12	Atlanta	2	1	41.8	168.8	24.8%	16.2	1.53
15	San Diego	2	1	14.9	107.7	13.8%	7.8	1.77
17	St. Louis	2	1	8.4	89.3	9.4%	11.1	0.85
20	Phoenix	1	1	6.20	96.2	6.4%	4.7	1.37
21	Tampa-St. Petersburg-Clearwater, Fla.	4	1	21.8	83.4	26.1%	30.5	0.86
23	Denver-Boulder	4	4	49.6	108.6	45.7%	36.5	1.25
24	Portland, Ore.	2	1	18.7	77.1	24.3%	19.8	1.22
25	Cincinnati	4	2	46.2	82.75	55.8%	44.6	1.25
26	Kansas City, Mo.	1	1	8.5	57.0	14.9%	14.0	1.07
29	Sacramento, Calif.	2	0	11.1	71.1	15.6%	10.5	1.49
32	Columbus, Ohio	3	2	20.8	62.5	33.3%	26.2	1.27
53	Jacksonville, Fla.	3	2	8.8	35.6	24.7%	28.4	0.87
75	Toledo, Ohio	3	2	9.0	21.2	42.5%	42.5	1.00
79	Sarasota-Bradenton, Fla.	3	2	3.75	6.9	54.3%	30.7	1.77
105	Lexington-Fayette, Ky.	2	1	4.1	17.7	23.2%	20.1	1.15
	Totals	**38**	**22**	**273.65**	**1,085.85**	**25.2%**	**—**	**1.21**

ABC Radio
Robert Callahan, President/Radio
77 W. 66 St.
New York, NY 10023-6201
212-456-7777
212-456-3666 (fax)

21 stations in 9 markets with estimated revenues of $269.8 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
1	New York	1	1	42.0	461.0	9.1%	8.9	1.02
2	Los Angeles	1	2	61.4	511.6	12.0%	7.6	1.58
3	Chicago	1	1	7.5	328.3	2.3%	4.5	0.51
4	San Francisco	0	2	31.8	212.8	14.9%	9.9	1.51
6	Detroit	1	1	23.9	170.0	14.1%	12.4	1.14
7	Dallas-Ft. Worth	1	1	29.4	203.0	14.5%	12.5	1.16
8	Washington	1	1	24.2	201.7	12.0%	10.7	1.12
12	Atlanta	2	1	25.0	168.8	14.8%	16.1	0.92
16	Minneapolis-St. Paul	2	1	24.6	107.5	22.9%	22.2	1.03
	Totals	**10**	**11**	**269.8**	**2,364.7**	**11.4%**	**—**	**1.11**

Chancellor Broadcasting Co.
Steve Dinetz, President/CEO
12655 N. Central Expy, Suite 321
Dallas, TX 75243-1717
214-239-6220
214-239-0220 (fax)

53 stations in 15 markets with estimated revenues of $262 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
1	New York	1	0	18.4	461.0	4.0%	4.9	0.81
2	Los Angeles	1	1	18.8	511.6	3.7%	4.8	0.77
4	San Francisco	2	2	16.2	212.8	7.6%	8.0	0.95
8	Washington	2	1	19.7	201.7	9.8%	9.5	1.03
12	Atlanta	1	0	9.0	168.8	5.3%	4.8	1.11
14	Nassau-Suffolk, N.Y.	4	2	23.8	41.0	58.0%	44.9	1.29
16	Minneapolis-St. Paul	5	2	36.65	107.5	34.1%	34.2	1.00
19	Pittsburgh	1	1	6.5	76.6	8.5%	7.1	1.20
20	Phoenix	4	2	22.4	96.2	23.3%	25.7	0.91
23	Denver-Boulder	4	1	16.95	108.6	15.6%	17.1	0.91
25	Cincinnati	2	2	12.2	82.75	14.7%	15.9	0.93
27	Riverside-San Bernardino, Calif.	1	1	5.0	25.7	19.5%	19.0	1.02
28	Milwaukee-Racine	1	1	9.4	63.5	14.8%	16.6	0.89
29	Sacramento, Calif.	2	2	24.0	71.1	33.8%	32.7	1.03
39	Orlando, Fla.	4	0	23.1	64.2	36.0%	30.5	1.18
	Totals	**35**	**18**	**262.15**	**2,293.05**	**11.4%**	**—**	**1.05**

Clear Channel Communications
L. Lowry Mays, President/CEO
200 Concord Plaza, Suite 600
San Antonio, TX 78216
210-822-2828
210-822-2299 (fax)

89 stations in 25 markets with estimated revenues of $253.2 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
9	Houston-Galveston	3	3	26.2	188.1	13.9%	18.6	0.75
11	Miami-Ft. Lauderdale-Hollywood	2	0	13.0	149.9	8.7%	7.2	1.20
21	Tampa-St. Petersburg-Clearwater, Fla.	2	2	15.0	83.4	18.0%	16.0	1.12
22	Cleveland	2	1	9.65	79.0	12.2%	10.8	1.13
28	Milwaukee-Racine	1	0	2.3	63.5	3.6%	8.1	0.45
31	Providence-Warwick-. Pawtucket, R.I	2	0	6.55	36.0	18.2%	13.6	1.34
33	Norfolk-Virginia Beach-Newport News, Va.	4	0	8.0	46.3	17.3%	23.1	0.75
34	San Antonio	2	2	16.35	59.5	27.5%	19.2	1.43
38	New Orleans	4	2	15.0	42.4	35.4%	43.1	0.82
42	Greensboro-Winston-Salem-High Point, N.C.	2	1	12.1	33.1	36.6%	29.9	1.22
43	Memphis	3	2	16.8	45.6	36.8%	36.1	1.02
49	Louisville, Ky.	2	3	17.2	35.8	48.0%	39.2	1.23
50	Raleigh-Durham, N.C.	2	0	5.0	40.5	12.3%	13.3	0.93
51	Oklahoma City	4	2	15.6	32.9	47.4%	44.4	1.07
54	Austin, Texas	3	1	8.45	43.1	19.6%	22.4	0.88
56	Richmond, Va.	3	3	15.35	38.3	40.1%	38.5	1.04

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Q: When considering a person for a management position at your company, what qualities or characteristics do you look for?

A: "We always look for an aggressive-competitive quality in people, people who like to win.

"Besides that, we look for entrepreneurial types of people. We expect entrepreneurial-type returns at our stations, and we give people the authority to make decisions. Therefore, we look for those types of people who can make decisions. Usually those people don't come out of the corporate environment. They come out of a more entrepreneurial environment."

–Mark Mays
Sr. VP/Operations, Clear Channel

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
60	Tulsa, Okla.	3	2	5.1	30.1	16.9%	15.8	1.07
66	Grand Rapids, Mich.	3	2	13.35	31.7	42.1%	37.9	1.11
70	El Paso, Texas	2	1	4.2	16.8	25.0%	27.7	0.90
76	Springfield, Mass.	1	1	3.7	15.9	23.3%	22.3	1.04
77	Ft. Myers-Naples-Marco Island, Fla.	2	0	4.1	20.5	20.0%	20.7	0.97
82	Little Rock, Ark.	2	0	3.75	19.9	18.8%	15.1	1.25
88	Columbia, S.C.	2	0	4.3	19.9	21.6%	27.1	0.80
95	New Haven, Conn.	1	2	6.1	15.3	39.9%	36.7	1.09
129	Reading, Pa.	1	1	6.05	7.6	79.6%	46.3	1.72
	Totals	**58**	**31**	**253.2**	**1,175.2**	**21.5%**	**—**	**1.08**

SFX Broadcasting Inc.
Mike Ferrel, President/CEO
600 Congress Ave, Suite 1270
Austin, TX 78701-3234
512-477-7338
512-477-7388 (fax)

69 stations with in 22 markets estimated revenues of $200 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
8	Washington	1	0	7.2	201.7	3.6%	4.7	0.76
9	Houston-Galveston	3	1	29.7	188.1	15.8%	16.9	0.93
15	San Diego	2	0	10.9	107.7	10.1%	10.8	0.94
31	Providence-Warwick-Pawtucket, R.I.	2	1	10.2	36.0	28.3%	24.6	1.15
37	Charlotte-Gastonia-Rock Hill, N.C.	2	0	7.8	57.3	13.6%	14.2	0.96
41	Hartford-New Britain-Middletown, Conn.	3	1	12.3	45.9	26.8%	21.5	1.25
42	Greensboro-Winston-Salem-High Point, N.C.	2	2	4.55	33.1	13.7%	11.7	1.17
44	Nashville	2	0	13.2	48.4	27.3%	25.1	1.09
50	Raleigh-Durham, N.C.	4	0	14.5	40.5	35.8%	29.4	1.22
53	Jacksonville, Fla.	4	2	15.95	35.6	44.8%	40.1	1.12
56	Richmond, Va.	5	0	14.65	38.3	38.3%	30.7	1.25
57	Albany-Schenectady-Troy, N.Y.	2	2	8.7	28.9	30.1%	24.3	1.24
59	Greenville-Spartanburg,S.C.	3	1	13.5	31.1	43.4%	40.2	1.08
62	Tucson, Ariz.	2	2	6.4	24.4	26.2%	26.4	0.99
76	Springfield, Mass.	2	1	4.6	15.9	28.9%	19.4	1.49
91	Wichita, Kan.	2	1	4.35	20.7	21.0%	21.5	0.98
93	Daytona Beach, Fla.	1	0	2.0	6.0	33.3%	9.3	3.58
95	New Haven, Conn.	1	0	6.8	15.3	44.4%	23.5	1.89
107	Augusta, Ga.	2	0	0.9	12.7	7.1%	6.1	1.16
118	Jackson, Miss.	4	2	8.45	15.1	56.0%	41.0	1.37
134	Biloxi-Gulfport-. Pascagoula, Miss	2	0	2.35	6.8	34.6%	32.6	1.06
185	Myrtle Beach, S.C.	2	0	1.0	8.4	11.9%	5.9	2.02
	Totals	**53**	**16**	**200.0**	**1,002.6**	**19.9%**	**—**	**1.24**

Cox Enterprises
Robert Neil, VP Broadcasting Div.
1400 Lake Hearn Dr. NE
Atlanta, GA 30319-1464
404-843-5000
404-843-5586 (fax)

38 stations in 12 markets with estimated revenues of $179 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
2	Los Angeles	2	1	53.0	511.6	10.4%	9.9	1.05
11	Miami -Ft. Lauderdale-Hollywood	2	0	14.4	149.9	9.6%	9.5	1.01
12	Atlanta	2	1	25.5	168.8	15.1%	17.1	0.88
21	Tampa-St. Petersburg-Clearwater, Fla.	2	1	9.8	83.4	11.8%	14.2	0.83
34	San Antonio	2	1	8.5	59.5	14.3%	14.1	1.01
39	Orlando, Fla.	4	3	20.3	64.2	31.6%	32.6	0.97
49	Louisville, Ky.	3	0	3.1	35.8	8.7%	8.0	1.09
52	Dayton, Ohio	1	1	8.0	30.8	26.0%	23.6	1.10
55	Birmingham, Ala.	2	1	9.5	33.1	28.7%	22.1	1.30
60	Tulsa, Okla.	2	1	9.75	30.1	32.4%	29.1	1.11
68	Syracuse, N.Y.	3	2	10.9	20.8	52.4%	44.5	1.18
112	Bridgeport, Conn.	1	0	5.9	15.6	37.8%	25.4	1.49
	Totals	**26**	**12**	**178.65**	**1,203.6**	**14.8%**	**—**	**1.11**

Bonneville International Corp.
Bruce Reese, President/CEO
P.O. Box 1160
Salt Lake City, UT 84110-1160
801-575-7500
801-575-7544 (fax)

20 stations in 11 markets with estimated revenues of $123.9 million

Mrkt Rank	Market Name	#FMs	#AMs	Station Revenues in $ Mil.	Market Revenues in $Mil.	% Share Market Revenues	Local Comm. Share	Avg. Power Ratio
1	New York	1	0	19.0	461.0	4.1%	3.3	1.24
2	Los Angeles	1	0	23.8	511.6	4.7%	3.7	1.27
3	Chicago	1	0	9.9	328.3	3.0%	2.6	1.15
4	San Francisco	1	1	11.9	212.8	5.6%	4.7	1.19
7	Dallas-Ft. Worth	2	0	13.0	203.0	6.4%	7.0	0.91
8	Washington	1	0	4.0	201.7	2.0%	1.6	1.25
13	Seattle-Tacoma	1	2	19.9	124.2	16.0%	9.9	1.62
20	Phoenix	1	1	4.0	96.2	4.2%	3.1	1.35
26	Kansas City, Mo.	2	2	12.0	57.0	21.1%	20.7	1.02
35	Salt Lake City-Ogden	0	1	5.9	48.2	12.2%	6.6	1.85
199	Frederick, Md.	1	1	0.5	4.4	11.4%	10.0	1.14
	Totals	**12**	**8**	**123.9**	**2,248.4**	**5.5%**	**—**	**1.24**

Move Up from Carts to Touchscreen Digital Audio

Play Anything...At A Touch

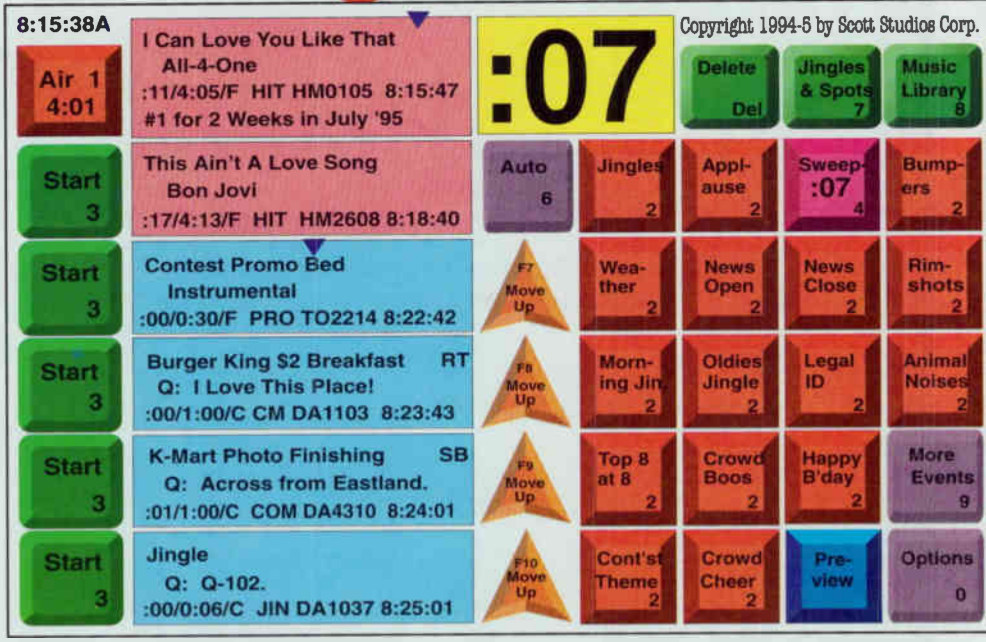
The ***best*** way to improve your radio station is to put all your spots, sounders and sweepers ***on-line*** and ***ready to play instantly*** from hard disk. Creative talent sounds better than ever with ***Scott Studios'*** new touchscreen digital audio system.

Here's how it works: Six buttons on the left of the large computer touchscreen play what's on your log. Scheduled spots, songs, promos, PSAs and live scripts come in automatically from your production studios, traffic, music and copy computers. Jocks can revise sweeps at a touch (with the arrows at mid-screen), or work with the full day's log and add or rearrange anything.

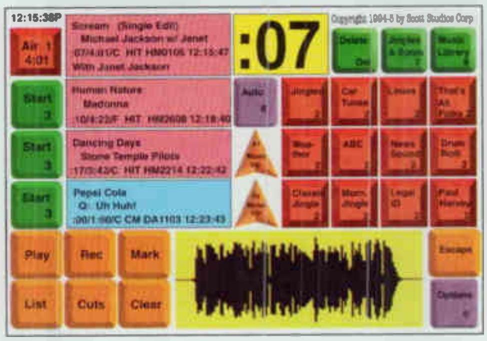
On the right, 17 "hot keys" start ***unscheduled*** jingles, sounders, effects, comedy or promos ***on the spur of the moment***. Your morning show will benefit from 26 sets of 17 user-defined instant audio "hot keys".

You can ***preview anything*** in a cue speaker at a touch. The Scott hard drive even lets you listen to endings ***while*** that song is playing on the air.

And ***nothing*** beats the Scott System for easy levels. Touch the label on the screen, moving right to left to fade as desired. If you'd rather adjust levels on the console, channel numbers show clearly on each start button.



The Scott Studio System is your ***best*** way to make the move to digital audio and eliminate troublesome carts. The touchscreen instantly plays whatever you want. All scheduled spots, jingles, promos, scripts and songs come in from your traffic, copy and music computers.



Phone Recorder On Screen

Touch ***one button*** and you're recording calls to hard disk. Another button and you've got the world's easiest editor. When it's ready, one touch and your call's on the air. The phone recorder only adds $1,000 to the system.

The *Best* Digital Audio

When spots, promos, PSAs, or any other digital audio events are recorded, they're immediately playable in ***all*** your Scott System air studios. Nobody wastes time carrying carts down the hall or redubbing spots for additional stations.

One question you ***don't*** have to worry about is "What if it breaks?" The Scott System comes complete with ***every*** spot and jingle stored ***redundantly*** on ***two*** hard disks. It's a snap to switch to the "hot standby" system! You get touchscreen convenience, digital quality, and backup redundancy for no more money than cart machines and commercial tapes.

The World's Fastest Requests!

Touch either of the two buttons at the top right of the main screen to see our "Wall of Carts" with all your audio ***on-line!*** Touch the spot, song, jingle, sounder, promo, PSA or comedy you want and it plays ***instantly***. Or, you can put it anywhere you want in the day's schedule.

During play, all Scott screens include large digital timers that automatically count down intro times, and flash warnings 60-, 45-, and 30-seconds before the end. You also get clear countdowns the last 15 seconds of each event.

Instant Songs on Hard Disk

Scott Studios is radio's premier source of high quality music on hard drive. ***All your songs*** will be pre-dubbed ***free***.

Nothing could be faster than requests from the Scott System! You also get five "Wall of Carts" with music that plays at a touch! Songs are shown by title, artist, year, length or category.

The Full Day's Log

Scott Studios lets you see the whole day and make any changes you want.

Large & Small Have Made the Move!

The Scott System ***leads the industry*** with major broadcasters like Disney-Capitol Cities-ABC, Westinghouse-CBS, Shamrock, Alliance, Salem, Liberty, Saga, Liggett, Regent, Tichenor, Benchmark, Max, Atlantic, and Ralco in Canada. Scott Systems are in Detroit, D.C., Dallas, Houston, Philadelphia, San Diego, Denver, San Antonio, Ft. Lauderdale, and smaller markets coast-to-coast from Bangor to Bakersfield.

Scott Studios Corp
13375 Stemmons Freeway, Suite 300
Dallas, Texas 75234 USA
8 0 0 7 2 6 - 8 8 7
(800) SCOTT-77

Cash Flow Multiples Soar Up and Away

by Lynn Meadows

Radio station prices are going up, up and away.

To the casual observer, this might mean cash flow multiples are increasing at an amazing rate. But the truth within the industry is that cash flow multiples are not what buying a station is all about anymore.

Three monumental changes have converged this year in the radio industry to make station and group owners more comfortable paying higher prices to acquire new properties.

Out the window

First and foremost, of course, was the Telecommunications Act passed in February that lifted national ownership caps and increased the number of stations an owner could own in one market.

An owner who buys an in-market competitor gains more than a station: he gets rid of a competitor and grabs more market share. He will therefore be willing to pay more than the typical eight to 10 times cash flow for an in-market property.

Second, access to capital is becoming relatively inexpensive for an ever-growing number of publicly traded radio groups.

And a group with cheap access to capital will be able to pay more for a station than someone who has to answer directly to a lender.

Third, there is a sense that this is the last time stations will be so freely traded. New York-based radio broker Gary Stevens says he does not believe the industry will see as many stations traded in the future as in the past.

Many purchases are predicated on the buyer's idea that "I've got to have that piece of property," says Richard A. Foreman, president of media broker Richard A. Foreman Associates. "It's not really a multiple world."

In many sales, the station is not making any money so there is no multiple.

Foreman, for instance, asked how to calculate a multiple when a buyer pays $7 million for a station that is not making any money.

Foreman says that buyers are looking beyond multiples these days to station performance, potential, tower condition, sales staffing and other factors.

"I'm not saying people are blind to multiples," Foreman says. The multiples that do exist, he adds, are "all over the place."

In the top 25 markets, Foreman says the average multiples have been 16 times cash flow or higher. In markets 25–50, they have been about 13 times cash flow. In markets 50–100, Foreman estimated multiples average about 11 times cash flow.

It is also true that the multiple is a relative figure.

"The sellers multiple is not necessarily the buyers multiple," Foreman says. Adds Stevens, a seller's multiple of 15 based on 1996 cash flow might be a buyer's multiple of 12 based on 1997 cash flow.

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"Cash flow multiples don't even seem to be a factor anymore," says John Casciani, owner of standalone station WNUC(FM) in Buffalo, N.Y. "Those of us who work them wonder how they are ever going to pay for these stations."

"They've gone out the window," Stevens says of multiples. While observers can figure what the multiple was after the fact, Stevens says he does not think it necessarily entered the buyer's mind.

Strategy, strategy

"Things aren't always what they seem," says Steven Pruett, senior vice president of the New York-based investment bankers Communications Equity Associates. He says to understand why buyers pay so much, you have to look beyond surface data.

Pruett agrees that there are certain cases where multiples are not a factor. In those cases, he says, the acquisition will either solidify a station's position or take a competitor out of the market.

He uses the example of an owner with an AC and a rock station and a cross-town AC competitor. Buying the cross-town AC will give the owner a lock on that demographic, an ability to tweak the format if need be and more selling power.

"Multiples never just go away," says Pruett. But there are cases when strategy outweighs the importance of the multiple.

Pruett says that the reason multiples have worked historically is that radio has been a fairly predictable business.

In the past, according to Pruett, buyers bought stations based on their historical performance. Now, they look at what can be done with that station and how it can improve their position in the market.

As Pruett says, if an owner has three stations in a market and wants a fourth, he or she is absolutely willing to disregard multiples if it means taking a competitor out of that market.

What this means for the outsider, however, is that it is increasingly difficult to buy into a new market if local owners are willing to pay more.

Typically an outsider is not going to be able to buy a station or duopoly where there are aggressive in-market competitors, says Pruett.

Multiples are still relevant when groups are acquired. In a city like Rochester, N.Y., Pruett explains, where two owners control nearly 80 percent of the market, a buyer buying one of those owners out has to be conscious of what the multiples are because he is buying a maxed-out market position.

And more strategy

The danger with station prices is that people who are not savvy may overpay simply to own a media property instead of for truly strategic reasons, Pruett says.

Pruett shares his advice for both buyers and sellers. For the seller, Pruett recommends getting professional help.

"It's easy to sell, yes. It's also easy to leave money on the table," he says. His do's and don'ts: Do not be ambushed by people who say 'this is the deal of a lifetime' and do test the market.

"Nobody makes their best offer on the first go round," he says. "Nobody."

Hire an intermediary to get you the most money. Pruett says you will get back whatever you wind up paying that professional.

For owners ready to buy, Pruett says to form a strategic plan. If you have a couple stations in five different markets, he says it may be wise to divest in some markets and to become a bigger player in the rest.

Without a plan, however, Pruett says, "It's the fifth inning and you are just pulling into the parking lot."

Lynn Meadows is a staff writer for Radio World newspaper, Tuned In's sister publication.

by Vincent M. Ditingo

Radio Industry Surfaces As Case Study in Strategic Planning

It appears a large segment of corporate America is rediscovering what the radio industry has been practicing all along: the implementation of multifaceted business strategies including those that involve future positioning.

Trends in Business Applications, Information Systems and Strategic Planning

In a recent survey conducted by the Association of Management Consulting Firms, the general consensus among U.S. executives, consultants and educators is that setting business strategies, not restructuring or downsizing, has become the single most important management issue of the mid- to late 1990s.

For the most part, radio station owners have never wavered from their strategic practice of dominating key demographics in select areas of the country to successfully compete with other commercial media.

And by expanding their existing business structures — the number of owned stations and therefore formats — today's radio owners continue to build upon their main competitive strength of establishing large consumer demographic bases for attracting new business dollars.

Power Portfolios Through Swapping

Strategic planners from all industries can also see how radio owners are capitalizing on all the benefits of increased deregulation of local station ownership for establishing a major media foothold in key markets.

Indeed, radio owners are now creating new "power" portfolios of station holdings in select markets around the country, not only by buying and selling, but also by embracing a once little used practice of station swapping — two owners exchanging the entire assets of their station properties for the same agreed upon value.

> The big advantage here is that exchanging stations is tax-friendly.

This practice, akin to what can best be described as a large board game, has picked up rapid momentum in the wake of the deregulatory telecommunications bill passed in early February.

The big advantage here is that this exchange of stations is tax-friendly (no tax is paid on the value of the exchange), allowing owners to more closely follow a strategic plan by exiting markets where their holdings are not profitable and entering specifically targeted cities where they might already have a significant operation.

Intra-competitive

According to financial data from Broadcast Industry Analysts (BIA), there have been some 50 station-swapping deals initiated by a variety of radio owners during the first half of 1996.

There is, however, arguably one competitive advantage to the U.S. radio (and television) industry that separates it from other large U.S. industries: the absence, by law, of foreign ownership.

Based upon developments in other businesses, when large foreign concerns enter the U.S. marketplace — in the case of radio, it would be majority ownership of local stations and/or national networks that could be leveraged against its other business interests — the industry begins to experience greater pressures on ad pricing and values.

Tracking the Impact Of Consolidation

Among the long-time goals of government officials and industry lobbying groups for deregulating radio ownership constraints are that the new leaders of the medium will become more proficient media competitors that would foster an improved level of service in which revenues are channeled into quality talent and programming. This would also include acquiring more popular or proven daily, syndicated shows, a trend that has become commonplace during the past year.

The hope for group, network and rep executives is to keep radio a financially viable medium (for both advertisers and investors), especially after the economic doldrums most broadcasters experienced in the early 1990s, by increasing market share and, in so doing, the industry share of the overall advertising revenue pie, which has hovered around 7 percent for years.

There is, however, the perennial issue of how or to what degree the continuing consolidation of radio, and media ownership in general, will impact the communications world as well as society at large.

The latter has been the subject of ongoing discussion and debate among Congressional leaders, community leaders, academic leaders and media executives since the U.S. government began to first deregulate the radio industry some 15 years ago.

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However, many of the concerns about radio consolidation and program diversity have more recently been allayed as today's radio executives repeatedly demonstrate a strong desire for servicing the communities in which they have chosen to operate. In return, they attract loyal listeners.

At the same time, the boon in news/talk radio and further fragmentation of contemporary music formats are now providing listeners with a variety of information and entertainment choices, even though some of these formats are satellite-delivered from an outside source.

Fueling long-range growth

The expected key benefit to the consolidation process in radio is to fuel long-range revenue growth.

As addressed in the last installment of "Management Journal," when operating more stations in a given market, regardless of its size, an owner can build what I call "demographic equity" for local and national advertisers. By dominating select formats and/or audience groups, new kinds of consumer marketing opportunities and efficiencies arise (see the "brand marketing" story below).

The potential advertising efficiencies that are inherent with consolidation, such as packaging complementary stations together, has caused at least one New York investment banking firm, Veronis, Suhler & Associates, to project total radio advertising (among all measured media) to grow at a steady, albeit single-digit, 7 percent compound annual rate through the year 2000.

The big picture

The topic of media mergers/consolidation in the '90s was also the subject of a panel meeting this past summer in New York City, sponsored by The Media Studies Center and The Freedom Forum.

As with any discussion on such a major issue, there were a variety of opinions on the potential effects of large corporate media mergers. But a number of panel participants do not foresee a major, negative impact.

Here are a couple of excerpts from the meeting:

"Today, there is actually less media concentration in the United States than there was 10 years ago. ... Ten to 15 years ago, there was AT&T, IBM, CBS, NBC and ABC. That was the center of the media, and it was much more concentrated than it is today. It is true that the fish are getting bigger all the time, but the pond is getting much bigger too."

— Eli Noam, director, Columbia Institute for Tele-Information, and professor of Finance & Economics, Columbia University Graduate School of Business

"There isn't any question that the economies of the media business are closing the door on a large number of small voices. But there are more (small voices) than you think. There are many more weekly newspapers around the country than there were in the 1960s–'80s. A lot of small radio stations are doing well. And the 'Net is, in fact, making an editor and publisher out of millions of people daily."

— Allen Neuharth, chairman of The Freedom Forum

Brand Marketing in Local Radio's New Competitive Environment

If we consider radio formats analogous to product brands, then when it comes to multiple station marketing on the local level, more industry executives should turn their attention to the automotive world for its emphasis on product line selling — that is, customized marketing to a specific clientele — for an example of marketing brands within a changing industry.

For clarity in this analogy, brand marketing of automobiles target consumers while brand marketing of radio formats target advertisers, both users of these respective products.

As General Motors experiences a major transformation this fall in re-marketing several redesigned car models and vans as well as new models, it has ensured that virtually every product line has its own brand manager charged with marketing the unique or enhanced features of its automobile to a defined consumer base.

In essence, they are charged with successfully marketing the competitive advantages of their automotive product. And they already have been supplying local dealers around the country with literature touting the features and target audiences of these product lines.

While many radio groups employ one sales manager to oversee the marketing of their owned stations within the same city (in some cases, the same region), the General Motors brand management model suggests that this might be an opportune time for radio owners to appoint a specific sales/brand manager to oversee the marketing of similar or identical formats in a given market. As every station operator knows, each format genre has its own unique consumer composition and characteristics for attracting certain advertiser products and services.

Even for radio, brand marketing of formats is not a new concept. But with many of today's station groups already skilled at achieving overall strategic goals (i.e., in which markets to operate), it becomes even more relevant to customize the selling process by building brand awareness of individual formats.

Notable Quote

"This is a wonderful time to be alive. There have never been so many opportunities to do things that were impossible before."

— Microsoft Chairman/CEO Bill Gates, "The Road Ahead," Viking Penguin, 1995.

Vincent M. Ditingo is a business writer, media consultant and educator. He is also president of Ditingo Media Enterprises, a New York City-based corporate communications and strategic marketing company.

On the Move

Chris Claus has been promoted by CBS Radio to the position of vice president/general manager of **WOGL-FM**, Philadelphia.

Claus served as VP of station operations for CBS Television and Radio prior to his promotion.

Greater Media Inc. recently announced the appointment of **Dennis J. Begley** as vice president/general manager of **WPEN(AM)** and **WMGK(FM)**, Philadelphia.

Sue Bell was promoted by **EXCL** from station manager to general manager of **KLOK-FM/KBRG(FM)**, San Francisco/San Jose, Calif.

David Yadgaroff was recently promoted by **KYW(AM)**, Philadelphia, from retail sales manager to local sales manager. Yadgaroff joined the station in June 1992.

Colonial Broadcasting Co. announced two promotions for stations

Christy Patrick

WLWM-FM/WMSP(AM) and **WMXS (FM)/WNZZ(AM)** in Montgomery, **Ala.**: **Christy Patrick** has been named general manager and **Joy Smithson** has been promoted to general sales manager.

Joy Smithson

SFX promoted **Terry Swaim** from sales manager of WRDU to director of SFX Marketing Services for the Mid-Atlantic Region.

His new territory will include Raleigh, N.C.; Richmond, Va.; and Washington. **Mike Hartel** joined SFX as the national sales manager for the company's four Raleigh FM stations.

Steve McCall was named director of sales for these SFX Raleigh properties, adding supervision of sales at **WRDU(FM)** and **WTRG(FM)** to his sales repsponsibilities for **WDCG(FM)** and former **WZZU(FM)** (now WRSN).

Bob Reich has been named COO for **Cromwell Group's** Nashville stations. He will assume responsibility for four radio properties in Nashville.

Bonneville Internationl transferred and promoted **Buddy Lee** from local sales manager at Chicago station WTMX(FM) to general sales manager at Dallas stations **KZPS(FM)** and **KDGE(FM).**

SW Networks named **Joyce MacDonald** vice president of affiliate marketing and **Ron Rivlin** senior director, affiliate marketing. Both MacDonald and Rivlin have been with SW Networks since 1994, having previously worked for Capital Cities/ABC Radio Networks.

L.J. Smith has been named programming manager for Broadcast Programming. He will continue to perform his current duties as country programmer-consultant while assuming his new responsibilities.

With Alan Fuller leaving **SBI Broadcasting, Dr. Laura Schlessinger** takes over as president of the company that syndicates her talk show. **Paul Douglas,** former programmer of WTIC(AM), Hartford, Conn., was promoted to executive vice president/general manager.

Tribune Radio hired **Mary June Rose** as programming director for **WGN(AM),** Chicago. Rose was most recently PD at Jefferson-Pilot station WBT(AM) in Charlotte, N.C.

Dennis Best was named director of sales for **Chancellor Broadcasting** in Orlando, Fla. Best spent the past 15 years as general manager of WLTF(FM) and WTAM(AM) (formerly WWWE) in Cleveland.

Barbara Dean Brill was named general sales manager of three Patterson Broadcasting Honolulu stations: **KIKI-FM, KKLV(FM)** and **KHVH(AM).** Brill has been with Bonneville management in three markets; she served as a GM in Phoenix and as a sales executive in Los Angeles and Chicago.

Are you on the move? Mail, fax or e-mail job changes to Tuned In, P.O.Box 1214, Falls Church, VA 22041; fax: (703) 820-3245; or e-mail: 74103.2435@compuserve.com

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Rep Firms ... Mix It Up ... after Deregulation

by Amy Bellinger

Radio stations aren't the only entities feeling the ground shift under them as a result of deregulation and continued ownership consolidation.

Companies providing services to stations, like national rep firms, are feeling the effects of the big changes as well. Until all the aftershocks subside, though, it is tough to say exactly how the rep business will shake out.

Mostly, the nature of the business has not changed so far. Katz Radio Group and Interep Radio Store still dominate the nearly $1.5 billion in national spot radio that will be placed through the national rep firms in 1996. And CBS Radio Reps, handling the powerful CBS owned-and-operated properties and a handful of other accounts, continues in its role as the "other" rep firm that agencies cannot afford to ignore.

Gary Fries, president of the Radio Advertising Bureau (RAB), says "a game of musical chairs is being played out in the rep business, as acquired station groups align with their new entities' rep firms." But probably the most significant consequence of consolidation, according to Fries, has been an accelerated continuation of the trend for stations to do business with one of the major national rep firms.

Katz may be slightly ahead of Interep in year-to-date share of rep firm business. Stu Olds, president of Katz Radio Group, says his firm (including all its various divisions) is responsible for 54 percent of this year's total rep firm billing through July 1996, up 6 percent from Katz's 48 percent share for January–July 1995.

Ralph Guild, president of Interep, counters that he does not know how the Katz numbers are possible, but he can't examine them and neither can the general public. Rep firm numbers have always been secret. After all, the rep firms are not regulated; why should they show their hand?

Each rep firm reports to the RER division of Competitive Media Analysis and gets back only a tally of total rep firm dollars, along with its own firm's amount and share of the total. Guild was the only rep firm head forthcoming enough to offer to share a copy of his most recent RER report, which assigns Interep a 41.2 percent share of rep firm-handled national radio dollars so far this year (through July 1996). The figure includes all divisions except Caballero, Interep's Hispanic division, while Katz's 64 percent does include Katz Hispanic division figures on top of the RER numbers. Only English-language station dollars in the United States are reported to RER.

But anything can happen, and there are dozens of ways to view the closely held numbers. The irony is that hearing the rep firm heads position themselves sounds very much like two stations in a market selling to an advertiser. When you have the numbers, you talk numbers. In the absence of numerical supremacy, you ➡

Illustration by Vicky Baron

products and services

products and services

talk quality, specific demos, growth, loyalty, psychographics, the future — anything. And rightly so. A little bravado is not only expected from rep firms, but desirable from a station management point of view.

station services

Year in review

The presidents of Katz and Interep both assert that the continued station ownership consolidation has affected them positively. Katz's Stu Olds points to his numbers, and Interep's Guild sells beyond the numbers, pointing to some specific examples of new territory conquered.


Olds

"We have been successful in picking up new client groups in the deregulated environment," Olds says of the year's highlights. Another change at Katz this year has been the addition of Sentry Radio Sales, a new rep firm division headed by Katz veteran Bob McCurdy.

In the Interep camp, Ralph Guild sums up the year. "We converted Shamrock Radio Sales (an Interep Division) into the rep company for Clear Channel Communications, increasing billing in that division from $30 million to $70 million," Guild says. He points out that Interep has picked up Classical Music Broadcasting Service (CMBS). "There might now be one or two commercial classical stations we don't represent," he says. Late last year Interep also acquired Caballero, formerly an independent Hispanic rep firm, which competes with the Katz Hispanic Radio division.


Guild

Lotus Hispanic Reps remains the lone independent Hispanic rep firm going for ever more Spanish-language radio dollars, an annual market now estimated at $65 million and, according to Interep's Guild, the fastest-growing segment of radio. Guild and Lotus CEO Rick Kraushaar disagree, however, about where the new Hispanic radio dollars are coming from. Guild claims the revenue is being drained off Hispanic TV and print, while Kraushaar contends that the new dollars are coming from English-language radio. "A few agencies and advertisers still don't understand the need for Spanish-language advertising, but now most see it is essential, especially in certain markets," says Kraushaar, whose firm claims representation of 80 stations in about 50 markets.

Kraushaar

CBS Radio Reps President Raif D'Amico reports in too, while being careful to point out, "We're not a rep firm." What? "We're a broadcast company with the unique advantage of having our own national sales arm."

Down to 43 stations in 22 markets at press time, CBS Reps lost a number of sold-off Brown Group stations, and made a decision to part company with the remainder of the group, as well as two standalone stations in non-top 50 markets. "We would like to be in all top 50 markets again," D'Amico says.

Though the RAB stays out of ranking rep firm shares, the bureau does keep track of total national radio dollars, which will amount to nearly $2 billion in 1996. RAB uses merged data from both Miller, Kaplan, Arase & Co. and Hunger-ford, Aldrin, Nichols & Carter, the two mainstay research firms to which stations report.

D'Amico

For the year to date (through July 1996), national radio dollars amount to some $1.16 billion according to the RAB numbers, while January–June dollars handled by rep firms amount to "only" $664.9 million, according to the RER division of Competitive Media Analysis.

The enticing balance represents buys that do not go through the rep firms — the beer distributors, soft drink bottlers and fast food companies and other national advertisers that have traditionally skirted the rep firm channel.

Fries says that, in looking at national radio figures, is it also important to remember that not all national advertising gets reported by stations as national radio dollars. "There is no standard for how stations report national dollars to Miller Kaplan or Hungerford," Fries decries. "Some stations think of their national money as only the buys that come through the rep firms. On the other hand, what one station might categorize as national, another might say is local or regional."

Total radio dollars — national, regional and local — came to $11.47 billion in 1995, according to the RAB.

"When it all shakes down, the share between Katz and Interep is going to be what it was before deregulation," Interep's Guild predicts.

But that's if everything remains orderly. A non-partisan industry watcher reminds us that nobody dares speculate about the pending sale of Infinity to Westinghouse announced in June. Westinghouse, of course, also owns Group W and acquired the CBS networks in 1995. Group W and Infinity stations have heretofore remained with Interep. Stay tuned. Anything could happen.

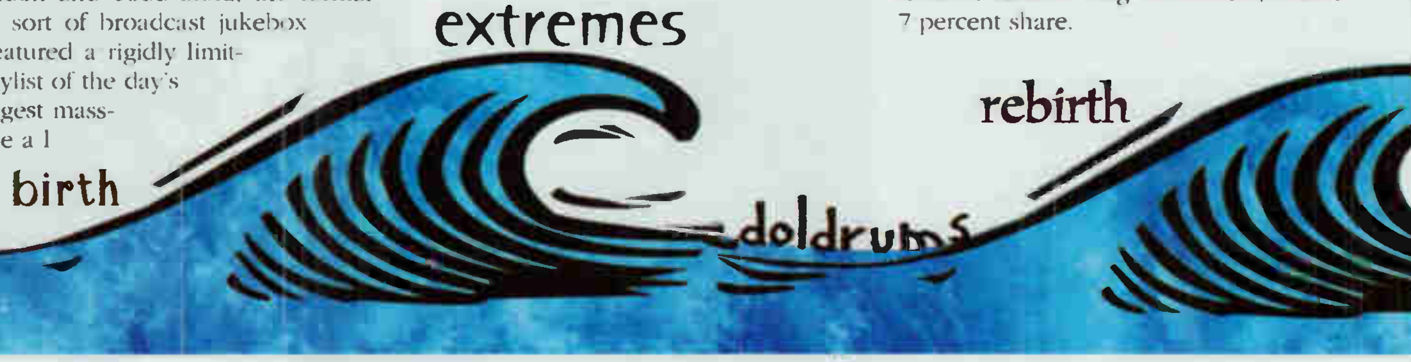
Amy Bellinger is a freelance journalist and survey researcher in Bloomington, Ind., who used to sell radio. These days she writes about computer and technology issues, including radio stations on the World Wide Web.

CHR Rides the WAVE

by David Sowd

Top 40 has come a long way, baby, since its anything-but-humble beginnings on the AM band in the late 1950s. And it hasn't all been one big joyride.

As originally conceived by formula programming pioneers Gordon McLendon and Todd Storz, the format was a sort of broadcast jukebox that featured a rigidly limited playlist of the day's 40 biggest mass-appeal hits,



that aired over and over again in a tight rotation and were introduced by glib, hyped-up DJs: fast talkers with big voices and brash, identifiable personalities.

In the '70s, Top 40 moved to the FM band and, by fiat of the trade journal Radio & Records, began to be known — in some circles, at least — as Contemporary Hit Radio (CHR). The playlist expanded to include recurrents and "gold" records, and the presentation softened up considerably.

By the late '80s, though, Top 40 was in trouble. Many of its younger demos had begun heading for the greener pastures of so-called "alternative" and urban dance music, and station owners were understandably gun-shy about staking their fortunes on a format that targeted 18- to 34-year-olds when advertisers had decreed that the "money demo" was 25–54.

"Stand-alones that could only achieve ratings in 18–34 couldn't compete up to owners' expectations in the 25–54 arena," says consultant Dave Shakes, vice president of Virginia-based Alan Burns & Associates and a former program director at two major-market CHRs — Chicago's WBBM-FM and San Francisco's KMEL(FM).

But the good news, many in the industry say, is that Top 40 is back. And back with a vengeance, in two main variants: mainstream pop and "rhythmic," or dance.

"CHR is coming back in droves because people want more than just one genre of music," says Lisa Rodman-Rose, PD at Zebra Broadcasting's WZJM(FM) in Cleveland, a mainstreamer that posted its highest 12+ share in recent years — a 4.7 — in the Spring 1996 Arbitrons to finish 10th in a market dominated by country, urban and AC. And owners are no longer running scared. Now that many of them operate multiple stations in a single market, they're anxious to be in a position to offer what Shakes calls "an 18–34 solution for an advertiser's needs."

> Top 40 is back — and back with a vengeance.

Indeed, CHR currently enjoys the highest average audience share per station — 7 percent — of any format, according to recent research conducted by BIA Publications. With some 78.9 percent of its listeners under the age of 35, by Arbitron's estimate, the format does particularly well in the weekday evening hours of 7 p.m.–midnight. It's the highest-rated music format during that daypart, pulling 13.5 percent of the total 12+ audience (second only to news/talk). And as for revenues, BIA ranks it sixth among all formats, with a 7 percent share.

Texas-based consultant Guy Zapoleon believes that the problems and successes of Top 40 are cyclical, and more so than most formats. "Contemporary music runs in three stages, and the cycle repeats every 10 years or so," he explains.

Zapoleon, a former national PD for Nationwide Communications, calls the first of these stages the Birth (or Rebirth) cycle. In this cycle a balance exists between the three basic mass-appeal music styles of pop, rock and R&B. At the dawn of Top 40 in 1958, for example, the format featured Elvis Presley, Chuck Berry and The Drifters; in 1964, The Beatles, Rolling Stones and various Motown artists; in 1974, Fleetwood Mac, The Eagles and Stevie Wonder; and in 1982, the Eurhythmics, Bruce Springsteen and Michael Jackson/Madonna.

"But then what happens," he says, "is that after about three or four years, Top 40 goes into what I call the Extremes period, where it programs to the active core of its audience. In 1969, it was acid rock (Jimi Hendrix, Led Zeppelin); in 1978, disco (Donna Summer); and in 1989, rap/funk (Hammer, Public Enemy). The format actually picks up a little bit, but it's no longer cumeable, because it only appeals to a very

# of Renewed Popularity

narrow group of people who listen a lot."

And finally, the pendulum swings into what Zapoleon characterizes as the Doldrums period, where Top 40 plays only the safest and most "adult"-sounding of artists: Bobby Vinton and country crossover acts in 1961, James Taylor and John Denver in 1971, Barbra Streisand and Kenny Rogers in 1981 and Billy Joel and Garth Brooks in 1991. "The programmers wake up and go, 'Oh my God, what've I done? I've blown off all my adults!' So they go to the other extreme," he says, "and lose their 'active' listeners."

Now, though, the format is emerging from its early '90s doldrums and experiencing another rebirth, Zapoleon maintains, thanks in part to the recent infusion of alternative artists like Alanis Morissette, Hootie & the Blowfish and Smashing Pumpkins. But the key, as always, is for CHR programmers to achieve compatability among all of the genres by playing the most pop-sounding hit songs.

"People turn to Top 40 because they want to hear the biggest hits of the day," he says. "But it's hard to make them all playable on one station when you have a Public Enemy or a Cyprus Hill being the top-selling artists on one end, or a Metallica on the other."

WZJM's Rodman-Rose agrees that the format has been blessed with better product of late.

"The thing that's been so bad for CHR radio for so long is that there was a really major drought of pop product and good straightforward happy music," she says. "We were getting bombarded left and right by the alternative stuff, because the record companies saw how viable a money-making opportunity it was."

It was about a year ago, Rodman-Rose says, that the music really started to improve — shortly after Zebra (a spinoff of Zapis Communications, which owns Cleveland's urban giant WZAK(FM)) bought the long-floundering Top 40 station. "Jammin '92" had been a heavily urban-leaning CHR, says Zebra Vice President Lee Zapis, "and it was cannibalizing WZAK." So, with the help of Rodman-Rose, Zapis and Zebra principals Lynn Tolliver, Jr. and Bobby Rush have moved the station out of the urban arena altogether and turned it into the market's sole, straight-ahead pop CHR.

Rodman-Rose increased the station's visibility through creative contesting and other promotions, reduced the number of commercial stopsets from four-per-hour to two, and hired some younger jocks.

The right mix

"Mornings are the focal point," she says. "A lot of CHRs are programmed from the top — that is, nights — down, but we've built from the morning show up. And we've put the personality back in the station's presentation."

But the biggest challenge, Rodman-Rose admits, was getting the music mix right.

"I had to take the station out of a 'dark' zone, which was very down-tempo, very urban-oriented, and focus it towards being more upbeat and pop." WZJM's current catalog is "right at 40," she says, and the overall playlist includes about 25 percent recurrents and 20 percent gold (The Cure's "Just Like Heaven," A-ha's "Take On Me").

Selling the format to advertisers, though, hasn't exactly been a piece of cake. "Part of the reason is that there's been this perception that nobody wanted teens," argues Zapis, whose station — like most Top 40s — carries spots for youth-targeted products and services such as soft drinks, beer, movies, jeans, colleges, video stores and amusement parks. "And most of that — the notion that teens and twentysomethings are 'slackers' and don't have any money — comes out of just plain ignorance. But it's going to improve in the next few years, because it's the 18- to 34-year-olds who are moving into apartments or buying homes for the first time."

One station that certainly hasn't had any trouble selling CHR is Evergreen's WKTU(FM) in New York, the rhythmic powerhouse that may well be the biggest success story in the history of radio: worst to first in one ratings book — across the board. Advertisers are knocking down the doors to get in on the action.

The station had been country WYNY — No. 25 in the market with a 1.9 share — when Evergreen purchased it, resurrected the call letters from a legendary Big Apple dance station that had signed off in the early '80s, and took to the air on Feb. 10 of this year. By the end of the spring quarter, the new WKTU had shot to No. 1 in 12+ (6.7), 18–34 (a whopping 13.0), 18–49 (9.3), and even 25–54 (7.0). And it had the largest cume of any station in the nation: 2,600,000.

"We researched the market and discovered this huge hole for a 'feel-good' station," explains Zapoleon, who worked with Evergreen President/COO Jim de Castro and Vice President/Programmer Steve Rivers in laying the groundwork for the WKTU assault.

"A lot of people in the industry said you couldn't play this music on a Top 40 radio station, that it had to be niched. So WHTZ(FM) (previously the country's highest-rated CHR cumer) was very alternative and WQHT(FM) was very urban. Everybody was playing to a niche instead of playing this pop rhythmic music that all the people we talked to in the street told us they wanted.

Mass appeal

"So this station is unique," Rivers says. "It's mass-appeal in that the music appeals equally to whites and blacks and Hispanics."

What ties it all together is the beat, says Program Director Frankie Blue, who worked at crosstown rival WHTZ (Z-100) when that station went from worst to first, 12+, in 1983. "We play upbeat dance music (LaBouche's "Be My Lover," for example)," he explains, "but we also play artists like Tony Rich, Mariah Carey, Celine Dion, Robert Miles, Color Me Badd, Toni Braxton and R. Kelly, so it really is mass-appeal."

No small part of the station's entertainment value is provided by the flamboyant RuPaul, who was installed as the station morning-drive DJ.

"Who would've ever thought that New York would wake up one day and hear a cross-dresser on the radio?" says Blue. Indeed.

Other factors

While WKTU is clearly in a class by itself, other stations have managed to weather the ups-and-downs of Top 40 over the years and maintain a consistently high level of performance.

Point Communications' WZEE(FM), a mainstreamer — and sole CHR — in Madison, Wis., was No. 1 across the board in Arbitron's Winter '96 book with healthy shares of 10.0 (12+), 15.1 (18-34) and 9.2 (25-54). And a lot of that success is attributable to the astute ears of Program Director Joe Larson and Assistant PD/Music Director Dana Lundon, who make use of both call-out research and semiannual auditorium testing to determine exactly what residents of this Midwestern college town want to hear.

"We try not to be 'too hip for the room,'" says Lundon. If it's a rap record or a really hard alternative record, it's got to be a hit before we'll play it."

Like most mainstream CHR programmers, the 31-year-old Lundon, who is also the market's top-rated afternoon-drive DJ, is careful to steer clear of extremes while fashioning a mass-appeal mix for Z-104 that includes the best of all genres: dance (La Bouche, Real McCoy), urban (Brandy, Fugees) and alternative (Garbage, Goo Goo Dolls).

In Youngstown-Warren, Ohio, the nation's No. 87 market, Connoisseur Communications station WHOT-FM consistently ranks among the Top 10 AQHs in the country. The mainstream pop CHR posted a 10.9 share (12+) in last fall's Arbitron book, and its slice of the 18–34 pie was a whopping 16.7.

What accounts for those high numbers, Program Director Tom Pappas thinks, is the fact that WHOT has been broadcasting the same Top 40 format since 1958. "Because 'Hot 101' is a heritage radio station in this market, everybody who grows up with it stays with it," he explains.

> The key is balance. CHR programmers need to be watchful of repeating the mistakes of previous cycles.

Pappas programs several specialty features into the mix, like a "Lost '80s Lunch" that resurrects such artists as Tony Basil, Duran Duran and Flock of Seagulls. And the station doesn't skimp on promotion, he says, "getting the jocks on the street, doing nights out at clubs, kissing babies — just like a politician."

But Pappas keeps coming back to heritage as the key to the station's success. "No matter what kind of valley we find ourselves in from time to time," he says, "people always know 'Hot 101.'"

The future

Industry observers seem to agree that Top 40 is, at long last, emerging from the valley. But most astute consultants are careful to urge caution.

"Part of the rebound of CHR is that some of the pop alternative acts have pushed the rebirth of the music," says Zapoleon. "But what will probably happen — and has already happened, to a point — is that a lot of CHR stations have gone too far into the alternative side.

The key is balance. Programmers need to be watchful of repeating the mistakes of previous cycles, which is going to extremes."

Dave Shakes agrees, more or less. "It does seem like the cycles repeat," he says. "And it seems like product cycles in radio are speeding up — that formats are having to grow and live and die in an ever-increasing rapidity. I don't know if that's because we're just doing a much better job of researching people and playing exactly what they want, and thus burning it out, or what. "But one thing's for sure: There will no doubt be some big artists who'll have some disappointing albums in the next year, and there will be some unknown, brand new artists who'll have smash debut albums. And that's part of the fun of the format: You just don't know, and you have to stay on top of it."

David Sowd, a former DJ who covers Cleveland radio for the suburban Sun Newspapers chain, recently wrote the Format Focus on Adult Contemporary for Tuned In.

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Director of Engineering: Kevin Scott
Program Director: Pio Ferro
Music Director: Maria Nava
VP/Programming, Heftel: Bill Tanner
Format: Spanish Soft AC

Below: KLVE studio; on-air is Maria Nava, KLVE music director,
Left: KLVE on-air studio

Although KLVE was already "a fine facility," when Bill Tanner took over as VP/Programming for all Heftel Broadcasting stations, it was, as he puts it, "his privilege to implement upgrades in both programming and engineering that enabled KLVE to rise to the top in Los Angeles."

Accompanying Tanner in his move to KLVE were Doug Holland, director of engineering for Heftel, and Scott Tanner, former chief engineer of WOVV in West Palm Beach, Fla., who took charge of audio processing.

KLVE saw upgrades in nearly every aspect of its operation. The engineering team replaced cart machines with the BE AudioVault digital storage/ playback system. Denon CD players were installed to play music directly from CD rather than carts. They implemented a new Telos Delta hybrid phone system, and added a VoxPro digital system to record studio telephone calls. Digital studio recorders/editors, including the Roland, SAW and Pro Tools programs, were installed in production studios. Neumann microphones were installed everywhere.

The analog microwave link from the studios to the transmitter site was converted to digital. Also, a new digital exciter and two new Harris HT35 transmitters were installed.

After the upgrades, the DJs were trained extensively on new board operation techniques. Once these technical changes were made, says Tanner, he and the rest of the programming staff were able "to focus on the music and our listeners."

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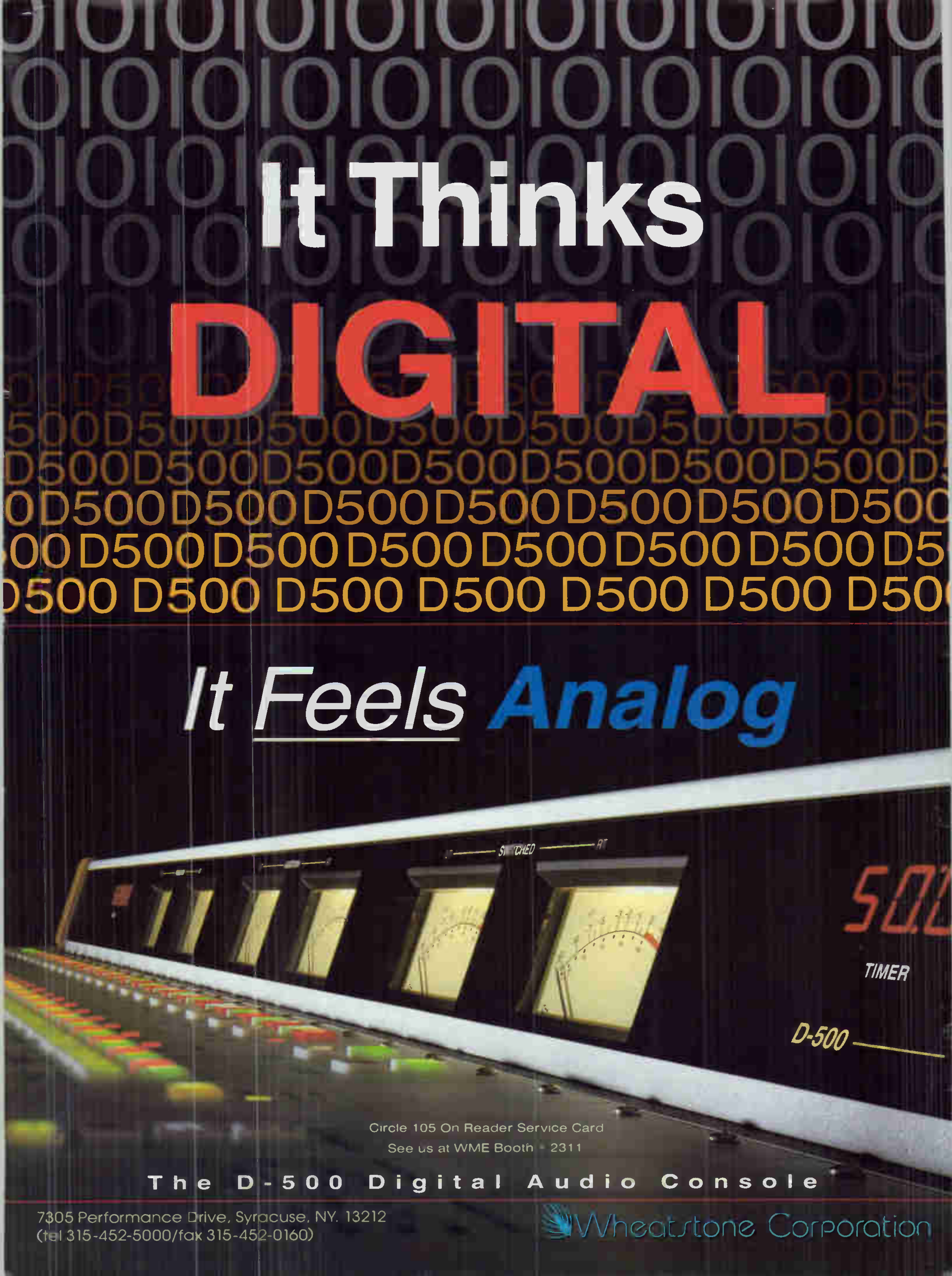
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