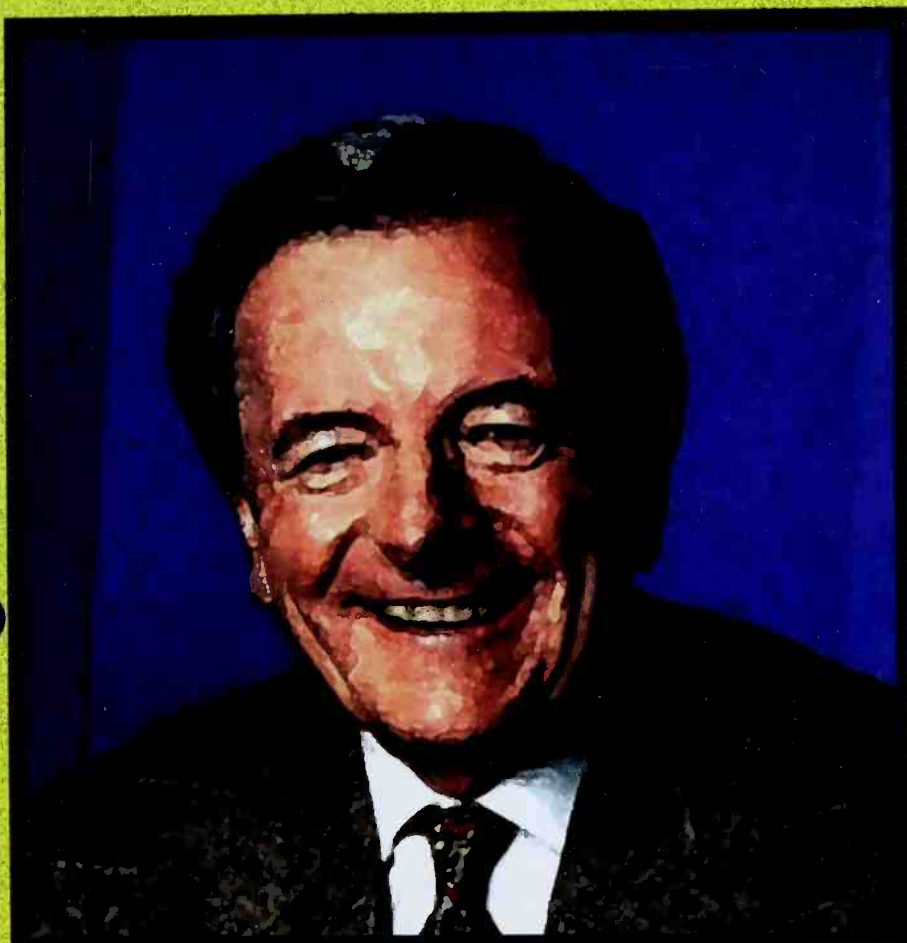


# MBR

Radio Business Report, Inc.

17 Years

June 2000



## **Interrep's Ralph Guild and Katz's Stu Olds on the business of national:**

**Riding high on strong  
advertiser categories  
across the board.**

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out on his new company and  
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because it's run by the Mays  
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they run it their way and it's  
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## Hot first quarter results surging into the Summer

Radio has completed its first quarter of business with very consistent and excellent results. March was up 21% over the same month last year, falling right in line with January's 20% gain and February's 22% gain. The hottest areas remain the two coasts, but business is up dramatically everywhere. Most radio execs would be more than happy to have guaranteed gains of 12% in local business and 26% in national. This year, that is the good news for the worst-performing region (the Southeast, if you're keeping score).

The RAB released numbers by market size this time around, and while the largest markets (1-50) are doing the best with a 19% gain in local and a 44% gain in national, business is not too shabby as you work your way down the Arbitron market ranking list. In markets 51-100, gains are 9%/18%, while in 101-smaller gains are 11%/19%.

Consolidation levels have been pushed up a bit over the last month, due in large part to renewed duopoly dealing in the smaller markets. The number of consolidated stations in Arbitron markets is approaching 4,000. —**Dave Seyler**

## Radio Revenue Index

### Radio's sight is 21-21: That's revs for March and YTD

After registering a 20% gain in January and a 22% gain in February, the radio sales force split the difference and came in ahead 21% for the month of March, matching the year-to-date gain. The 21% was comprised of a 15% surge in local business coupled with an astonishing 40% gain in national.

Local business in the Southeast was up 9%, causing it to bring up the rear in a month in which the rest of the country gained between 12-19%. With a 28% gain, the Midwest was the slow spot for national, which is kind of amazing, since there have probably been several year stretches where no region enjoyed gains like that. The West made almost half again what it made last year, coming in with black ink to the tune of 48%.

March 2000	Local	National
All markets	15%	40%
East	19%	44%
Southeast	9%	33%
Midwest	12%	28%
Southwest	14%	41%
West	19%	48%

Jan-March 2000	Local	National
All markets	17%	35%
East	20%	39%
Southeast	12%	26%
Midwest	13%	26%
Southwest	16%	40%
West	20%	39%

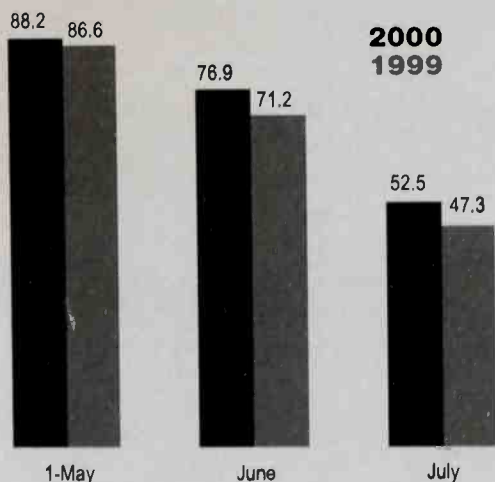
**Local & Nat'l revenue March 2000**  
All markets **21%**

**Local & Nat'l revenue Jan-March 2000**  
All markets **21%**  
Source: RAB

## Forward Pacing Report

### Radio still on record pace

Noting that May is traditionally the top revenue month for radio, **George Nadel Rivin** of Miller, Kaplan, Arase & Co. says it is all the more significant that this year is beating last year's record pace. — JM



## Superduopoly Dimensions

### Industry Consolidation (as of May 15, 2000)

**Superduopoly: 56.1%**

Market	# of stns	percent
1 to 50	908	58.2
51 to 100	687	60.4
101 to 150	429	51.7
151 to 200	436	51.9
201 to 261	475	54.8
All markets	2,935	56.1

**Total consolidation: 76.1%**

Market	# of stns	percent
1 to 50	1,224	78.5
51 to 100	877	77.1
101 to 150	611	73.6
151 to 200	622	74.0
201 to 261	646	74.6
All markets	3,980	76.1

Note: The "# of stns" shows the total count for stations in either a superduop or, in the case of total industry consolidation, in an LMA, duop or superduop. The "percent" column shows the extent of consolidation for each market segment.  
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## Year-to-date stock price performance

Continued interest rate worries on Wall Street depressed radio stocks, along with the rest of the market. — JM

Company	4/28/00 Close	YTD Net Chg	YTD Pct Chg
Ackerley	13.000	-5.125	-28.28%
Adelphia	49.438	-16.187	-24.67%
Alliance Bcg.	0.125	-0.125	-50.00%
Am. Comm. Ent.	0.875	-1.000	-53.33%
Am. Tower	46.563	16.188	53.29%
AMFM Inc.	66.375	-11.875	-15.18%
Beasley	9.000	-6.500	-41.94%
Belo Corp.	16.688	-2.375	-12.46%
Big City Radio	4.125	-0.625	-13.16%
CBS Corp.	58.813	-5.125	-8.01%
Ceridian	21.688	0.125	0.58%
Cir. Rsch. Labs	8.750	6.750	337.50%
Citadel	38.750	-26.125	-40.27%
Clear Channel	72.000	-17.250	-19.33%
Cox Radio	72.500	-27.250	-27.32%
Crown Castle	38.500	6.375	19.84%
Cumulus	12.938	-37.812	-74.51%
DG Systems	4.875	-2.250	-31.58%
Disney	43.625	14.375	49.15%
Emmis	42.438	-19.882	-31.90%
Entercom	42.500	-23.750	-35.85%
First Entertain.	0.563	-0.077	-12.03%
Fisher	79.500	17.750	28.74%
FTM Media	6.375	-6.375	-50.00%
Gaylord	23.938	-6.000	-20.04%
Gentner	16.125	2.125	15.18%
Global Media	6.313	1.625	34.66%
Harman Intl.	65.375	9.250	16.48%
Harris Corp.	32.313	5.626	21.08%
Hearst-Argyle	21.313	-5.312	-19.95%
Hispanic Bcg.	100.688	8.469	9.18%
Infinity	33.938	-2.250	-6.22%
Interep	5.938	-7.437	-55.60%
Jeff-Pilot	66.563	-1.687	-2.47%
Launch Media	10.375	-8.563	-45.21%
NBG Radio Net.	1.938	-1.156	-37.36%
New York Times	41.188	-7.937	-16.16%
Pinnacle Holdings	56.000	13.625	32.15%
PopMail.com	2.375	-0.625	-20.83%
Radio One	57.563	-34.437	-37.43%
Radio Unica	9.500	-19.375	-67.10%
RealNetworks	48.125	-12.032	-20.00%
Regent	8.500	0.000	0.00%
Saga Commun.	20.250	0.000	0.00%
Salem Comm.	7.625	-15.000	-66.30%
Sirius Sat. Radlo	39.625	-4.875	-10.96%
Spanish Bcg.	18.625	-21.625	-53.73%
SpectraSite Hldgs.	20.625	9.750	89.66%
SportsLine USA	19.125	-31.000	-61.85%
TM Century	0.781	0.156	24.96%
Triangle	0.030	0.010	50.00%
Tribune	38.500	-16.563	-30.08%
WarpRadlo.com	2.875	-1.750	-37.84%
Westwood One	35.375	-2.625	-6.91%
WinStar Comm.	39.813	-35.437	-47.09%
XM Satellite Radio	28.813	-9.312	-24.42%

**Major stock market indices**

The Radio Index™	178.470	-77.590	-30.30%
Dow Industrials	10733.910	-763.210	-6.64%
Nasdaq comp.	3860.660	-208.650	-5.13%
S&P 500	1452.430	-16.820	-1.14%

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**MBR Stats**

**Clutter**

**Radio clutter grows in major markets**

A new study by Empower MediaMarketing shows that radio advertising clutter continues to grow in most major markets throughout the country. The analysis of 16 markets measured by Nielsen Monitor-Plus indicate that the number of commercial units increased by 6% from 1998 to 1999. A commercial unit is paid advertisement with a duration of 30 seconds or longer.

The highest commercial clutter increased was 20% and it was registered in San Francisco/Oakland/San Jose. Only two markets registered decreases—San Antonio (down 7%) and Indianapolis (down 2%).

According to Julie Pahutski, SVP, Empower MediaMarketing's Knowledge, Information and Invention Group, "The Radio Advertising Bureau recently announced major gains for radio revenue, which indicates advertiser demand remains strong. Apparently, stations are meeting this demand, at least in part, by adding commercial units to their programming."—KM

**Radio Advertising Clutter Index—By Market  
 1999 vs. 1998**

Analysis Prepared by Empower MediaMarketing

Market	Q1	Q2	Q3	Q4	Avg Index
Atlanta	116	105	108	101	107
Boston	133	114	86	100	107
Chicago	115	106	112	114	111
Cincinnati	101	107	108	103	105
Dallas-Ft. Worth	102	103	96	108	102
Detroit	118	115	109	109	112
Houston	90	101	106	104	100
Indianapolis*	98	98	99	96	98
Los Angeles**	98	100	104	99	100
Miami-Ft. Lauderdale	138	112	109	112	116
Nashville	105	105	101	105	104
New York**	101	102	105	101	102
Philadelphia	141	111	106	94	111
San Antonio	99	92	80	99	93
SF-Oak.-San Jose	204	113	98	109	120
Washington, DC	138	108	105	100	111
Overall	113	105	102	104	106

\*Monitored 6a-12a \*\*Monitored 6a-11p Data source: Nielsen Monitor-Plus

**Non-Traditional Revenue Track**

**March NTR gets boost from car promotions**

Automotive rebounded in March as a strong category for radio stations to generate non-traditional revenue. Other than declines for Office and Recruiting, most categories were on track with their normal share of the NTR pie.—JM

**Non-Traditional Revenue Track  
 % of Vendor/New Business by Category  
 (March 1999)**

	Oct	Nov	Dec	1999	Jan	Feb	Mar	YTD
Automotive	17.81	3.15	11.55	11.62	11.15	7.72	11.02	10.26
Food/Grocery	28.40	24.13	28.44	28.05	23.69	25.55	27.69	25.47
Leisure	24.74	31.38	30.12	31.02	26.59	32.30	31.67	29.69
Health & BC	11.32	10.88	7.33	7.12	5.65	10.86	9.80	8.32
Home Improv	5.08	12.08	6.25	6.11	2.66	3.90	5.64	3.95
Office	2.70	3.64	3.71	3.55	0.43	4.59	0.77	1.58
Clothing	5.78	1.26	4.52	4.38	5.46	4.87	5.11	5.20
Recruiting	4.17	13.47	8.08	8.14	24.36	10.21	8.30	15.54

Source: Revenue Development Systems, based on revenues from 76 stations in 32 markets.

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## Viacom-CBS merger approved and closed

Add CBS to the growing list of group owners that have disappeared in consolidation. The FCC last week (5/3) approved the \$34.45B merger of CBS Inc. (N: CBS) into Viacom (N: VIA & VIAb). At the time it was announced (RBR 9/3/99, p. 6), RBR had calculated that the radio value of the deal was approximately \$14.945B.

Moving quickly after getting the long-sought FCC approval, CBS and Viacom closed the deal the next day (5/4). CBS shareholders received 1.085 shares of Viacom's non-voting Class B stock for each share of CBS stock they had held. Although CBS no longer trades as a separate stock, Infinity Broadcasting (N: INF) still trades separately and is now a majority owned subsidiary of Viacom.

In granting the mega-merger, the FCC gave Viacom temporary waivers to divest several stations to comply with current ownership limits:

- 12 months to comply with the Dual Network Rule, which prohibits the ownership of two TV networks. However, the FCC is widely expected to amend that rule before the deadline and allow Viacom to retain both CBS-TV and the money-losing UPN network.
- 12 months to comply with the National Television Ownership Cap of 35% of all US TV households. The merged company will be above 41%. Viacom had sought a two-year waiver and hoped to get the cap raised within that time. Now it will face a much quicker deadline, with this year's elections making any change virtually impossible until just before the waiver is due to expire.
- Six months to comply with the TV-radio cross-ownership limits, which will require a handful of radio spin-offs in LA, Chicago, Dallas-Ft. Worth, Baltimore and Sacramento.

Two commissioners dissented from portions of the merger grant, but for very different reasons. Commissioner Harold Furchtgott-Roth objected to any radio divestitures and charged that the FCC's restriction on radio stations co-owned with TV in the same market violates the 1996 Telecommunications Act. Taking the opposite view, Commissioner Gloria Tristani complained that there was no analysis of whether the merger would "give one entity too much control over the marketplace of ideas" and repeated her objection to the way radio markets are analyzed under the '96 Act.

With the merger, Mel Karmazin is now President and COO of Viacom. Sumner Redstone continues as Chairman and CEO. The newly merged company owns 162 radio stations and 38 TV stations, along with billboards, the two TV networks, several cable TV networks, Paramount Studios and numerous other media/entertainment ventures.

## Cumulus reassures Wall Street

On the heels of naming KPMG as its new auditor (RBR 5/15, p. 3), Cumulus Media (O: CMLS) has been working to convince Wall Street that it is getting back on track.

Cumulus announced that Martin Gausvik had joined the company as Executive VP, Treasurer and CFO. That puts him over finances for the entire company, whereas Richard Bonick had been CFO of only Cumulus Broadcasting, the radio group operating subsidiary. Gausvik had most recently been CFO of Latin Communications, which sold its radio/TV/newspaper group to Entravision. Previously, he'd held key financial positions at Jacor, Citicasters and Taft Broadcasting.

With Wall Street expectations subdued after its Q4 stumble, Cumulus reported net revenues of \$47.7M for Q1, up 52.9%, and broadcast cash flow of \$5.4M, up 22.7%. On a same station basis, for stations that Cumulus has operated for one year or longer, revenues gained 7.3%, but broadcast cash flow plunged \$2.9M (64.3%) to \$1.6M. That took its same station cash flow margin from a less-than-impressive 14.4% to a dismal 4.8%.

At a Banc of America Securities conference in New York (5/15), and in an earlier conference call with analysts, Cumulus Executive Chairman Richard Weening assured analysts and investors that the company has identified all of its problems and is dealing with them. Weening said Q1 and Q2 of 2000 will be "transitional" as Executive Vice Chairman Lew Dickey, now heading day-to-day broadcast operations, and sales training guru Chris Lytle refocus the company's sales force on rate integrity and long-term goals. Weening admitted that some markets had been so focused on driving revenues at all cost last year, driving down per-unit rates, that some markets are struggling this year just to equal year-ago sales figures. "It's going to take a quarter or two to drive our way out of this," Weening said. Q3 and Q4, he promised, will mark a "return to normal."

Cumulus also announced a deal with Jeff Warshaw's Connoisseur Communications to delay closing on the \$242M acquisition until late Q3 or early Q4. That, along with the recent re-working of its swap/cash deal with Clear Channel (N: CCU), will give Cumulus a little financial breathing room.

In answer to investor criticism for Cumulus' dealings with companies related to management, Weening announced that the company's contract with Quaestus (owned by Weening) will be terminated 6/30. Quaestus had been handling many M&A activities for Cumulus. Cumulus' relationship with Stratford Research (owned by Dickey and his brothers) is being "substantially revised" and will be subject to additional supervision. Stratford does format and music research for Cumulus.—JM

## Administration opposes FCC deal limits

The Clinton Administration is opposing bills pending on Capitol Hill to set deadlines for the FCC to approve or deny license transfers. Commerce Secretary William Daley sent a letter to key congressional leaders, saying time limits might prevent the FCC from conducting a thorough analysis. He also opposed moves by some in Congress to get the FCC out of merger reviews altogether and stop duplicating the work of the DOJ and FTC. "The Commission employs a public interest standard, has affirmative market-opening goals, and initiates a public comment process," Daley noted, which makes its reviews different from those of the other agencies.—JM

## Radio One continues buying spree

With \$1.4B in acquisitions pending, Alfred Liggins isn't slowing down. He announced two more radio acquisitions last week, along with two investments in non-radio businesses. It's hardly surprising then, that the week also brought word that *Black Enterprise* magazine had named Radio One (O: ROIA) its "Company of the Year."

Both radio deals are add-ons to recently announced buys in new markets for Radio One. In Dallas, the company is buying KLUV-AM from Infinity (N: INF) for \$16M, creating a combo with KBFB-FM, part of Radio One's pending \$1.3B in spin-off acquisitions from the Clear Channel (N: CCU) and AMFM (N: AFM) merger. "AMs work when you have an existing infrastructure," Liggins told a Banc of America Securities conference (5/15).

In Boston, where Radio One is already buying WBOT-FM, Liggins has made a deal to combine the operation with the market's heritage Black-owned outlet, Nash Communications' WILD-AM. The FM will move into WILD's studios, Radio One will LMA WILD and the AM will eventually be acquired in a cash and stock deal.

In addition, Radio One is making some new investments in other media. The company announced that it has invested \$2.5M in cash and on-air promotion in NUE-TV, a cable and satellite TV programmer aimed at Urban audiences which is set to launch in Q3. Also, Radio One has committed an additional \$2.5M in on-air promotion to NetNoir.com, an Internet portal targeting African-Americans. At the BofA Securities conference, Liggins said he would continue to be very conservative about committing any cash to Internet ventures. "One thing we know for sure is that it's not going to make money for a long time," Liggins said of Web investments.—JM

## Clinton taps Pattiz

Westwood One (N: WON) Founder & Chairman Norm Pattiz, long a supporter of Democratic candidates, has gotten a presidential appointment. President Bill Clinton has nominated Pattiz to the Broadcasting Board of Governors. The board oversees all non-military international broadcasting services of the US government. That includes the Voice of America, Radio Free Europe/Radio Liberty, Radio and Television Marti, Worldnet Television and Radio Free Asia.—JM

## March to new revenue record remains resolute

Normally, when a month picks up a 21% gain in revenues over the previous year, we'd write a headline like "March to a new revenue record picks up steam." Not this time. The 21% gain registered for the month of March merely matches the year-to-date total. The gain was comprised of a 15% pickup in local business coupled with an astonishing 40% gain in national. YTD, the numbers from RAB stand at 17% and 35% respectively.

Although gains are strongest in the larger markets (1-50), where YTD local is up 19% and national is up 44%, business isn't too shabby further down the Arbitron market ranking list. Markets 51-100 are at plus 9%/18% and 101-smaller stand at plus 11%/19%.—DS



## McCain weighs in on LPFM

True to his reputation as a maverick, Sen. John McCain (R-AZ) is charting his own course on Low-Power FM, making it less likely that any bill to rein in the FCC's LPFM plan will pass Congress this year.

McCain, as Chairman of the Senate Commerce Committee, controls the agenda on FCC-related measures in the upper chamber and he was known to be less than satisfied with the House-passed bill (H.R.3439, RBR 4/24, p. 2) which would block 80% of the LPFMs that the FCC wanted to license. McCain has now come up with his own bill (S.2518), which he claims will produce a "fairer result" than the House bill and its Senate companion (S.2068), sponsored by Sen. Judd Gregg (R-NH).

Rather than blocking the FCC from dropping third-adjacent channel protection, McCain's bill would allow LPFM to be implemented, then require those LPFM stations which actually cause interference to be shut down. The role of spectrum cop would be assigned to the National Academy of Sciences, in answer to complaints of bias by the FCC's engineers. Full-power broadcasters would be able to sue any LPFM for causing interference and the losing party would have to pay court costs.

In a letter to the Senator, NAB President Eddie Fritts stated his "respectful opposition" to McCain's LPFM bill. Fritts noted several points of disagreement. First, he said, broadcasters want Congress to be sure there will be no interference before LPFM licenses are issued. As for having the National Academy of Sciences measure interference, Fritts questioned whether the Academy has either the expertise or the infrastructure to investigate what are expected to be thousands of interference complaints. He also noted that the bill doesn't spell out just how the Academy is supposed to determine what constitutes harmful interference.—JM

## Clear Channel pays fine in Florida

Clear Channel agreed (5/2) to pay an \$80K fine levied by the Florida State Attorney General's office for not properly disclosing listeners' chances in radio contests. Back in December, the AG charged the company with deceptive/unfair trade practices for running contests that appeared to be limited to in-market listeners only. In reality, contest registrants were put into a nationwide contest pool with other stations, severely handicapping the chances to win. The contest rules were not aired during regular listening hours, explaining those real odds of winning. Clear Channel, while not admitting any wrongdoing, is now airing the rules during the day.—CM

## Clear Channel makes French investment

Clear Channel (N:CCU) is expanding its European outdoor advertising operation. A deal announced 5/18 will have Clear Channel acquire 80% of France Rail Publicite (FRP), which handles outdoor advertising on all railway property in France. It is currently a subsidiary of SNCF, the French national rail operator. In addition, FRP owns France Bus, which leases advertising space on buses. Terms of the deal were not disclosed, but FRP has approximately \$100M in annual revenues from 15K billboards, 20K ad panels in train stations, 25K panels aboard trains and 7.5K panels on buses. Clear Channel said it plans a major investment program to modernize FRP's advertising facilities.—JM

## Radio continues to grow share of ad pie

By Jack Messmer

Little by little, radio is increasing its share of total ad dollars. The Total Media Index, based on Miller, Kaplan's Media Market X-Ray, found that radio claimed 14.50% of ad spending on the three major daily media in January. That's up from 14.07% a year earlier.

Once again, the dot-com business was strong for radio, which claimed 36.02% of advertising by Internet/E-Commerce businesses. (What's really amazing is that newspapers are getting nearly 19% of dot-com spending. Have you ever actually seen a dot-com ad in a newspaper?) The biggest change from a year ago was for Movies/Theater/Concerts, where total spending shot up dramatically and newspapers got almost all of the gain. Who could explain that?

### MBR/Miller Kaplan Total Media Index - Jan. 2000 (Expenditures in 000)

Category	Radio	TV	Newspaper	Total Media	Radio % of Total
Automotive	45,118	195,933	171,749	412,800	10.93%
Restaurants	12,246	69,302	6,396	87,944	13.92%
Department Stores	9,340	10,728	72,357	92,425	10.11%
Foods	8,092	42,694	1,794	52,580	15.39%
Communications/Cellular	17,655	39,248	52,519	109,422	16.13%
Furniture	8,695	23,499	42,936	75,130	11.57%
Financial Services	8,927	23,287	46,023	78,237	11.41%
Movies/Theater/Concerts	8,528	24,911	114,857	148,296	5.75%
Grocery Stores	9,413	13,513	19,827	42,753	22.02%
Appliances & Electronics	3,918	13,709	45,110	62,737	6.25%
Hotel/Resorts/Tours	6,093	17,681	56,821	80,595	7.56%
Drug Stores/Products	9,093	23,923	15,324	48,340	18.81%
Computers/Office Equipment	2,796	6,491	21,810	31,097	8.99%
Specialty Retail	9,768	16,911	29,537	56,216	17.38%
Health Care	9,282	20,273	16,191	45,746	20.29%
Auto Parts/Service	4,701	9,260	6,719	20,680	22.73%
Music Stores/CDs/Videos	4,768	8,440	3,441	16,649	28.64%
Transportation	3,114	7,352	15,665	26,131	11.92%
Entertainment-Other/Lottery	8,849	8,447	5,808	23,104	38.30%
Home Improvement	2,774	3,233	10,248	16,255	17.07%
Professional Services	9,176	13,460	13,309	35,945	25.53%
Beverages	5,119	14,815	1,884	21,818	23.46%
Television	12,174	4,185	12,600	28,959	42.04%
Personal Fitness&Weight Ctrs.	1,934	11,640	2,869	16,443	11.76%
Publications	2,732	5,483	50,457	58,672	4.66%
Internet/E-Commerce	34,525	43,539	17,783	95,847	36.02%
<b>TOTAL</b>	<b>258,830</b>	<b>671,957</b>	<b>854,034</b>	<b>1,784,821</b>	<b>14.50%</b>

\*Based on Media Market X-Ray composite data for 15 markets (Atlanta, Charlotte, Cleveland, Dallas, Houston, Minneapolis-St. Paul, New York, Philadelphia, Pittsburgh, Portland, OR, Providence, Sacramento, San Diego, San Francisco, Seattle). Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPAs. For further information contact George Nadel Rivin at (818) 769-2010.



**“Once we get our working group done—and it’s taken a little longer than we’d hoped—but it always does with things like this because nobody has ever done anything like this before,”**

*Emmis CEO Jeff Smulyan said about his soon-to-be-unveiled LMIV Internet Venture.*



**“It’s going to take a quarter or two to drive our way out of this.”**

*Cumulus Media Executive Chairman Richard Weening to a Banc of America Securities conference, after announcing Q1 results for the beleaguered company.*



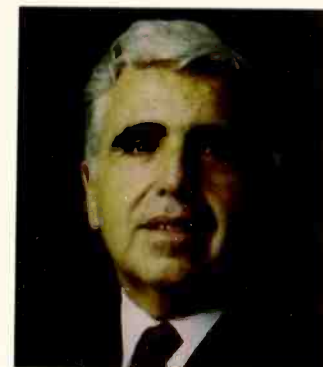
**“There is no technical or physical reason that the Commission cannot meet its statutory deadline. I do not believe that it is appropriate for the Commission to even contemplate substituting its policy judgment for the judgment written in law by Congress and signed by the President...the FCC cannot utilize a “wink and nod” with Congressional leaders to escape a statutory mandate,”**

*Commissioner Harold Furchtgott-Roth on the FCC postponing the UHF channels 60-69 auction.*



**“If Wall Street doesn’t get it, we might do what we’ve done twice before.”**

*Viacom President and Infinity CEO Mel Karmazin, responding to Wall Street speculation that Viacom might buy out the public shareholders of Infinity if the stock price doesn’t improve. Karmazin twice before bought back all of the public stock of his radio companies, each called Infinity, only to go public again later at a higher price.*



**“You can’t find music like this on any station anywhere in the world playing together,” . . . “Songs that you used to hear over and over—Top 40, smash hits—but don’t quite fit the mold for today’s traditional niche formats. When you put them together with the best elements of all genres, you get this super-format. There’s a tremendous shock effect when you play Donna Summer right next to Foreigner!”**

*Jim Zippo on his upcoming launch of the Hero Radio format.*



**“The callers are cracking each other, I’m getting into people, and we are getting to the topics. It just hit me that there was this social Darwinism at work that you’d better be careful before you pick up the phone and call this show. If only the strong ones survive and you come in weak, you are going to get busted in the mouth—man, it is a jungle! It is an urban jungle.”**

*Premiere’s SportsTalk Guru Jim Rome on the day he got his groove on*



**Both commercial and non-commercial broadcasters, including National Public Radio, and the National Association of Broadcasters backed the bill, saying they fear LPFM stations would cause interference to existing full-power stations.**

**“Special interests prevailed over competition,” he said in a statement. “I’m particularly disappointed that National Public Radio joined with commercial interests to stifle greater diversity of voices on the airwaves,”**

*FCC Chairman Bill Kennard on NPR and NAB supporting Rep. Mike Oxley’s (R-OH) Radio Broadcasting Preservation Act.*



**“I said, ‘Don, whatever happened to the fact that the show must go on?’ He’s like, ‘Well, you put me in such a dumpy hotel...’ I said ‘Well, this whole deal with the phone call could have been solved in five minutes, but it was all blown out of proportion.’ He said, ‘Kiss my ass!’”**

*WARM-AM PD Greg Foster on calling Don Imus’ show in NY after he blew off his live broadcast from Scranton*







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Each month we ask a few general managers from around the country to share with us, and you, their views of the industry. This month we quizzed: Lifestyle Communications' J Michael McKoy of KJJC-FM, KXLQ-AM & KIIC-FM Des Moines, IA; Citadel's Paul Ehlis of WMGS-FM, WXBE-FM, WXAR-FM, WCTP-FM, WCTD-FM, WEMR-FM, WBHT-FM, WARM-AM, WAZL-AM, WEMR-AM, WKQV-AM & WKJN-AM Wilkes-Barre/Scranton, PA; and Delmarva Broadcasting's Pete Booker of WSTW-FM & WDEL-AM Wilmington, DE.

## 1

### Do you foresee any programming changes this year?

J. Michael McKoy:

We're always redefining our product based on the needs of the audience. As far as changes go, no, there are not going to be any ending of this and starting of another. One of our stations is a sports talk station that serves the Des Moines metropolitan market. We're very satisfied with the programming there. The other property is a traditional country music station that serves southern Iowa and we're in the heart of traditional country music there. Once again, the community seems to really appreciate what the radio station does and we're always very involved in the community and the needs of our listeners.

Paul Ehlis:

From the standpoint of FM stations, we have Magic (WMGS) which is our AC station and I don't foresee any changes there. It's the mothership of our cluster and is a well programmed, mainstream AC station. Then we have a rock station (WXBE and WXAR) which we call the Bear and we just went through some fine tuning with that format in the last month or so. It was primarily an 18-34 active Rock oriented station and we've made it more of a 25-44 Rock station by mixing in a few more classic cuts and still maintaining the new music image to it. On the AM side of the dial, we have WARM 590 and that's probably where we continue to look for ways to be more locally oriented. We recently added Jim Rome to the lineup although it's not a full time Sports station, we just felt that it would be a good addition to the mix.

Pete Booker:

Certainly WSTW has been very successful over a long period of time as an Adult CHR station and we don't foresee any changes at all. Of course, it will continue to evolve.

We recently made some changes to WDEL, our AM station. WDEL is a heritage station in the market doing News/Talk, although we're now responding to listener desires by moving more clearly in a Talk direction. We've taken our morning program from a "news wheel" format to a Talk format with considerable news elements within it. We've moved the Dr. Laura Schlessinger Show to late mornings and we've brought the Rush Limbaugh Show and the Mitch Albom Show to WDEL.

## 2

### Do you use a programming consultant? If not, how do you monitor the success of your formats?

J. Michael McKoy:

You ask if we have a programming consultant—no. Do we do programming research to determine the needs of our audience? Absolutely. We do research projects that go out and ask questions of the listening audience—not only people who are listening to us but the people not listening to us. We find out what niches there are in the market that we can fill with our current formats, how we are fulfilling needs and what we can do to improve upon them.

Paul Ehlis:

We use a programming consultant for each one of our radio stations. I do very much believe in the consultant as a good outside resource that we can use for each of our stations. We generally send a tape of each of our stations every couple of months and get a critique just to make sure that musically and from the sound that each station is where we'd like it to be.

Pete Booker:

Yes, we do. Each station has its own consultant. We look for consultants who fit the needs of our stations. Randy Lane consults WSTW. He is very good at advising us on our on-air talent performance. He has taught us great techniques in coaching our talent to be relatable and conversational with consistent energy and polish.

Holland Cooke, our consultant on WDEL, has played a strong role as we develop more local talk. Holland is also a great marketing guy, and he's really helped us with the feel, flavor and positioning of our station.

## 3

### How did you get into radio?

J. Michael McKoy:

I was in Key Club in high school and that's a service organization sponsored by Kiwanis and we needed a fund raiser. The man who owned the local radio station in my community was a Kiwanian. And he said, "If you guys want some time on the radio, we'll give you an hour every Sunday to program yourself and you can sell the time and that's how you can make money." So at age 14, I was out doing a Sunday show every Sunday on our local station and it just went from there. I worked my way through college as an announcer and when I got out of college, I went into the sales and programming end of it and then into the ownership.

Paul Ehlis:

I started out as a DJ at a college radio station when I was 19.

Pete Booker:

I've been in radio 31 years. I started as a disc jockey in 1969 because I wanted to play Beatles records. My goal was to get on the air and work my way up to a big market, then maybe get into programming. I managed to achieve both things early, doing mornings in Philadelphia at the age of 24 and moving into a PD job in Detroit by 26. I've since gone through about every job you can have in radio.



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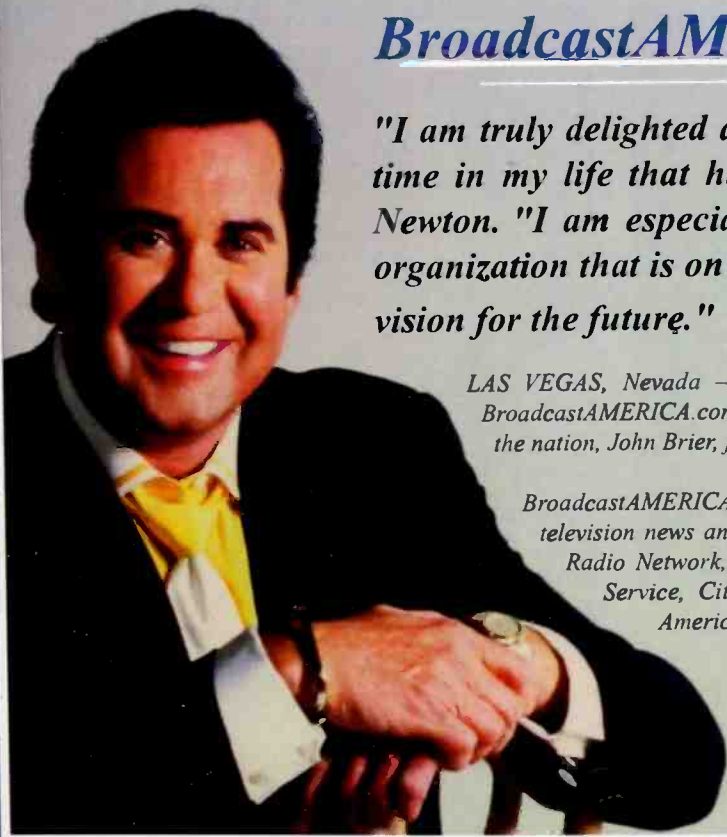
### *BroadcastAMERICA.com Signs Wayne Newton*

*"I am truly delighted about joining the BroadcastAMERICA.com family at a time in my life that has been the most fulfilling and productive ever," said Newton. "I am especially excited at the prospects of being involved with an organization that is on the cutting edge of the broadcasting industry, and has a vision for the future."*

*LAS VEGAS, Nevada – World renowned entertainer Wayne Newton will become a spokesperson for BroadcastAMERICA.com, the booming radio and television Internet broadcaster that is now number two in the nation, John Brier, founder and president/COO of BroadcastAMERICA.com, said today.*

*BroadcastAMERICA.com is the leading streamer of live radio and the largest streamer of Internet television news and talk radio programming in the world. In addition to Dick Clark's United Stations Radio Network, included in its group of broadcasters are One-on-One Sports, the Air Force News Service, Citadel, SupeRadio, Talk Radio Network and American Business Review and Talk America.*

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## RJ Palmer's Meredith Smulian: From fine art to the art of buying radio

She was once a photographer before she decided that art may feed one's soul, but it's not quite good for feeding the body or paying the bills. A career shift into advertising has paid off handsomely for Meredith Smulian, who joined RJ Palmer four years ago and is presently the VP/Associate Media Director. A fine art aficionado, Smulian decided that advertising creative wouldn't be right for her and decided to go into buying. She started out at a small buying service in the 1980s and has worked with other agencies, such as Young & Rubicam, Dewitt Media and Time Buying Service. Smulian now buys for clients such as Church & Dwight (Arm & Hammer parent company), Banfi Vintners (Riunite and Concho y Toro) and Novartis (animal healthcare).



### What is your favorite medium?

I buy both TV and spot radio. They both meet different needs either as a creative outlet or meeting budgetary considerations. Radio is more creative in the sense that you have more flexibility with station promotional opportunities. Then it's not just buying a spot. I believe in radio as a great vehicle of reaching a targeted consumer via station selection. You can really reach smaller niches within a demographic.

### Do you enjoy buying in a heavily consolidated environment?

Sometimes it gets a little tricky. I had a situation in which I was buying a market that was a test for one of my clients. One of the top stations said it was sold out. Needless to say, I looked for another station and that station was also owned by the same owner. There's no incentive for them to get me on the air or to say well, your business is really important to us and we want to keep it and we'll try to ac-

commodate you. In a marketplace this strong, they're not always thinking long term. I did replace the points not available in radio on TV. I bought less TRP's (total rating points) to achieve the goal and reach frequency. When those local dollars go away, do they know it, do they miss it? There are always options.

### Does planning tell you which stations to buy?

I get a strategy and the advertiser tells me what they're trying to sell, who's the target and what the goals are. Research gives me more information to pick stations that are appropriate to meet these objectives. Within the target, there could be primary and secondary goals and sometimes, the secondary goal has to be considered just as strongly as the primary. I rely heavily on audience composition; not just ratings and rank of the station. You can look at the station selection and say okay, this station is strong for one age cell and then complement it with another station that is strongest in the next age cell. If you're trying to reach everybody within the 35+ range, you want to make sure you pick enough stations, that way your skew falls in those cells. So you're not overemphasizing one age cell versus another. It's not too young or too old and you have a stronger buy. If you only look at the station ratings for Adults 35+, you're not going to see who your real listeners are.

### Do you have problem markets where rates are prohibitively high?

They're definitely pacing stronger than they have in the past, the economy is better. Of course I feel the squeeze. When a station tells me they're sold out, I'm not gullible enough to believe that they're really 100% sold out or that there is not one spot available on the station, any day, anytime for the next few weeks. Tapes don't arrive, there may be budget cuts, schedules are cancelled, so I doubt very much that stations are 100% sold out.

### Do you think dot-coms will continue to propel the growth of the larger markets?

I think the hype is going to die down soon. Because in the same way that markets that are



tight who say they're sold out, they have a lot of commitments from the dot-coms but if they can't come up with the money, then the spots get pulled and then all of a sudden they have inventory. The reason they're targeting certain markets, especially those that are highly wired, is because they're targeting some of their investors. What's the purpose of it? To get the word out or to get the stock price higher? I don't know if the dot-coms are wanting to get the word out to consumers as much as to get the word out to investors. I just don't see it as being a big factor down the road.

### Is the buying process easier now?

It's different and not necessarily easier. When I'm buying radio outside of New York, I use a rep. He could rep three stations in a market and combo them for a better share at a better price. Maybe he's sacrificing one station to put the more highly rated station on the buy to guarantee a bigger share of the buy. But if the station selection isn't appropriate, I wouldn't consider the combo. I would insist they be looked at separately. I wouldn't sacrifice the integrity of the buy just because it's cheap. Cheapness doesn't always guarantee the best combination. Most importantly, I look at what's right for the client. It's paramount to keep the client's objectives in the foreground.



"Hello Newman," Meredith with Seinfeld's nemesis Wayne Knight

### What can the various industries do to make your job more effective?

The radio rating system is woefully behind the times in terms of the technology. Radio has not had to be accountable for the actual rating delivery of a schedule as it ran, the same way TV has to be posted off the actual Nielsen tapes. Nielsen has continued to expand its people meters into multiple markets. I see the problem as threefold. First Arbitron has not grown into the 21<sup>st</sup> century. The mode of surveying (hand written diaries) is still the same as when Selectric typewriters were state of the art. Think about it when you are in your car, how many times do you change the station? If you are an Arbitron surveyor, do you pull off the road every half hour to fill out your diary. That's extreme, but seriously, how many people do you know who would fill out a diary not just for one day but over several weeks? Look at what is going into getting the Census taken. You only have to fill in your name, address, age and race but the Census Bureau has a huge media campaign reminding everyone to fill out the Census. Then, in case you forgot to return the form, they'll either call you or come to your home. We are a society that is too busy to take the time to fill in diaries. How accurate can the diary info be? It's more of an approximation. In this age of advanced computer and electronic technology, it would seem that Arbitron could come up with a simple and less intrusive method of measurement. Addressing this issue could lead to a more accurate accounting of the listening audience.

Second, the stations sell radio mostly by dayparts, "hooking" broad rotations into the mix. I see those broad rotations as cheating,

not just the advertiser but the medium. The ratings do vary significantly 6AM-12Midnight. It wouldn't take a great fortune teller to guess where the station will run those spots. But if stations don't actually deliver the ratings that are bought, underdelivering the audience can be greater than the 10% that is an acceptable posting range. Television stations provide bonus weight for underdelivery as standard operating procedure.

Finally ratings are not estimated or projected for the future but are bought using old data. Whether it is using the most current book, a two book or four book average, ratings change, formats change, DJ's change and therefore ratings fluctuate.

### Do you have any advice for new buyers?

One of the things I always say is first, use common sense. You wouldn't want to put a commercial with Shania Twain on a classical station. It wouldn't fit. I just did a buy for a wine and stations were trying to sell me 5-6AM. And they were saying it's a hook area and the ratings are good. The only problem is that how will it sound on the station at 5:30 in the morning to hear a wine commercial. A hang-over remedy would probably be more apt. So common sense will tell you that's not exactly the best placement. So many reps and buyers fall into the cookie cutter pattern and they sell the same package and the buyer buys the same package over and over again. It may not be appropriate for every client to be in all the same dayparts. It may not sound right. There are certain things that you just don't want to hear at certain times.



# Sucks The Of The Co

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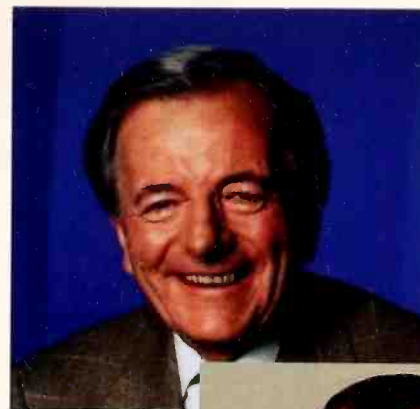
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# INTEREP'S RALPH GUILD AND KATZ'S STU OLDS ON NATIONAL RADIO'S GOLDEN AGE

by Karen Maxcy

The economy is undeniably good (the recent wild fluctuations of the Nasdaq notwithstanding) and hi-tech companies are aflush with equity—all of which spells good news for radio. The radio station groups' presidents have already said that dot-coms are not the only driving factor, in this month's feature, Ralph Guild, Chairman, Interep, and Stu Olds, President, Katz Radio Group, both reiterate the point that radio is riding high on more than the dot-com wave. MBR checks with the heads of the two largest rep firms on the hows and whys of national radio's stunning performance.



## Ralph Guild, Chairman, Interep

### What sectors are hot?

Of course everyone will tell you how hot dot-com is and radio spending by that category is up about 400% in 1999 compared to the year before. It is the second highest category following retail, which has always been the number one category. But 400% is a big jump because it wasn't that great the year before. So yes, it is a big part of the business. It's a driver of business; it's taking up a lot of inventory. Rates are driven up because there are fewer spots available.

### What kinds of old advertisers are you hoping to see more dollars from and do you see some dropping off by the wayside?

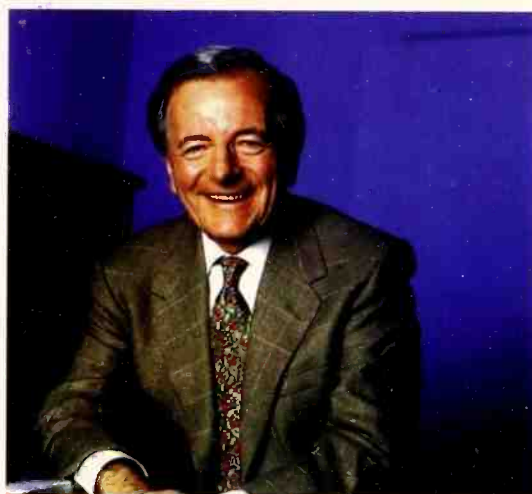
People have a very mistaken idea about dot-coms being so enormous. Automotive, for instance, last year was up 34%, restaurants up 34% and of course telecommunications, cable, TV, the movies and financials have all been strong for us for a long time. It's not one or two categories. Radio has become the most important medium for a lot of these people.

### How long do you foresee the growth?

I think this year is going to continue to be strong. For example, for the dot-coms alone, so far it is up again significantly; automotive is up 153% ahead of last year. All categories are showing strength this year after a very strong growth period last year.

### What's your outlook for the next couple of years?

We think it's going to continue at least for the next 3-5 years. Radio is getting a bigger share of advertising dollars across the board. We've to be careful that the dot-coms don't get such a spotlight on it that it makes people think that other categories aren't doing extremely well.



### Is the gain coming from pricing or are you getting more inventory to sell?

A little bit of both. The inventory increase is not all that significant but it's getting a lot of press. Somebody I hear just did a report that said clutter is up 6%, but that's spot-spot is half an hour and that's not a big deal. But if you read the report, you'd think, oh my god, they're jamming the airwaves with clutter. That's not true at all.

### Is business being booked earlier?

Yes, we're getting more lead time than we used to get.

### Is demand across the board or stratified by size?

The larger cities are experiencing greater growth than the medium markets. However, they're strong as well but not quite as strong as major markets.

### Do you have any policies for the dot-coms like prepayment?

Yes. There's a fear that their advertising budget is coming from equity and if the equity should run out for some reason, we don't want the stations to be left holding the bag.

### How are the agencies dealing with the strong demand?

The usual suspects are saying what they usually say.

### Are you hearing similar demands for TV and other media or do you think radio is just enjoying exceptional times?

I think radio is enjoying exceptional times. In the last ten years, Interep has had a team of over 20 people calling directly on advertisers selling them on the merits of radio. We even have two full time people in San Francisco who are devoted to new business development; one of them is putting all of his time targeting Silicon Valley advertisers.

### Is Interep thinking about starting a media-buying website like broadcastspots.com and BuyMedia.com?

We are developing a system called eRadio, not to buy time but to facilitate the communications between the agencies and the rep com-



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pany. To communicate information back and forth—basically to eliminate the time that our sales people have to spend processing paper and it will be an Internet based system. We believe that agencies and the radio stations both want human interaction; they don't want to have a purely electronic system. So our eRadio is designed to bring us into the loop and go through the normal process after that.

**Do you see these new media buying sites taking a significant portion of your business or do you think it'll always be a supplement for the buyers?**

I think it'll be a supplement to buyers.

**Are you going to start selling ads on stations' websites?**

We've already begun to do that. We have a company called Interep Interactive and it's an Internet rep company. It's about a year old now. We're selling website advertising generally and we are working with some of our clients to sell their websites and we expect to do more of them. It's an emerging business. There's a lot of talk, a lot of press right now but it's not a big business at this point. It's not a revenue stream period at this point, but we believe that it probably will be as the years go on so we want to be in the loop.

**Do you have any thoughts on Arbitron?**

The only thing that I hear about Arbitron is that as radio stations start to stream more, that the system that they've already begun to develop should become state of the art and not let anybody else get into that space.

**Do you have any thoughts or concerns about new technologies affecting radio?**

I'm intrigued with satellite radio and with streaming and particularly with Internet radio that they say will be able to be downloaded into automobiles. Right now these things are still in the fund-raising stage of their development and I think we have to keep an eye on them. You can never underestimate what new technology can do to an industry. So we're certainly very much aware of it. I've seen the Sirius operation and it's very impressive. It's worth a visit. Now whether or not listeners are going to find that a desirable way to receive audio entertainment remains to be seen.

**Do you have any other comments?**

I think it's important for those of us in the rep business, and people who are involved in national sales to recognize that we've got to con-

tinue to aggressively develop new business and not relax just because business is good right now. It's easy to become complacent. All of our training, investment and people has to do with keeping up to speed, keeping them well trained and focused on growing radio's share of total advertising.

**Stu Olds, President, Katz Radio Group**

**What sectors are hot this year?**

One of the beauties of radio, unlike other media, is that we are not dependent on any single category for continued success. Radio's top three national categories account for about 45-50% of our business out of the total volume. If you compare that to TV and cable, the top three in those media account for about 70-80%. In 2000, virtually every category is up double digits with the exception of Ag, fast food, religion and travel. Those four areas account for less than 10% of our total volume. Dot-com is continuing the trend of last year with significant expenditures. But even if there were zero dot-com dollars in 2000, we'd be pacing up 19% nationally.



**Are you seeing any new categories? Or are the dot-coms and traditional advertisers dominating the business?**

Dot-com is clearly the biggest emerging category. It's been increasing every quarter since Q1 a year ago. We are seeing existing product categories grow and attrition is relatively low versus a year ago. New entries are up dramatically in those historical categories and we have the dot-com business obviously on top of that. Accordingly, the combined demand is driving radio's increased cost per points.

**In these good times, are there old advertisers that you are targeting to advertise more on radio?**

I think we have a core account strategy and I think the industry has a core account strategy in that we pay an awful lot of attention to the traditional big spenders. So we continue to pay attention to automotive, retail, the telcoms and the financial sectors. Keep in mind that the winds of the good economy are a factor in how our business is growing, but the sails of consolidation have really allowed for the acceleration of radio's growth. Consolidation will allow the medium to continue to outperform regardless of the economic winds because we put more stations in the hands of better broadcasters and that's clearly improved the radio product. We've re-established national personalities—everyone from Imus, to Rush Limbaugh, to Dr. Laura. We've made the medium easier to buy and more accountable. We've got multi-tiered selling going on which is clearly increasing demand. We're viewed by the industry as the stable yet creative medium and radio's the perfect merged media component. As a result, we've attracted more new advertisers, reduced attrition, and because of the demand, have moved up the cost per point.

**How long do you foresee the growth? What is your short term and long term outlook?**

2000 is a home run nationally. Pacings for the remaining of the year are literally breaking records weekly. I'll give you an example—in 1998, we were the first radio sales organization to hit \$1B and we did that in October. In 1999, we hit \$1B in August. And this year, we will go over \$1B next week (second week of April). I made the point that the winds of a good economy are helping and that the sails of consolidation have allowed for the accelerated growth. I think most importantly, the medium is in a position that no matter what the economic climate is, radio is going to outperform other media and outperform the economy. The industry is just starting to tap in to all the things that we can do to really make the radio medium more attractive to even more advertisers. Unlike a lot of people, I don't think the world comes to an end January 1<sup>st</sup>, 2001 for radio. In fact, it may just be getting going. I think radio people like Lowry Mays, Mel Karmazin and a lot of other broadcasters out there are not going to let it be anything but spectacular going forward.





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Source: Winter 2000 Arbitron Survey - Released 4/25/00



## Have you been working with a pretty consistent level of inventory?

Inventory is in the same range as 1998 and 1999. All the stories of station groups increasing inventory, that occurred, but it occurred in 1998 and 1999. We really don't have more inventory to work with other than what we had during those periods. So the gains that we are seeing in 2000 are coming from new advertisers, reduced attrition, the value of radio moving up due to demand and the fact that it moves products for advertisers.

## Is business booked a lot earlier?

Yes, in some cases as agencies try to make planning costs more closely reflect the buying investments in a high demand marketplace.

## Is demand across all markets or stratified by size?

All markets in 2000 as a whole are up. If you look at 1998, it was a perfect bell curve. Markets 1-10 were up 13.8%; 11-25, up 19.1%; 26-50, up 18.6%; 51-75, up 16.8%; and 76-100, up 9.6%. If you go to 1999, it was a perfect U-curve. Top ten were up 24.1%; 11-25, up 10.7%; 26-50, up 6%; 51-75, up 1.1%; and 76-100, up 10.2%. If you now go to this year and look at the year to date numbers that we have, it's a ramp up from the smallest to the largest. 76-100 are up 8.4%; 51-75, up 13.7%; 26-50, up 22.8%; 11-25, up 32.5%; and the top ten markets are up 41.2.5%. So the good news is that all market segments are up with the exception of 23 individual markets in the top 100 which are not experiencing growth. The common factor in those is that they're not dot-com markets and they have not seen increased category expenditures from some of the growth categories.

## How are automotives looking?

On a like-to-like basis, the KRG is pacing about 58% ahead for the year for automotives. And that's being led by Dodge and Saab. Interestingly, if you look at it in terms of how much the automotive category represents of our total expenditures year to date, it is only 14.8% of our total business. In terms of categories this year, it would rank number three. Consumer products is number one in which dot-coms are lumped into in some cases. And retail is number two.

## Do you have any policies for dot-coms?

Our policy for dot-coms are pretty simple. It's cash in advance unless it's placed by one of the AAAA agencies. Then we get a letter

of guarantee if it's not cash in advance. Ultimately it's the individual station or group's choice in terms of how they want to handle it. We recommend cash in advance unless it's placed by one of the AAAA agencies and then we get a letter of guarantee and that policy has worked fine.

## How are the agencies dealing with strong demand?

I think they are doing four things: one, clearly they're doing some earlier placement and trying to get the planning costs more in line with the buying investment. Secondly, they are recognizing the demand and more aggressively budgeting the cost per point. Thirdly, they are trying to make greater use of clusters in the individual marketplaces to take advantage of some packaging opportunities. Fourth, unfortunately in some cases, they are shortening the market list because they're only buying as deep as they can go. That's one of the reasons that you are seeing the top ten markets and 11-25 up more dramatically than some of the other markets because, if you're going to buy from the top down in terms of market size, then the dollars go only as deep as they can get.

## Are you hearing similar demands on TV and other media or is radio just enjoying exceptional times?

TV is having a good first quarter and probably when all is said and done, it is going to be up somewhere in the low double digits. But it is no where near as tight as radio, with the exception of dot-com markets and big political markets during selected periods. It is not as broad based in terms of the tightness as radio.

## Will Katz be starting an Internet media buying site like broadcastspots.com and BuyMedia.com?

We're working with a variety of vendors and competitors to try and provide an end-to-end business solution that offers agencies and stations the ability to execute spot advertising through the use of the Internet. What we are not looking to do is to commoditize the radio industry or reduce the growing value of the medium by turning it into only ratings and rates. Broadcasters don't want a machine determining what the best way to buy an individual market is; it requires knowledgeable buyers and sellers. Commodity buying is not in the best interest of the agencies, individual stations or consolidated groups. We do understand the need to con-

tinue to make radio easier to buy and more efficient to process and are supportive of making that happen with a single industry solution. In the back half of this year we'll be announcing some things we're working on now that incorporates Katz' MediaAdLink and other systems. Agencies are not saying that the need and desire to negotiate and understand the dynamics of the market is not a valued resource. We're just trying to make the whole process more efficient for agencies.

## Are you selling ads on stations' websites?

We're doing that now for groups with centrally hosted websites through a division of ours called Katz Interactive Marketing and we're doing that with some success.

## Is it a significant revenue stream?

It will be. We're projecting that in the first 18 months we will see \$75M in terms of sales.

## What are your thoughts on Arbitron?

Through Gerry Boehme, we are active participants on the Arbitron advisory board and have found that to be a very productive avenue for any concerns we have or for any concerns our stations suggest to us. They get the feedback directly and they get it in a consensus type format and I do believe that for the most part, they're responsive to that board.

## Do you see any new technologies like satellite radio affecting radio?

Streaming will be a factor as one to one marketing through the streaming abilities of the Internet takes radio's terrestrial signals to a new targeting level. I think that the streaming of formats that most of the groups are going to become involved with is going to provide another outlet with unlimited ability to target those audiences that choose to listen to the radio over the Internet. Satellite radio may have some impact but I think it's going to be a very fragmented business from an advertising standpoint. They're talking about offering, depending on the estimate, about 200 formats. When you start breaking that down on a local market basis, it's not that impactful. The vast majority of dollars are being spent in the local marketplace because people want local news and local information. As a result, you're not going to see a significant impact against the very core of the radio business, which is an individual market medium.



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# E-COMMERCE: WHY NOT RADIO?

We use it to buy everything from Mother's Day flowers to exotic vacations, so why shouldn't buyers use the Internet to purchase media? Whether it is using the Internet to purchase directly, or using the Internet as a time-saving tool, these three fairly new Internet companies are banking on media professionals to embrace the e-business solution.

All three are counting on work weary and time-pressed buyers to realize that the Internet is more than just e-mail. Instead of the Internet being an accessory at their workplace, the Internet can become the focal point of their activities. After all, the Internet has been one of the most impacting inventions of this century, and from the looks of these three featured companies, the Internet is set to change the way media is bought and sold.

## BuyMedia.com: creating an industry standard

Based in Burlingame, CA and four and a half years in the making, BuyMedia.com launched in January 1999. It was an idea thought of by founder and President/CEO, Mike Jackson, but that idea has developed into a service very much demanded and designed by the buyers and sellers themselves.

## Increasing the universe of potential advertisers for stations

Jackson tells MBR that BuyMedia.com is designed for buyers and sellers who want to have one single communication platform. It is also for those who want an alternative to using a national rep firm outside of their local market. But BuyMedia.com is not trying to make dinosaurs out of rep firms because the company believes that the \$60B advertising market is big enough for a few giants to participate in.

"We never encourage anyone to switch. We feel that the more sales channels that are available to a station, the better for both buyer and seller. We provide a service for the advertising agencies that want to deal directly with the stations," Jackson explains. Rep firms were a necessity for many stations before. But that was before BuyMedia.com simplified the process and "facilitated all the communication back and forth between buyer and station."

Jackson elaborates, "If you look at most national and regional advertising, it's truly made up of the big agencies located in the big markets. Since we make it so much easier for all agencies to contact the stations, we're increasing the universe of potential advertisers for the stations."

## Automating the process

According to Jackson, BuyMedia.com is the only company on the web that automates the process of selling and buying first choice inventory. He stresses that the service has not revolutionized the process but it merely makes things a lot more efficient.

Instead of typing up an avail request and faxing it to every station the buyer wants to bid from, he can now enter the request online, pick all the markets he is interested in, select the stations, and BuyMedia.com will automatically send those avail requests to the stations. "Within a matter of minutes, every station that they (buyers) have selected have received that information. And then those stations begin putting together what kinds of schedule would be pertinent to that advertiser. Thereafter, they send it back directly to the buyer where the buyer will enter all pertinent information into their media processing software," Jackson says.

## You can't buy on the web, but you can reach a whole lot of stations in top rated markets

You can't click on a "Buy" command in BuyMedia.com and purchase a spot per se. The buyer merely initiates an erstwhile cumbersome process which allows him to ultimately choose and buy from a very large pool of radio stations.

Jackson says that buyers and sellers are really not keen on having the price listed online for all to see. "We find that the stations never like to price their inventory and their buyers don't want them to price it until the buyer has said who they are, how much advertising they typically might buy from the station, when they want to run it, who their

client is and what the demographic of that advertiser is." When all of that is known, that is when the station can go "configure their rates and availability accordingly." The process introduces automation, and not the possibility of acquiring choice inventory at bargain prices. Cyberspace still has to reflect the real world fact that radio is hot.

BuyMedia.com has many fans judging from its more than two thousand media buyers thus far. Radio stations are also BuyMedia.com converts. Jackson says the company works with every commercial radio station in the top 250 Arbitron rated markets. He adds, "Every single one is in our system so the buyer can buy advertising on any radio station in the market. That's approximately under 7,000 radio stations."

Jackson says that BuyMedia.com's goal is to become an industry standard. Agencies who use the service, typically within a three month period, use the website for all of its broadcast advertising purchases. According to Jackson, the website is currently delivering more than \$2M a day in broadcast orders.

With BuyMedia's acquisition of Marketron in April, the company looks set to simplify the buying and selling process further. More than 750 radio and TV stations use Marketron to manage their traffic and billing needs—now, those users can derive the same efficiencies that buyers have experienced using BuyMedia.

BuyMedia.com's key management includes Jackie Walts, VP/Director of Marketing; Jerry Sacchetti, VP/Director of Sales; Anne Morris, VP/Director of Client Services; and Bob Winters, VP/Director of Product Development.

## Broadcastspots.com: first choice inventory available for purchase

Before broadcastspots.com launched in January this year, the business model had intended to solve the problem of spoilage. Founder/President/CEO Jeff Trumper, explained, "I knew when I was running stations that inventory was going to spoil on Monday. Whatever that didn't sell on Friday, Saturday or Sunday was going to spoil. The Internet provides a way for people to access this inventory, evaluate and buy it on the spot."

But when the service launched, broadcastspots.com was overwhelmed instead with first choice inventory. Trumper tells MBR that 75% of their affiliates loaded 6A-7P, Monday to Saturday right from the start of the service. He explains, "It isn't new to our site. It is



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- Bakersfield, CA KIQO-FM - San Luis Obispo, CA KZOZ-FM - San Luis Obispo, CA  
KG-FM - San Luis Obispo, CA KWSR-FM - San Luis Obispo, CA KWWV-FM - San Luis  
Oispo, CA KKAL-FM - San Luis Obispo, CA KLVO-FM - Albuquerque, NM KMMG-FM -  
Albuquerque, NM KKIM-AM - Albuquerque, NM KYLZ-FM - Albuquerque, NM KABG-  
- Albuquerque, NM KARS-AM - Albuquerque, NM KPAT-FM - Santa Maria, CA  
KQK-FM - Santa Maria, CA KBOX-FM - Santa Maria, CA WWWG-AM -  
Chester, NY KVFC-AM - Cortez, CO KRTZ-FM - Cortez, CO KSNO-FM -  
Aspen, CO KSPN-FM - Aspen, CO KSMT-FM - Breckenridge, CO KIDN-FM -  
Steamboat Springs, CO KFMU-FM - Steamboat Springs, CO KNFO-FM -  
Salt, CO SIMMONS RADIO GROUP: KRSP-FM - Salt Lake City KQMB-  
- Salt Lake City KSFI-FM - Salt Lake City KDYL-AM - Salt Lake City  
RK-FM - Salt Lake City KAHK-FM - Austin, TX KSNN-FM - St. George,  
KDXU-AM - St. George, UT KTSP-AM - St. George, UT KEOT-FM - St.  
George, UT KZHK-FM - St. George, UT KIOT-FM - Albuquerque, NM KRQS-  
- Albuquerque, NM KZKL-FM - Albuquerque, NM KKSS-FM -  
Albuquerque, NM KIVA-AM - Albuquerque, NM KCHQ-FM - Albuquerque, NM  
TK-AM - Albuquerque, NM MORTENSON BROADCASTING CO.: WWGB-  
- Washington, D.C. KGGR-AM - Dallas WPGR-AM - Pittsburgh WWNL-AM -  
Pittsburgh KGGN-AM - Kansas City WNSG-AM - Nashville WLLV-AM - Louisville, KY  
OU-AM - Louisville, KY WJMM-FM - Lexington, KY WSTL-FM - Lexington, KY WCGW-AM  
Lexington, KY WUGR-AM - Huntington, WV WHBN-AM -  
Hartsville, KY ABC RADIO GROUP: WDWD-AM - Atlanta WKHX-FM - Atlanta WYAY-FM  
Atlanta WDDZ-AM - Chicago WRDZ-AM - Chicago WLS-AM - Chicago WMVP-AM -  
Chicago WXCD-FM - Chicago WWMK-AM - Cleveland KMKI-AM - Dallas WBAP-AM - Dallas  
EO-FM - Dallas KSCS-FM - Dallas KADZ-AM - Denver KDDZ-AM - Denver WJR-AM -  
Detroit WDRQ-FM - Detroit WPLT-FM - Detroit KMIC-AM - Houston KABC-AM - Los Angeles  
IS-AM - Los Angeles KLOS-FM - Los Angeles WFBA-AM - Miami KDIZ-AM - Minneapolis  
RS-FM - Minneapolis KXXR-FM - Minneapolis KZNR-FM - Minneapolis KZNT-FM -  
Minneapolis KZNF-FM - Minneapolis WABC-AM - New York WPLJ-FM - New York WWJZ-AM  
Philadelphia KMIK-AM - Phoenix WEAE-AM - Pittsburgh KGO-AM - San Francisco KMKY-  
- San Francisco KSFO-AM - San Francisco KKDZ-AM - Seattle WSDZ-AM - St. Louis  
BQ-AM - Tampa WMAL-AM - Washington, DC WJZW-FM - Washington, DC WRQX-FM -  
Washington, DC EMMIS COMMUNICATIONS: WQHT-FM - New York WRKS-FM - New York  
QCD-FM - New York KPWR-FM - Los Angeles WKQX-FM - Chicago KSHE-FM - St. Louis  
TM-FM - St. Louis WKKX-FM - St. Louis WNAF-FM - Indianapolis WENS-FM -  
Indianapolis WTLC-FM - Indianapolis WIBC-AM - Indianapolis WTLC-AM - Indianapolis

WTHI-FM - Terre Haute, IN WWVR-FM - Terre Haute, IN WTHI-AM - Terre Haute, IN THE  
CROMWELL GROUP, INC.: WGLO-FM - Peoria, IL WFUR-FM - Peoria, IL WVLE-AM - Peoria,  
IL WRVP-FM - Peoria, IL WPPY-FM - Peoria, IL WIXO-FM - Peoria, IL WEJT - FM  
Decatur/Mattoon, IL WZNX-FM - Decatur/Mattoon, IL WYOS-FM - Decatur/Mattoon, IL WMCI-  
FM - Decatur/Mattoon, IL WHQQ-FM - Decatur/Mattoon, IL  
WBIO-FM - Owensboro, KY/Tell City, IN WXCM-FM - Owensboro, KY/Tell City, IN  
WLME-FM - Owensboro, KY/Tell City, IN WTCJ-FM - Owensboro, KY/Tell City, IN  
WTCJ-AM - Owensboro, KY/Tell City, IN WKCM-AM - Owensboro, KY/Tell City,  
IN WZPC-FM - Nashville, TN WQZQ-FM - Nashville, TN WQZO-FM -  
Clarksville, TN WCTZ-AM - Clarksville, TN JEFFERSON PILOT  
COMMUNICATIONS: WBT-AM - Charlotte, NC WBT-FM - Charlotte, NC  
WLNK-FM - Charlotte, NC WLYF-FM - Miami, FL WMXJ-FM - Miami,  
FL WAXY-AM - Miami, FL WNOP - WNOP-AM - Cincinnati, OH  
WYBR - WYBR-FM - Big Rapids, MI KONP/KIKN - KONP-AM - Port  
Angeles, WA KIKN-AM - Port Angeles, WA GREATER MEDIA: WCSX-  
FM - Southfield, MI WRIF-FM - Detroit, MI WGRV-FM - Detroit, MI  
CARLSON COMMUNICATION GROUP: KKDS-AM - Salt Lake City, UT  
KCYN-FM - Moab, UT KRJC-FM - Elks, NV KTSN-AM - Elks, NV  
ALEXANDER BROADCASTING: WLIR - New York TRUMPER  
COMMUNICATIONS: KOSY-FM - Salt Lake City KISN-FM - Salt Lake City  
KCPX-FM - Salt Lake City KRAR-FM - Salt Lake City KUSH - KUSH-AM -  
Cushing, OK WECR - WECR AM/FM - Newland, NC KXRQ - KXRQ-FM - Vernal, UT  
YELLOW ROSE COMMUNICATIONS: KQQA-AM - Austin, TX KQQQ-FM - Austin, TX DICK  
BROADCASTING: WKRR-FM - Greensboro, NC WZKL-FM - Greensboro, NC WGFY-FM -  
Nashville, TN WKDF-FM - Nashville, TN WAPI-AM - Birmingham, AL WJOX-AM - Birmingham,  
AL WRAX-FM - Birmingham, AL WYSF-FM - Birmingham, AL WZRR-FM - Birmingham, AL  
WIVK-FM - Knoxville, TN WNOX-AM - Knoxville, TN WOKI-FM - Knoxville, TN WSMJ-FM -  
Knoxville, TN LIGGETT BROADCASTING GROUP: WFMK-FM - Lansing, MI WJIM-AM/FM  
- Lansing, MI WHNN-FM - Saginaw, MI WITL-FM - Lansing, MI WMMQ-FM - Lansing, MI  
WUFN-AM - Lansing, MI WFBE-FM - Flint, MI WCGA - WCGA-AM - St. Simons Island, GA  
BusinessTalkRadio - West Palm Beach, FL CU RADIO GROUP: WGKC-FM - Urbana, IL  
WQQB-FM - Urbana, IL WEBX-FM - Urbana, IL WZNF-FM - Urbana, IL KCLW - KCLW-AM  
- Hamilton, TX KMJI - KMJI-FM - Texarkana, TX JON GARY ENTERPRISES  
INCORPORATED: WYXE-AM - Gallatin, TN ACADIA BROADCASTING: WLKE-FM - Ellsworth,  
ME WJRZ - WJRZ-FM - Manahawkin, NJ KSWG - KSWG-FM - Wickenburg, AZ WRFP -  
WRFP-AM - Cantonment, FL KAFC - KAFC-FM - Anchorage, AK KWAB - KWAB-AM - Boulder,  
CO WXIN - WXIN-FM - Providence, RI KBEL - KBEL-AM/FM - Idabel, OK SOUTH JERSEY  
RADIO: WTKU-FM - Linwood, NJ WGYM-AM - Linwood, NJ WTX

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a bit of a surprise frankly but it's a nice surprise because we pretty much debuted with first choice inventory. If you go to our site and look at our inventory, everyone who has gone there is very impressed with the quality of the affiliates and the quality of our inventory. We are very pleased to see that they have enough faith in our system and that they did load first choice inventory."

### **Buying is as easy as point and click**

Linda Waldman, VP/Director of Marketing, says that a buyer pressed for time, can go into broadcastspots.com and select by market, demo and station and the site will show all the affiliates with the matching requirements of the buyers. He will get a listing of the available inventory and the price of that inventory. If all is suitable, the buyer clicks on the item and buys it then and there.

Waldman says that theoretically, buyer and seller may not even have to get on the phone because confirmation of the purchase is done via email or fax. The two parties may get on the phone to discuss creative but there is no negotiation needed since the price is already listed on the site and bidding is not part of the buying process.

### **Another sales channel**

Like Jackson, Trumper makes it clear that the Internet is merely another sales channel and it is not his intent to upstage the traditional process. He says, "I think it is too soon to say if this will displace the traditional sources of media buying. When you think of e-trade, e-trade didn't put Merrill Lynch out of business." He believes that people, being social animals, still want to visit about certain issues. Negotiation, as rough as it can get sometimes, is still something that people want to do and still enjoy. Broadcastspots.com is for those educated and experienced advertisers who just want to access, evaluate and buy inventory quickly.

### **New features and developments**

Last month, broadcastspots.com added another feature, Spot Avails, to their service. Trumper says that some buyers had expressed interest in being able to request avails. He thought that the system could certainly accommodate, so now, buyers can send avail requests to radio and TV stations. The latest Arbitron ratings will also be available for radio stations. After buyers submit their requests, the Spot Avails system will fax or email them to the selected stations.

Trumper says that the service is growing fast and approaching about 1,000 radio affiliates. The entire ABC Radio Group of stations recently signed on, joining other affiliate stations from groups such as Emmis Communications, Jefferson Pilot, Cumulus and Spanish Broadcasting. Affiliates sign a three year exclusive agreement in which broadcastspots.com is the sole Internet provider for sales. Trumper says that they are also in talks with the networks and are close to a network agreement.

Key management at broadcastspots.com include Todd Plunkett, EVP/CFO; John Cravens, SVP; Judy Carlough, VP, Affiliate/Agency Relations; Linda Waldman, VP/Director of Marketing and Bruce Ward, VP/Director of Technology.

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## **AdOutlet.com: ecommerce solution for all media**

AdOutlet.com was born from irony. Alan Masarek, Chairman/CEO, tells MBR that the company started out with selling Internet advertising on the web. He explains, "It was sort of an irony that we realized that we were spending \$2B on the web, but nobody was using the web to get to it. So that was the initial genesis of thought that we should really create an e-commerce service for all media."

Masarek says the company started 6/14 primarily to tackle the lack of an Internet-solution for Internet advertising but has since branched out to traditional media. In fact, traditional media has overtaken their original Internet focus as the former has a much greater percentage of the company's revenue base today.

Currently, AdOutlet.com's involvement in radio is 10% of its total operations but it is a fast expanding segment. The site offers both first choice and unsold inventory, with unsold inventory rarely exceeding one third of the total inventory posted.

### **It's evolution not revolution**

Like BuyMedia.com, Masarek considers AdOutlet.com to be a communications platform that simplifies the buying process. He also believes that the service is "less revolutionary and more evolutionary and it is simply an acceleration of what's been happening anyway." Using the Internet to sell inventory gives stations broader distribution breadth. Rather than be limited by the ex-

tent of their sales force and rep firm, Masarek says that using the Internet as an additional sales channel makes perfect sense. "Portions of media are appropriately served through a direct sales force. But there's also very large proportions of media that can be more efficiently served through electronic channels."

### **Confidentiality of the sale retained**

Stations can choose to post their inventory together with the price, or they can have it coded into the system but hidden from the buyers' view. But regardless of whether or not the buyers can see the price, AdOutlet.com knows what the stipulated price is. Masarek explains that in the real world, media outlets sell to different buyers at different rates and transactions are very private and confidential. The web is no different.

For example, a station could give its published rate of \$20 or not give a rate, but in actuality, its threshold price is \$10. The \$10 is then coded into the site. If 10 different buyers are logged on at the same time and are viewing the same inventory, and one buyer makes an offer of \$11, the system automatically awards that spot to that buyer. The system accepts the first higher than threshold price offer and does not make allowances for the very real possibility that one of the other nine buyers may offer a better price.

But that is not a problem with AdOutlet.com. Masarek says that by using this method, the website has overcome the unique challenge of retaining the confidentiality of a sale in the "context of public distribution." He adds, "We think this is very powerful because this is a way we can encourage a radio station who is always very concerned about selling privately."

AdOutlet has 4,500 registered media buyers using their service and that number is climbing. Masarek says the company's growth is so accelerated that it is maddening. In April, AdOutlet joined with Enterprise Systems Group, Inc., to create and develop a digital data interface that will allow users to export and import real-time inventory between AdOutlet's system and Enterprises broadcast management system.

In addition to Masarek, the Columbus, OH-based company is led by founders John Detwiler, President, and Eric Place, EVP. AdOutlet also has an advisory council of industry experts guiding its course.





L.A. KFI  
up **56%**  
A35-54  
(Sp99-W00)

Phoenix KTAR  
up **418%**  
W35-54  
(W99-W00)

Dayton WHIO  
up **204%**  
M35-54  
(W99-W00)

Raleigh/Durham WPTF  
up **89%**  
M35-54  
(F99-W00)



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**#1 Rank**  
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(W99-W00)

Milwaukee WTMJ  
up **64%**  
M25-54  
(W99-W00)

Las Vegas KXNT  
up **178%**  
A35-54  
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## Upped & Tapped

Bloom blossoms at Emmis: Andy Bloom, the PD who unleashed Howard Stern on America via syndication, has been named VP/Programming at Emmis International.



Robert L. Williams has been named Market EVP for AMFM's six-station superduopoly in Philadelphia. He migrates down from a similar position in Hartford.

'burb blurb: Nassau Broadcasting, with numerous stations in the area between New York and Philadelphia, has appointed Barbara Rabinowitz to take advantage with the title Director of Suburban Sales. She was most recently Sales Manager at WINS New York.

Laurie Cobb has exited Jones Radio Network to take the Music Director slot at Smooth Jazz KKSJ-FM San Francisco. She'll work with PD Paul Goldstein and hold down an airshift

Getting real: Internet audio streamer RealNetworks has added a pair of execs to its Media Systems division: Jeff Pancottine will come aboard as Senior VP, and Tom Hull has been named VP.



Giving shoes the boot: Sports syndicator One-on-One has hired Alex Gomex to be VP Marketing. He exits a marketing position with Foot Locker Worldwide.

New NW finds its guardian Angelique: KJR Seattle AE Angelique Rossman will be exiting the station to take on the VP/Sales position with expanding radio group New Northwest Broadcasters.



KARP is the bait for Blue Chip: And it used it successfully to land a GM for Minneapolis move-in FM, luring Steve Woodbury away from cross-town KFAN to build up the station.

Aponte-ment? Emmis International has named Julio B. Aponte Jr. to the position President of Emmis Argentina, where he will oversee radio operations in Buenos Aires.

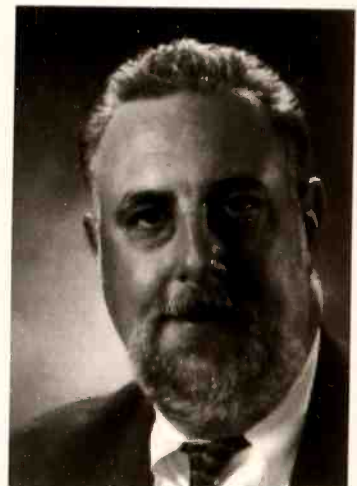
Tower service provider SpectraSite Communications has named Adam Stulberger Chief Development Officer.

Uncle Bello wants you: The A. H. Belo Corp. (which does not count on its two radio stations for the bulk of its income, which mainly comes from TV, newspapers and cable new channels) has named Sherri Brennen VP/Recruiting and Training



Gentner takes a Bath(urst): Tracy Bathurst will be overseeing R&D, product management and other Gentner engineering operations as VP/Technology. He is promoted from the Engineering Manager slot.

Token for Yoken: Barnstable Broadcasting has upped Memphis station cluster EVP/GM Tony Yoken to President/GM.



A Gress-ive move in Philly: Smooth Jazz outlet WJJZ-FM has promoted PD Anne Gress to OM. Her role will be expanded to oversee programming, promotions and marketing of the station.

Abel-bodied marketer? Chancellor Marketing Group, the promotions wing of AMFM, has named Deborah Abel Management Supervisor for its Washington, DC office. She exits National Football League Players Inc.

The Iger sanction has been given to one-time ABC Radio honcho Robert F. Callahan, who was named President of Disney's ABC Broadcast Group.

Gina therapy? NBG Radio Network has upped one of its own to the position of PR/Marketing Director. Gina DeWitt will hold down the job for the radio syndicator.

It's Miller time at Salem Music Network, an arm of the national Religious radio station group and syndicator. Michael S. Miller is the Net's new GM. He will be based in Nashville, where he will also run Salem's WVMY-FM and WBOZ-FM.



Hiwire installs Flores: Web-streamer Hiwire Inc. has hired radio veteran Ric Flores to the VP/sales slot. He comes from an eight-year stint at KLSX-FM Los Angeles





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...And in August, our Syndicator Special will put programmers in their place before our September issue hits at the heart of the industry with our annual NAB Radio Show Special Edition.



## June

5-6  
New Jersey Broadcasters Convention. Atlantic City, NJ (609) 860-0111

8-12  
22<sup>nd</sup> Montreux Symposium. Montreux, Switzerland +41-21-963-3220

12  
Broadcast Education Association Service to America Summit & Awards. Washington, DC (202) 429-5354

13-14  
NAB Summer Board of Directors Meeting. Washington, DC (202) 775-3527

14-15  
Wisconsin Broadcasters Convention. Eau Claire, WI (608) 255-2600

14-17  
PROMAX & BDA Conference. New Orleans, LA (310) 788-7600

15-17  
Missouri Broadcasters Convention. St. Louis, MO (573) 636-6692

16-17  
Wyoming Broadcasters Convention. Gillette, WY (307) 632-7622

16-17  
Nevada Broadcasters Association Golf and Tennis Tournament and Awards Luncheon, annual Hall of Fame dinner-dance, Desert Inn Country Club. Las Vegas, NV Contact: Bob Fisher (702) 794-4994

19-22  
New York State Broadcasters Association 39th Annual Executive Conference. Sagamore Resort Hotel, Lake George, N.Y. Contact: Mary Anne Jacon (518) 456-8888.

22-25  
Mississippi Broadcasters Convention. Biloxi, MS (601) 957-9121

22-24  
Montana Broadcasters Convention. Red Lodge, MT (406) 442-8121

22-24  
New Mexico Broadcasters Convention. Albuquerque, NM (505) 881-4444

23-25  
Georgia Broadcasters Convention. Macon, GA (770) 395-7200

23-26  
Florida Broadcasters Convention. Palm Beach, FL (850) 681-6444

26-27  
Iowa Broadcasters Convention. Des Moines, IA (515) 224-7237

30-July 2  
Virginia Broadcasters Convention. Home-  
stead, VA (804) 977-3716

## July

7-8  
South Dakota Broadcasters Convention (605) 224-1034

14-16  
Alabama Broadcasters Convention. Gulf Shores, AL (800) 211-5189

22-25  
NAB Executive Development Seminar for Radio Broadcasters. Washington, DC (202) 775-3511

23-25  
North Carolina Broadcasters Convention. Wrightsville Beach, NC (919) 821-7300

27-30  
Idaho Broadcasters Convention. Sun Valley (208) 345-3072

## August

10-12  
Michigan Assoc. of Broadcasters Annual Conference, Thompsonville, MI (517) 484-7444

15-18  
Texas Broadcasters Convention, San Antonio, TX (512) 322-9944

16-18  
Nebraska Broadcasters Convention, Lincoln, NE (402) 778-5178

25-27  
Arkansas Broadcasting Convention, Hot Springs, AR (501) 227-7564

26-29  
American Women in Radio & TV Convention, Los Angeles, CA (703) 506-3290

## September

13-14  
North Dakota Broadcasters Convention, Bismarck, ND (701) 258-1332

14-15  
Alaska Broadcasters Convention, Anchorage, AL (907) 258-2424

20-23  
NAB Radio Show, San Francisco, CA (202) 775-3527

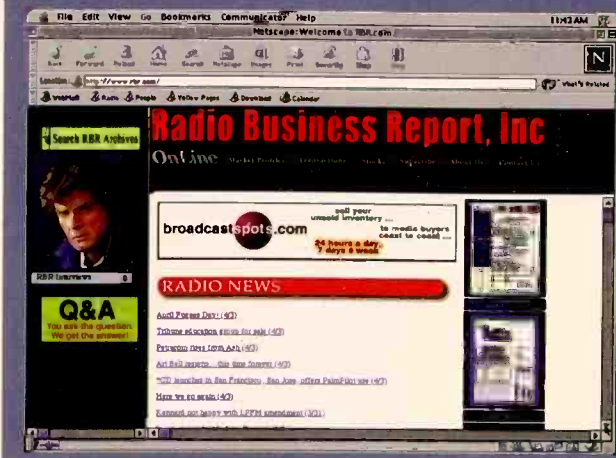
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84,000 hits in Jan.\*  
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\* Microsoft Site Server Analysis





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We recently caught up with former AMFM CEO Jimmy de Castro and asked for comments on leaving before the Clear Channel merger and his adventure just beginning with the Internet. As you'll see, he pulled no punches.—CM

## What are your views on the radio broadcasting industry today?

Too much clutter. Way, way too much clutter.

## What do radio broadcasters need to be concerned about now and the future?

I think they need to be sensitive, to be customer-focused again, to the fundamentals of where the business has come from both to the customer and to the advertiser and I think that they need to be cautious about that.

## Is it just a matter of less spots, but more expensive ones?

I don't think it's just that. I think that there's a lot of different elements and I think the radio companies have been too busy acquiring and trying to deliver quarter to quarter cash flow results and have not been spending enough time hiring new thinkers and embracing new technologies to develop the ultimate integration. It has become too financially driven, based upon Wall Street's demands.

## Do you think radio stocks in general are a good investment for the future? Why?

I think they're a tremendous investment. I think now is a wonderful buying opportunity and I would buy all of the radio stocks starting with AMFM and Infinity—I think they're great stocks and I think this is a wonderful time to buy those stocks.

## Why didn't you stay on with Clear Channel?

Very easy. Two questions: culture and options vesting. Very simple. Their culture is Cheap Channel—it's not the same as the way we had developed in both Chancellor and AMFM. And secondly, that they have five-year cliff vesting. That's ridiculous. I give you options now and five years later they vest. If you leave anytime up until that five years, you lose your options. We vested yearly, every other company vests yearly or one-third, one-third over three years or one-half, one-half over two. It's absolutely ridiculous and it's because it's run by the Mays family. It's their company, they run it their way and it's a small-market mentality.

## You just didn't want to do that to your people?

Right. They wouldn't stay, I couldn't keep them

## Did you argue about this?

Ahhh, I fought like crazy. I was running the Internet for them and I had a screaming, yelling match in a very polite way with Lowry Mays. I said "Lowry, you sit on NBCi's board. Do you get options as a board member?"

"Yes I do."

"When did they vest, Lowry?"

"I don't know"

"Well, let me tell you, Lowry, they vest monthly over three years, as does every other major media company on the Internet—meaning CBS Sportsline, MTV, ESPN.com."

All of the other companies have [decent] vesting programs and they're just Cheap Channel—deep pockets and short arms.



## Do you think Clear Channel is going to have trouble retaining AMFM managers?

I think in the long run, yes.

## What do you miss most about working in radio?

The people—absolutely, unequivocally, the fun. But most importantly, the day to day communications with the greatest people that have ever been involved in this business, from NY to San Francisco.

## What's it like, not answering to anybody but yourself?

Best thing I've ever done. Although, in reality, I'm still answering to my wife.

## Any possibilities of getting back into radio? Why?

No. Because I worked at the greatest company with the greatest people and achieved everything that I could have or wanted to achieve and I feel extremely fulfilled about it. I want to continue to learn and grow and build the playground of the future.

## Tell us what you can about your new Internet investments/ventures

I have invested in three companies already and actually, today [5/8] I invested in one more—Oktiv. The three I've already invested in are Urban Box Office, a company called TriSpot.com and one company that will be announced. I'm looking at additional investments every week.

Urban Box Office is an Urban mindset. It is a destination group of websites that will deliver an Urban, Asian and Hispanic community. It's a myriad of interests that create the Urban mindset of a single website that will inevitably capture the attention and creativity of all the target audiences. TriSpot.com is a sales investment in a company that is going to be out soliciting Internet business.

## Tell us about "Nothing But Net"

Nothing But Net is a holding company that will be based in Chicago and have about a dozen employees. And no, I'm not going to tell you who those employees are yet. Underneath Nothing But Net will be several limited corporations—LLCs—of which three have already been formed. One is called Radio with Vision, one is called NETWORKS and the third name is not determined yet, but it's most likely going to be Stars on Site.

## How does e-business compare and contrast with the radio business?

It's radio in the 60s and early 70s. I really believe that e-business is growing exponentially. Let's face it, it wasn't long ago that the Internet wasn't on our lips every minute. If you think about the process of the new ebusiness, I think it's a new economy—I think it's the industrial revolution at warp speed. And if you look at the current process, there were 30,000 motor companies in the '10s and into the '20s and now there's three. Well, there's thousands and thousands of dot-coms and ultimately, only the strong will survive and breed new forms of business. Anytime there's a big technology change—when the automobile was developed, when the plane was developed—there is an entire series of businesses that get changed with it. I think that, at warp speed, is what's transpiring now.



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4 Jackie Mason	___ "Senior Focus"
5 Gabe Mirkin	___ "America, Good Morning"
6 Stephani Doran	___ "For the People"
7 Judi Paparelli	___ "The Money Pit"
8 Tom Kraeutler/Mary Barretta	___ "Connected"
9 Det. Jim McKay	___ "The Ira Fistell Show"
10 Marc Mandel	___ "Winning on Wall Street"
11 Robert Petro	___ "On the Line with _____"
12 Chuck Harder	___ "Computer Daze"
13 Armstrong Williams	___ "The Dr. Gabe Mirkin Show"
14 Ira Fistell	___ "Dream Weaver"
15 Dale Callahan/Carole Marks	___ "The Gene Burns Show"
16 Guy Kemp	___ "The Jackie Mason Show"
17 Dr. Derrick Silva	___ "Paul's Garden Club"
18 Paul Parent	___ "Ask the Doctor"

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- 10 - 13 Correct Answers Talk America Groupie
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