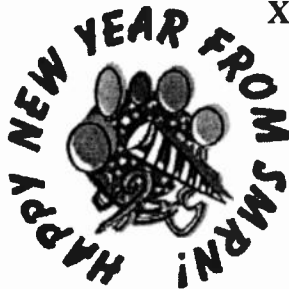


# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 30 • JANUARY 2, 2003



**XM PULLS IT OUT OF THE FIRE.** The first-in satellite radio company has scored \$450 million in refinancing from BayStar Capital and others to get the company through to break-even. Part of the package includes putting BayStar investor Steve Hicks on the board. Meanwhile, as of this writing, XM says it's on track to sell 350,000 subscriptions by the end of the year. The company claims it sold 24,000 subscriptions as Christmas gifts.

**AMBER NOT OK IN OK.** Last week a coding problem in the Sooner State—the first state in the country to adopt a statewide AMBER plan—caused some television stations to run a “civil emergency” announcement instead of an AMBER alert.

**CUMULUS CONTROLS 58% IN MACON.** The new deal, delayed by the FCC for over six months but finally approved last week, allows the group to buy an eight-station cluster in that city, accounting for a 58% revenue share.

**NEW EEO RULES MAY AFFECT PART-TIMERS.** The FCC's newly-adopted EEO rules apply to full-time employees, but now the Commission is exploring whether they should also apply to part-time positions. Comments for the third EEO Notice of Proposed Rulemaking are due January 16; reply comments are due February 3.

**RADIO AUDIENCE A CLASS ACT.** According to the latest RADAR Radio Usage Report, in the course of a week radio reaches 96% of adults with household incomes of \$75,000 or more; 96% of college graduates (as opposed to 92% of non-grads).

**MIXED RETAIL SIGNALS.** We've all heard the anecdotal bad news about the holiday shopping season, but it might be wise to wait for the official tally. Retailers were crying about November, too, but the Commerce Department report showed that retail sales rose slightly in that month (0.4%).

**DILLER KEYNOTES IN LAS VEGAS.** Television executive Barry Diller, currently CEO of USA Interactive and Vivendi Universal Entertainment, will deliver the all-industry opening keynote address at NAB2003 on April 7. The conference will be held April 5-10. [www.nab.org/conventions/nab2003](http://www.nab.org/conventions/nab2003).

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IN OUR 20TH YEAR


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## **First Quarter Fun & Profit**

First quarter is always a lot of fun in the radio business as we scramble to put business on the books. But there are myriad ways to make the quarter more profitable. Let's take a look, bearing in mind that many of these ideas can be mixed and matched:

**TAX TIPS.** Get started on these now! Sell them to the tax preparers and accountants in your area—you'll be surprised at how many are out there. The tips themselves are available from a variety of sources, including the networks you already carry. Our experience has not been that favorable with our providers, though—they're often late in getting the material out the door—so you may want to produce your own tips. The IRS provides them in both script and audio form, and our intrepid program director, Steve Smith, located a great place online as well.

 <http://www.irs.gov/newsroom/lists/0,,id=98028,00.html>, [www.taxhawk.com](http://www.taxhawk.com)

**RADIO AUCTIONS.** We've devoted the better part of an entire issue to this subject, so we won't go into detail here. If you don't have our 11/12/02 issue, go to the Subscribers Only section of [www.smallmarketradio.com](http://www.smallmarketradio.com), log in, and click on "Back Issues." (*Note that there is a \$10 charge for us to send you the issue personally, so your best bet is to download it yourself.*)

**COUPON BOOKS.** This is something else that we've talked about previously (*SMRN 4/18/02*); the basic concept is, put together a special coupon book for advertisers consisting of special deals (buy one get one free, get *x* ads when you buy a weather sponsorship, etc.); add up the value of the freebies—we've seen values of \$5,000-8,500—and sell the books for \$199. Whenever you sell a book, the \$199 goes on your billing that day. . .and it encourages more business throughout the year.

**JINGLES.** Offer an ad plan tied to a jingle for your clients. The jingle can be included in the price of the plan, making the offer irresistible (we hope). The best part is, advertisers fall in love with their jingles and want to hear them on the radio a lot.

**WHITE SALE.** Your clients are offering big discounts to their customers. . .why shouldn't you offer your clients the same?

**TELEMARKETING SPECIALS.** This can be misused, so I offer it cautiously: offer a special first-quarter ad plan for a deep discount—some stations do 40%. The way to avoid this being interpreted as rate-breaking (or desperation) is to come up with an offer that is far removed from what you usually do: special one-time-only promotion, sponsorship, programming.

**BUDGET BILLING.** You may have done a level-billing plan in fourth quarter to encourage first-quarter sales, where the client is billed equally for three or four months but can use the ads any time. Why not do this in first quarter, where the client is billed equally over three or even six months but can use the ads any time up until June 30?

## Lamebrain Things You Shouldn't Say to Employees

Here is a sampler of comments that, directed to an employee, can only do harm to your business.

- **“Just make it happen.”** If ever there was a remark that conveyed both condescension and laziness, it's this dog. In a mere four words, you're treating your employee like a coolie, not to mention abrogating any responsibility for getting things done. Rather than put your foot in your mouth all the way up to your kneecap, if there's a problem with something you've requested, ask your employee to spell it out. From there, work together to address it.
- **“You need to work smarter, not harder.”** This Dilbertesque wretch, sad to say, has an element of truth to it—all of us need to direct our working energies in the most efficient means possible. But this worn-out cliché is, at heart, so hollow and lacking in genuine guidance, it's long since lost even a shadow of whatever oomph it may once have had. Instead, opt for real details when urging your people to use mind instead of muscle. For instance, illustrate how grouping sales calls according to geography can save both time and effort. That shows real involvement and direction, not lame lip service.
- **“That's a no-brainer.”** First, everyone—certain members of my family being the obvious exception—has, in fact, a brain. Second, every task, no matter how simple or menial, involves some cerebral activity. To suggest one or the other is insulting and demeaning, and isn't likely to motivate employees to new heights of performance. How about, “That's what I was thinking, too,” or some other form of confirmation? A lot more uplifting.
- **“Well, duh.”** See above. This is a particularly insulting, demeaning version, not to mention sophomoric. Leave this one to the tongue-studded teens at the mall.
- **“I don't want to hear any excuses.”** Granted, no one wants to put up with an employee who seems to have a convenient rationale every time something heads south. Still, this rather harsh form of confrontation does little more than back someone into a corner with an accusing finger armed and ready. Instead, try to give your people a chance to explain what happened with a focus on fixing what went wrong—not merely attaching blame.
- **“You're lucky I don't fire you.”** This is akin to being sentenced to hang until you cheer up. Seriously, this definitely ranks as one of the bottom feeders in the pond of business thinking. Again, everyone makes mistakes. But threatening them with dismissal is not merely ineffective and disheartening; it usually comes across as pretty idle. Your employee is either scared to death or laughing under her breath—meanwhile, you come off as a despotic blowhard. Don't lose your cool. Rather, review what may have gone wrong and discuss ways to improve employee performance.
- **“I've got my eye on you.”** Unless you're Long John Silver or some other patch-sporting buccaneer, this is yet another verbal belch that's needlessly intimidating. Someone not performing up to snuff? Fine. Talk it out with them, direct them how to improve and monitor them appropriately with candid, up-front reviews. Leave the “you're never out of my sight,” Spy vs. Spy stuff to others—like the attorney general of the United States.
- **“I don't pay you to think.”** If you believe this verbal smack upside the head went out with pomade and rumble seats, think again. I overheard it just the other day in a grocery store. Any manager or business owner who ever spews this stuff ought to pay someone to think, because he's certainly not up to the task himself. Instead, let your people know that, in fact, you welcome their thoughts and feedback. As far-fetched as it may seem, they may come up with an idea that somehow, some way, didn't occur to you. In the end, you wind up with something that will help your business grow and your employee has the satisfaction—perhaps in more than one form—that she's contributed something of value. That's a real no-brainer, right?

—Jeff Wuorio, Microsoft central, [www.bcentral.com](http://www.bcentral.com)

## What's Up With PPM?

With numerous research questions still answered, planners, buyers and advertisers will likely have to wait for some time before Arbitron makes its Portable Person Meter (PPM) the basis of its radio ratings service.

Arbitron has been testing the PM since late 2000 with initial research in Wilmington, DE. Since then it has expanded to Philadelphia, where a pair of parallel panels are carrying the PPM. Compared to existing methods of measuring media audiences, the PPM has so far reported higher average quarter-hour audiences on a 24-hour day, total-week basis. That has encouraged many into dreams of a day when diaries and set-top meters were as distant a memory as black and white television. Yet a number of questions remain unanswered, resulting in a growing call by a number of executives, primarily in radio, for more research and more answers before PPM is further deployed.

One thing that should lie to rest the fears of a few, says Arbitron VP of research and standards Bob Patched, is that its numbers for primetime TV usage collected from PPM have so far largely mirrored what meters and diaries have found. That should quiet longstanding complaints about whether diary-based measurement is effective. "Far from being condemned, it's being endorsed," he said Wednesday at the Advertising Research Foundation's "Week of Workshops" conference in New York.

Yet Patched concedes Arbitron has "some detective work" to figure out why morning drive numbers for radio are lower in PPM ratings compared to diaries. Patched admits its Philadelphia tests have left them with more questions than answers on the most critical daypart for radio. What they do know is that in the 12-17 and 18-34 demos there is no difference between the diary and PPM. They begin to see a difference in the 35-54 cell, and the 55+ demo is where the most pronounced difference between the two is detected. Patched said frankly, "We don't yet know what's going on here." He says that is among the things Arbitron plans to work on in further field tests.

One unresolved issue has the making of a major stumbling block between the different constituencies that Arbitron serves. Advertisers are likely to push for movement beyond its current quarter hour ratings to a methodology that provides something near to minute-by-minute numbers. One agency research director went so far as to call the current 15-minute break outs "archaic," yet nearly every radio account executive's entire sales methodology has been based on that calibration. Patched says that issue has not been worked out. "There is a lot of debate over whether the industry should go to an average quarter minute. We've decided to follow the industry's lead, so it's yet to be determined."

Another issue still unresolved is the role of Nielsen, which may partner with Arbitron to rollout the PPM, as well as whether the device accurately measures Hispanics. Arbitron has agreed with the radio industry's request for a second PPM market trial in one of the Top 25 Hispanic markets, once the proposed joint venture with Nielsen moves forward. They will also work on improving its lackluster response rates among consumers contacted to carry a PPM device. In Philadelphia, the diary response rate is 31% compared to 10-15% for PPM. Patched says increasing response rates "certainly could affect costs."

An ad hoc group of radio executives has formed to monitor Arbitron's progress on PPM and call for a go-slow approach to its deployment. Next week that group will meet in Atlanta to hear the latest research. It seems some of their questions will go unanswered for sometime to come.

—Frank Saxe, *MediaPost*, 10/10/02


**MUSICAL MESS?** From Chris Willman, writing on [www.ew.com](http://www.ew.com): "Well, okay, maybe there are a few other culprits responsible for the musical mess we're in today. Namely, the label executives who sign so much bunk; the careerist musicians who make it; the FCC, which in the '90s deregulated radio to the point where a few corporations own most major-market stations; the radio listeners who don't hang up when radio's hired marketing guns ring up to do "call-out" research and play 10 seconds of a song to find out if it's a hit. Complicit, all. But I don't have any compunctions about essentially blaming the mercenary folks who run radio today. They're an easier target than Saddam Hussein, and possibly more deserving."

**AD FORECAST: 6% INCREASE.** Global Insight, Inc. has announced the results of a new forecast on advertising trends in the US for 2002 through 2006, which forecasts a 6% increase for 2003 in spending, a remarkable turnaround for a market that suffered a 6% fall in 2001 (which, Global Insight felt compelled to remind us, was the worst decline in 20 years.)

The good news is that the study concludes that radio, cable television, and the Internet will be the major beneficiaries of this increased spending. Global Insight predicts these media outlets will experience annual average increases of 10%, 7%, and 16%, respectively, between 2002 and 2006. Newspapers, outdoor advertising venues, and broadcast television will also benefit, but at more modest rates of growth. The researchers predict that increased advertising spending by the entertainment, wholesale trade, and other services sectors will be the primary sources driving this growth.

**AOL PLANS TO REVIVE.** America Online, suffering from the same malaise as most dot-coms (soft advertising, primarily), plans to revitalize its serve by focusing less on getting consumers to visit AOL and more on giving them something to do once they get there. In other words, content is once again king. The parent company, AOL Time Warner, plans to incorporate more content from *People*, *Entertainment Weekly*, *InStyle*, *Parenting*, *Teen People* and other magazines through AOL's areas for entertainment, families, women, teens and kids at no additional cost to AOL members. AOL also plans to market a content-rich service, including music, movie clips, video games, special shopping offers and discounts, for broadband users for about \$15 more per month.

**WEB CANNIBALIZES RADIO LEAST.** As online consumers become more experienced Web users, they are more likely to decrease use of offline media channels such as newspapers, says Forrester Research. However, radio appears to be the offline medium least likely to suffer erosion among its online listeners. Television and magazines experience the most losses across users of all levels of Internet experience, and newspaper shows the steepest increase of readers who read less now that they're online as those readers grow more net-savvy. Radio, on the other hand, shows the lowest level of consumers that have decreased their listening since going online at all levels of Net experience. The difference is most notable among online consumers with six or more years of online experience. The percentages of magazine, television, and newspaper users whose consumption of those media has declined since going online hover in the 32 to 36 percent range. Only just over 20 percent of Radio listeners with six or more years of Net experience say the same.

**THE VIRTUAL DEEJAY.** There's a new feature at [www.about.com](http://www.about.com) that might help your personalities create closer bonds with their listeners. It's the Virtual DJ, described as "new and exciting technology [that] makes it possible to create a cartoon-like rendition of the radio personality and then lip-sync his or her actual audio to the virtual creation. Once the Virtual DJ is created, it is placed online and can be viewed and heard by any web surfer without any additional installed software or players. The Virtual DJ streams to almost every browser in just moments, seamlessly."  <http://radio.about.com>

**INTERNET GROWTH SLOWING.** Data from Nielsen/NetRatings and comScore show that the growth rate for new Internet users in the U.S. has stalled at around 5%; the number of Internet users in this country has been more or less flat for more than a year.

**E-MAIL RESPONSE RATES DOWN.** . . .but the reason will probably surprise you. (Hint: no, it's not because people hate getting spam.) E-mail marketing company Silverpop has released findings from a study showing that one big reason response goes down is "broken" or unreadable HTML code. In fact, 42% of the e-mails they reviewed were hard to read due to such errors, and 6% were completely indecipherable.

**WILL E-MAIL GUIDELINES ELIMINATE SPAM?** The Internet Advertising Bureau (IAB) has released a set of suggested guidelines of obtaining and using e-mail lists. The main advantages to the consumer are that all addresses must be for those who have specifically agreed to receiving third-party offers, and the e-mail address of the sender must be clear and valid.

**RADIO WEB SITES ATTRACT QUALITY HITS.** The Media Audit has surveyed over 12,000 radio web site users and this is what they found: 46% are 18-34, compared with 37% overall; 16.7% of all surfers are age 55 or older, but less than 10% of radio web site users are; over 62% of radio web site visitors have household incomes in excess of \$50,000 (vs. 58% of the overall web population); 16.3% of Internet users have an advanced degree, compared to 12% of the adult population, and only 13.3% of radio web site visitors have an advanced degree (reflecting the younger skew); nearly 45% of radio web site visitors work in white-collar jobs, compared to 40% of Internet users in general and 30.5% of the general population.

**TAKE THAT, RIAA.** Jupiter Media Matrix has released a study that shows, to quote, "File sharing has a polarizing effect on music spending, spurring increases among some users and decreases among others. However, the boost outweighs the bust. Experienced file sharers were 75 percent more likely than the average online music fan to have increased their music spending levels." The report continues, "Despite this and similar findings by other researchers, the recording industry has continued to scapegoat file sharing, even as record sales have fallen over the past year." The study attributes the decline in music sales to normal cycles, an overall drop in entertainment spending, increasing competition from other media, the end of the CD growth spurt—as LP owners upgraded their collections relatively quickly—and the increasing emphasis on smaller numbers of titles to drive sales.

## **The Broken Window Theory**

New York City was in rough shape at the beginning of the 1990s. The city fell into decay, with rampant crime and numerous quality-of-life issues adding to a sense of squalor and unease in its streets. Then, in 1994, in an effort to squash the increasing crime wave, the city adopted The Broken Window Theory, a new movement in police enforcement.

The theory states that you take care of the minor, insignificant problems before they become major; by repairing one “broken window” you stop the building from falling into disarray by showing your commitment and increasing the chances that the inhabitants will take pride and ownership in their surroundings.

By cracking down on “harmless” quality-of-life issues, such as aggressive panhandling, littering and prostitution, the city was able to take control of the greater crime situation. Stories became common of finding out that the (once overlooked) turnstile jumper was, in fact, a wanted felon.

So the questions to be asked are these: How many broken windows does your organization have? How many insignificant problems are overlooked because they do not immediately affect the bottom line, yet are adding to a decrease in the overall quality of your organization?

The chronically late employee is an obvious example. One or two minutes late one week, increasing to five minutes the following week. By the time he settles into his seat, has his coffee, and boots up his computer, a good half hour of productivity may have been lost. Worse yet, the employee in the cubicle next to him—who arrived on time—is now being penalized by having to pick up the slack, not to mention the customers who are not being served.

Cross-training is another important, but not urgent, necessity that is ignored until the house is burning. Many managers know they should cross-train employees to handle those functions only the office specialist knows how to do—and it remains in the backs of their minds until the morning the specialist slips on a bar of soap in the shower and is laid up for months.

A negative employee can easily and quickly infect an entire department with their heavy sighing and bad attitude, yet most managers will turn a blind eye and allow it to fester, particularly if the employee is still productive. It is only once the employee is gone from the organization do they realize what a psychological drain they had been on the entire team.

The theory can go beyond employees and extend to environment. Disorganized desks and filing systems are time wasters, as is dealing with chronically malfunctioning office equipment. Burned-out light bulbs, dirty common areas, and worn-out furniture can subconsciously deflate morale and give a sense of a company that does not pay attention to the fine details.

Many of these potential employee broken windows can be discovered early on through comprehensive interviewing, background checks, and behavioral assessment products.

A few pointed questions during reference checking can help reveal a candidate's propensity for lateness, disorganization, or excessive personal phone calls. The same can be noted during the interview. Did they arrive promptly? Were they disheveled or unnecessarily chatty? None of these alone should preclude a hiring endorsement, but they can be clues for future problems.

More clues can be found in their profile results, such as warnings about overly social candidates, those who may have trouble following up on leads and paperwork, and those who are too analytical and perfectionistic to the point of immobilization.

Different managers will have different strengths and challenges applying the theory. Certainly, the hands-on manager will have an easier time overseeing the fine details and organizing work space, but he may let the more confrontational problems slide, such as reprimanding an employee who spends an inordinate amount of time in the lunchroom reading the paper. Likewise, the more strategic manager may consider it micro-management to request an employee tidy up his area, but will have no problem reminding a tardy employee of the company's true working hours.

The Broken Window Theory is a lot like watching your waistline: those few pieces of chocolate a day do not immediately put on pounds, but eventually you notice your clothes fit a little tighter.

—Bruce Rubio, The Omnia Group, Inc., [www.omniagroup.com](http://www.omniagroup.com)



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The Voice of Small Market Radio

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**NAB WEIGHS IN ON CROSS-OWNERSHIP.** The industry association has filed “extensive comments” in the FCC’s evaluation of the crossownership rules. The NAB suggests that the Commission should eliminate the newspaper/broadcast crossownership rule; repeal the radio/television crossownership rule; liberalize the television duopoly rule; and approve, without delays or the imposition of any additional public interest requirements, proposed radio station transactions that comply with the local radio ownership limits set by Congress in 1996. The NAB argues that the FCC has no authority to override the 1996 Telecommunications Act regarding ownership consolidation in local radio markets. <http://www.nab.org/Newsroom/PressRel/Filings/default.asp>

**LOCAL RADIO TOPS WITH AMERICANS.** In a survey conducted by the Mellman Group for the NAB, 78% believe that local radio stations offer “very important” or “somewhat important” service in providing news and information. Only 3% thought local radio’s role was “not at all important.” <http://www.mellmangroup.com>

**JOHNSTON JOINS RAB.** Our friend and colleague, sales trainer Sandy Johnston, has just been appointed director of the Radio Training Academy for the Radio Advertising Bureau. Of her radio sales management experience, Johnston commented, “I loved my management position, but never felt like I had the time to really develop my staff. I was so focused on accomplishing the station’s sales goals, that I could not spend adequate time on education and training. I am very excited about focusing all my energy on helping Radio salespeople become professional, successful marketers.” For more information on the RAB Radio Training Academy, call 800-232-3131. [www.rab.com](http://www.rab.com)

**NAB2003—EASIER TO NAVIGATE.** It’s going to be more efficient to get around at the big NAB show in Las Vegas this year, because all sessions and exhibits will take place at the expanded Las Vegas Convention Center. According to the NAB, “Attendees who once had to spend time in transit can now spend that time on the exhibit floor or in sessions.” [www.nab.org/conventions/](http://www.nab.org/conventions/)

**NEW URBAN NETWORK FORMED** by legendary “fly-jock” Tom Joyner and former ABC and AMFM executive David Kantor. The new company, Reach Media, will use “The Tom Joyner Show,” moving from its longtime home at ABC, as the anchor for syndicated programming targeting African Americans. Speaking of ABC, that company holds a 10% stake in Reach Media and will provide affiliate relations support to the new company.

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## TOP OF THE WEEK

**NAB LOBBYIST TO ATA.** Jim May, longtime NAB chief lobbyist, has taken the CEO position at the Air Transport Association, the airline industry equivalent of the NAB. NAB President/CEO Eddie Fritts commented, “We are disappointed to see Jim leave, but we congratulate him on being selected as President and CEO of the ATA. Under Jim’s leadership, NAB Government Relations became a catalyst for energizing our grassroots membership, and NAB is regarded as one of the most effective lobbying operations in Washington. Fortunately, Jim leaves the department in excellent shape, with a first-rate team of highly regarded professionals.” <http://www.airlines.org/>

**MOTOR CITY MARKETING MAVEN KEYNOTES AT RAB.** Rick Sirvaitis, President and CEO of General Motors Mediaworks, will present the Saturday-morning keynote speech at RAB2003. Sirvaitis helms one of the largest media broadcast buyers in the world, with an annual budget of \$4 billion. [www.rab2003.com](http://www.rab2003.com)


**THE BATTLE OF THE RADIO SURVEYS.** Steve Carney of *The New York Times* drew the obvious comparison between the just released NAB survey—in which 65% of those surveyed are satisfied with the job their local radio stations are doing, and 78% “believe that radio stations play an important role providing news and information to their community”—and the six-week-old Future of Music Coalition study which concluded that “the consolidation of ownership among radio stations in the United States has shrunk the variety of programming.”

**ANALYSTS POINT TO AD RECOVERY.** According to an article in *The New York Times*, “Most forecasts call for a moderate increase in ad spending next year of 3 percent to 4 percent over this year, which is likely to end with a gain for 2 percent to 3 percent from 2001. The dean of forecasters, Robert J. Coen, senior vice president at the giant New York media agency Universal McCann, is more optimistic, predicting an increase of 5 percent in 2003 from 2002. The recovery in ad spending may be uneven, however, as it was this year. Some marketers in categories like automobiles, entertainment and fast food reopened their wallets faster than others and allocated ad dollars to some media, like television and radio, ahead of others. That is one reason several forecasters like John Perriss, chief executive at another media giant, ZenithOptimedia in London, are projecting an increase of 1 percent to 2 percent in 2003, with a full recovery not until 2004.”

**CLEAR CHANNEL PULLS STREAMING PLUG.** Even though the media giant dominates online listening, Clear Channel is shutting down most of its webcasts, blaming “costly fees now required from online broadcasters by the music licensing organizations BMI and ASCAP.” Stations in Los Angeles, Miami, Dallas and Houston have stopped streaming so far.

**RAB2003 BOOST BOASTS BENNIES.** Due to a 50% increase in registrations for the RAB’s New Orleans conference, the organization has announced that the current lower registration rate—\$525 for members and \$825 for non-members—will remain in effect through the conference, January 30th to February 2nd at the Hyatt Regency in New Orleans. *Editor’s Note: SMRN subscribers get an even better deal! Visit [www.smallmarketradio.com](http://www.smallmarketradio.com) for details.*

## **Nuggets from Arizona**

That's where sales trainer Jim Taszarek hangs out. . .and although Taz works mostly with larger stations, he's got a lot of good stuff for us, too.  [www.tazmedia.com](http://www.tazmedia.com)

**SUPERSTITIONS THAT KILL SALES.** “Competitors are the major reason we don't sell more.” Really? Recently I reviewed the activity of a client and found that their on-air activity was remarkably similar to what was showing up in Yellow Pages, print, other radio stations and so on. The conclusion? The reason we don't sell more is. . .we don't sell more. It isn't about our competitors—they're in the same boat we are.

“Higher rates killing our sales.” Nope. High prices certainly don't hurt Tiffany's, Nordstrom's, Lexus, Rolex, Polo or Nike. People perceive the merchandise is worth the high price. People buy up to our reputation. What's our station's (and our personal) reputation? That tells you about rate resistance. I'd suggest it's low credibility, low believability and lack of understanding of what the clients want and need.

**MOVING PAST AN OBJECTION.** If the client gives a purely subjective, judgmental objection by saying something like, “Your rate is out of line,” or, “It won't work without a couple of fixed AM Drive spots,” this works well. The steps:

1. Isolate and repeat the objection, like; “Am I hearing you correctly, that you'd buy the station, but you feel the rates are too high? Is that correct?”
2. Get approval. Write down the word “Price” on a piece of paper on the desk that both you and the client can see clearly.
3. Then say something like, “And we agree that it'd be profitable for you, correct?”
4. Again, get approval.
5. Then, ask the question, “If I could get rid of that objection. . .?”
6. Again, get approval.
7. *Now*, answer the objection. Blast away at it. Give as many rebuttals as possible. The most effective way is to direct the client's eyes to that piece of paper where you're writing key words like, “Many success stories,” “Here's 10 local advertisers on today—and many of them are smaller than you,” etc, etc, etc. Underscore each. Got it?

Direct the client's eyes to the paper again and scratch through the word “price,” very slowly and ask: “Can we scratch this off the list now? Isn't it time to give it a try?” or whatever language suits you best.

**NEW VS. OLD BUSINESS.** From Brent Clanton, KIKK-AM, Houston, TX comes information about a study done by Marketing Metrics, finding that companies have a 65-70% probability of winning business from “active” customers, but only 20-40% probability of success with “lost” customers and a 5-20% chance of scoring with a new prospect. So why don't we spend more time on—and reward—upgrades and renewals more? They're easier, faster, cheaper; the relationship has already been built.

## Exchanging Ideas

If you're going to RAB2003—you *are* going to RAB2003, aren't you?—be sure to stop by our "Small Market Idea Exchange," Saturday, February 1, 11:00 a.m.-12:15 p.m. To build momentum for the conference and our session, RAB and *SMRN* are awarding a free registration to the winner of our search for the best promotional ideas. Hurry—the search ends in a couple of weeks (prior to the conference, of course). E-mail [jay@radiovillage.com](mailto:jay@radiovillage.com) today!

What's more, to make it easier for all of us small market guys to attend, the RAB is offering to *SMRN subscribers only* a special registration fee of \$425. To register, log onto [www.smallmarketradio.com](http://www.smallmarketradio.com), go to the Subscribers Only section and follow the instructions.

**LOVE SONGS WEEKEND** can be scheduled leading up to Valentine's Day—or use the weekend to gather material and run the love songs on Valentine's Day itself. Have listeners send in their dedications and requests, then read them during the programming event.

**LOVERS WEEKEND** is a prize that you can attach to any station contest or co-promotion. The weekend can include a stay in the Honeymoon Suite at an out-of-town hotel or motel; candy and flowers in the room; breakfast in bed; limousine transportation; dinner for two at a romantic spot; and pre-paid child care for the weekend.

**LOVABLE LUNCH HOUR** involves announcing a special love song during the morning show and then playing it in the lunch hour—every day for the week or two before Valentine's Day. The first caller to identify the song when it plays wins a flower arrangement and qualifies to win a lovers weekend getaway.

**LOVE SONGS ALL DAY** on Valentine's Day, including dedications, promoted by newspaper ads listing all the songs to be played.

**VALENTINE'S DAY ROSES.** Take listener calls during the morning show and then have station personalities deliver single roses with the caller's name attached.

**PUT YOUR PUCKER ON A POSTCARD** is where listeners put their best "kisses" on a postcard to win prizes from the station (supplied by participating advertisers).

**WARM SPOT** is a variation on the above, but in this case the station distributes cards with a red heart and a unique code number at shopping areas. The station calls out the numbers and awards prizes to listeners who call within thirty minutes. Upon verification of their number, they win prizes supplied by participating sponsors.

**SWEETHEART DEALS.** A sales package designed to help local retailers promote their Spring inventory.

## **Volunteering—Good for Business, Good for Life**

When I first became the manager of our Fairfield stations, I was a complete community-service idiot. As a consultant I was on the road all the time and had neither the time nor the inclination to get involved in community projects. Before that, when I managed stations in larger markets, the dynamics were different; about as involved as I personally got was the ad club.

But in our kind of market, it quickly became clear that getting involved in good works was an important part of leadership in the community, and that to me is what local radio is all about. So I started joining things and going to meetings. I didn't think I was particularly energetic or effective, actually, but I became an expert at showing up and doing things people asked me to do. Then, as our sales territory expanded, I began showing up in different towns. Then I got some of our other people involved. And over the course of the years our stations became known for community leadership—to the benefit of our bottom line. (One chamber of commerce staffer once told me, "You come from 30 miles away and you're more involved than the radio folks here." I took that not so much as a personal compliment but as an indictment of my colleagues!)

As important as it is to become involved, it's just as important to set limits on that involvement. For me, it became a process of natural selection: at first, I volunteered for everything when asked. As time went on, I weeded out those activities that didn't feel right to me. (It's tempting to adopt a more business-minded criterion, eliminating that which doesn't seem to lead to business gain, but in my experience people see through that quickly, and you never know where a lead might come from anyway.)

Here are some good tips by Kevin Johnson ([GiftedChildren@us.mensa.org](mailto:GiftedChildren@us.mensa.org)) in the January 2003 issue of *Mensa Bulletin* concerning what he calls "First principles of volunteering":

**DO WHAT YOU WANT TO DO.** The choice to volunteer should be governed not by duty, but by desire. If you find yourself thinking that you "should" volunteer to do this or that, think twice. Volunteerism comes from the heart's abundance. It comes from a natural desire to be of assistance and to put any extra resources we have to good use. When duty, not desire, runs your volunteering, you will feel drained and embittered, and no thanks will ever be enough. When your volunteering comes straight from the heart, you will feel a pleasant sense of satisfaction that makes it easy for you to look forward to the day when you may give again.

**DO WHAT YOU ARE GOOD AT OR WHAT YOU WANT TO LEARN.** When our volunteer efforts lead us to exercise talents that we enjoy using, or when it helps us to learn new skills that we have always wanted to master, a natural sense of pride and accomplishment follows. But when, with the little time that we have to give, we find ourselves working on tasks that our aptitudes are not suited for, it can become a recipe for frustration.

**NEVER TRY TO RESCUE ANYONE.** Volunteering in order to rescue an organization, population, or project rarely results in a satisfying experience. If anyone tells you that only you

could do the job right, or if you find yourself telling yourself that, you'd better not listen. No situation is so desperate, and no circumstances are ever so vital that the world will crumble if you do not hold it up. It is a valuable lesson to learn to say no and to brave the possible disappointment others might feel as a result. Saying yes to something that you do not want to do, for any reason, will generally lead to disappointment on both sides. By saying no, you save yourself and the organization from a situation that might have created bad blood.

**VOLUNTEER STRATEGICALLY.** There are enormous initiatives we can undertake. Some of them are much more labor-intensive than others, and some of them will prove to be much more fruitful. If at all possible, try to find those projects that entail the least effort and the greatest potential benefit. There is a limit to how hard we can work as volunteers. Work smarter, not harder.

**RAMP UP SLOWLY.** It may be too late for some of us to do this, but the best way to volunteer is to start very small and increase the amount of volunteering we do by increments. You know you have reached your optimal level when you feel that your work as a volunteer is meaningful and significant but doesn't disrupt any of your important life balances. You know you have gone too far when you find that you feel depleted, resentful, angry, or frustrated about your work as a volunteer. If you start to notice any of these feelings, it may be time to reevaluate how much you're giving.

**HANDING ON THE TORCH.** If you've followed all of these principles, you should be able to sustain your volunteerism for a long time. You're working on projects that are important and meaningful to you, you're practicing and learning new skills that you enjoy using, you've planned your efforts for greatest effect, and your volunteerism doesn't throw off your life balance. Even so, it may come time for you to hand off your volunteer efforts to someone else. Naturally, you'll want to find a successor, train that person, and be available to him or her for counsel as needed. Make sure you plan for the time it will take to transition. Knowing you've left things in good hands will help to preserve the satisfaction you felt during your time.

**BE FRANK.** Well, I just painted a very pretty picture of all this, but as many of us know, it doesn't always work like this. Volunteerism can turn into a monster that we created, gobbling up our time and energy, and sometimes not even giving us the satisfaction of knowing we've made a difference. What do we do when we find ourselves in trouble with our own good intentions? Direct, frank communication with those who have come to rely on us is the first step. Explain to them that you may have promised more than you can deliver. Based on their feedback, you may be able to come to a new agreement, more scaled down, that meets your needs. The worst possible choice is to try to keep up appearances when it has become obvious that something needs to change. Most people who work with volunteers have learned to deal with these kinds of situations many times. You may find the conversation goes easier than you thought.

With these seven principles in mind, you should be able to find a way of volunteering that really works for you.

## **Get Out of Here**

**By Jeffrey Hedquist**

In a former life I had a big luxurious office, but often when I had a writing deadline, I'd leave and go to a tiny Laundromat in a nearby strip mall. For some reason, there away from all the activity going on at my office I could write, quickly, creatively. Then I'd return with my "masterpiece," and maybe a little static cling.



Jeffrey Hedquist

In your place of business, phones ringing, emails coming in, papers stacking up, meetings, emergencies and interruptions can fill your day and your mind with left brain activity, leaving you no energy or time to be able to write. Change venues.

Go to a movie, take a walk, run under the sprinkler, get an ice cream cone, play music, surprise someone with an unexpected gift, visit the library, rent an instructional video, ask someone to teach you conversation in a new language, dance to your own song, hug a stranger. Do whatever it takes to shift your perspective. Some small act may be all it takes to shift you into right brain mode and get that creativity flowing.

When you do this, intensely observe what and who you see around you. There are stories and conversations and unusual points of view everywhere. These can be the threads from which you weave that next radio commercial.

Let me know how you do. I'll be over by the dryers.

**BE QUIET!** Where's the richest repository of ideas, scenarios, stories, characters, and creativity? Inside you—stored in your memory bank, in the silent center at the core of your being waiting for you to tap it. How do you do this? You can only get in if you're quiet. With the pressures of daily activity, and a mind full of thoughts, the door stays closed. How can you quiet the mind so you can dive into this ocean of creativity and break through writer's block? For some people listening to or playing music works, or exercise, prayer, or just taking a walk outside.

Every culture, spiritual practice and religion has techniques for releasing stress and quieting the mind. I've tried several, and the one that works best for me is Transcendental Meditation™. I've been doing it for years with amazing results in many areas of my life. After my morning and evening TM practice my mind is clearer and I do my very best writing. Find a method that works for you and do it consistently.

Creative results often come from alternating mental activity and rest. Try focusing intensely on your writing project. Gather your research, talk to the audience, study the USP, get a feel for the

end user. Spend 15 minutes or : our writing and then—leave it. Forget about it for a while. Sleep on it.

What often happens is, when you least expect it, when you're thinking about something else, showering, working out, watching TV, maybe in that moment lying in bed just before you drift off to sleep - in that pause between activities, inspiration will strike. A great idea will surface from the silence that will be the result of that subconscious percolating.

All the ideas you'll ever need are right there inside you—in that quiet reservoir of silence. Find a way to access yours, then make the time to regularly gain entry, and you'll never have writer's block again.

Let me know what thoughts come out of your silence. Contact Jeffrey Hedquist at Hedquist Productions, Inc., P. O. Box 1475, Fairfield, IA 52556. Phone 641-472-6708; fax 641-472-7400; e-mail [jeffrey@hedquist.com](mailto:jeffrey@hedquist.com). © 2002 Hedquist Productions, Inc.

**RAB2003 PROGRAM NOTE.** Jeffrey would love to see as many of you who can fit into the room at the RAB in New Orleans when he presents "The 60-Second Copywriter." One of the biggest obstacles faced by salespeople and producers: no time! You'll get proved techniques that take about a minute each to create commercials that will help you break writers' block, improve the sound of your station, reach your listeners more effectively, get better results for your advertisers and make renewals easier. *Be there Friday January 31, 2003, 9:30-10:45 a.m.*



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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio


VOLUME XX • NUMBER 31 • JANUARY 16, 2003

**IT'S ALL RADIO.** As reported by Frank Saxe in *MediaPost*, "In a year of baby steps, network radio grew at twice the rate of network TV or newspapers in 2002. According to Competitive Media Reporting, network radio ad spending increased an estimated 15% in the first nine months of 2002." *Editor's \$0.02: While this news might not reflect in your own bottom line, it certainly benefits us all when radio is top of mind.*

**CHRISTMAS STATS TRUE TO PREDICTIONS.** Now that actual figures are coming in from the brick-and-mortar retailers, we're seeing that the news is pretty much what we thought it would be—not that good. Wal-Mart, Gap Stores, Kohl's and JCPenney actually did show growth, with same-store increases of 2.3%, 5%, 3.3% and 4.7% respectively. Target was down 0.3%, Federated (Macy's, Bloomingdales, etc.) down 2.6%, Sears 4.6%. The worst performer was Ann Taylor, where same-store sales dropped 14.6%. *Editor's \$0.02: While the short season undoubtedly contributed to the weak performance, I remain convinced that it's all about good shopkeeping. Take a look around in some of the stores that didn't do well—poorly-marked aisles, diffident sales clerks, disorganized stock. . . The worst, in my opinion, is Kmart; in fact, I confess to be rather jubilant that this incredibly poorly-managed chain is dying a slow and agonizing death.*

**MAGAZINES REBOUNDING, TOO.** While this medium has trailed others in recovering from the down times, the Publishers Information Bureau has released a study showing that the magazine industry grew 4.8% in revenues from 2001 to 2002. The news is not all rosy, however: the number of ad pages fell 3.2%. Industry spokespeople are cautiously optimistic and say the worst is behind them, but the study's mixed message indicates magazines still have some bumps ahead of them.

**BANNING BANNERS.** Online natural-language search site Ask Jeeves has announced that it will eliminate all banner advertising on the site. From now on, the company's revenue will come from sponsored searches—keyword-targeted, text-based ad units that appear under the heading "featured sponsor" at the top of the results page. Another offering, Branded Response, lets advertisers reach a targeted audience using graphics and images on the results page. In the last month or so, Ask Jeeves joined iVillage and America Online in dropping pop-up ads, which may have pleased consumers but perplexed the ad community.

**STAKELIN GETS THE SWEENEY.** Lifelong radio guy Bill Stakelin, President/CEO of Regent Communications, will receive the Kevin B. Sweeney Award, in recognition of his dedication and leadership to the Radio industry, during RAB2003.  [www.rab2003.com](http://www.rab2003.com)

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[Online Jan 4930]

## **Be My Valentine**

**I LOVE YOU COUPONS** can be used as prizes for Valentine's Day contests. The coupons are for flowers, candy, movies for two, a back-rub for two, a weekend at a local hotel, breakfast in bed, etc. - all set up with local advertisers.

**DOUBLE UP AIR SHIFTS** on Valentine's Day by inviting the air personalities' significant others to co-host their shows.

**LOVE CONNECTION.** For Valentine's Day, work a deal with the local phone company to set up telephones at a high-traffic location, and allow listeners to place three-minute calls for free.

*Variation I:* Make the venue a restaurant or other client and charge them for the promotional value. *Variation II:* Give away phone cards at the sponsor location.

**VALENTINE GREETINGS.** Set up an answering machine and let listeners call in dedications for playback on Valentine's Day. The outgoing message on the machine can include a plug for a participating sponsor, who also gets mentions on the promos. Turn this into a contest by awarding some of the callers prizes appropriate to the day.

**VALENTINE VOWS.** On Valentine's Day, broadcast weddings and vow-renewals live from a local restaurant. Have your morning personalities host the event, and have participating merchants offer door prizes for those who attend.

**PHOTOGRAPHER'S SPECIAL.** Suggest to a local portrait studio that they offer a special Valentine's Day price for portraits—if the sitting takes place in January. This is promoted with a schedule on your station, of course!

**MY FUNNY VALENTINE.** Listeners submit funny stories involving their love life. The best ones win Valentine's-type prizes (flowers, candy, etc.).

**WORLD'S LARGEST VALENTINE.** Work with a local outdoor company to award to your winner a billboard to post a Valentine's message to his or her loved one.

**THE GREAT KISS-OFF.** Have listeners call in and give a kiss on the phone. Award prizes for the loudest, wettest, etc.

**KISS-A-THON.** Display a big prize—like a car or a boat—at a local mall or other high-traffic location. Register listeners for the chance to participate in the Kiss-a-Thon, which involves having them keep their lips on the prize as long as they can. The last person left “kissing” wins the grand prize.

**FLOWER SHOWER.** Tie in with a florist to give away a grand prize of flowers a week for a year.

**THEY'RE PLAYING OUR SONG.** Listener-couples send in postcards with their favorite love song. When the station plays a love song, the first couple to call—both must call, separately or together—and identify it as “their song,” wins.

**CUPID CRASHER.** An air personality dressed as Cupid delivers boxes of candy, roses, etc. to the winner's workplace. Winners are chosen from calls or faxes.

**THE LOVE BUS.** Decorate a bus like “the Love Boat” and drive winning couples for a night on the town - romantic dinner; shopping spree at a lingerie store, a candy store, etc.; and perhaps a stop at a local night-spot. A grand prize winner also gets to stop at a jewelry store. Listeners register to win at participating sponsors, and listen for their names to be mentioned on the air.

**THE LOVE PHONE.** Work with a local cellular phone company and a car dealer to offer a free three-minute cellular long-distance call to a loved one with every test drive. Do this as part of a remote at the car dealer's.

**DEDICATION DAY.** Sell several local retailers on the idea of setting up “ballot boxes” in their stores, then have listeners write down their dedications and slip them into the boxes. On Valentine's Day, set aside an hour or so for each retailer's dedications - with that hour sponsored by the retailer, including ads and frequent mentions of the sponsorship.

**WATCH FOR LOVE.** Line up a jeweler or other store that sells fine watches to give away a valuable timepiece. Listeners pick up entry blanks at the store, and the retailer selects the winning entry during a morning-show remote from the store.

**ARROWS ON THE AIR.** Use the sound of Cupid's arrow “winging across the airwaves” to signal your giveaway. When the sound plays, the nth caller receives a dozen roses for his or her sweetheart. Do it the day before Valentine's Day, and have your sponsoring florist or market deliver the flowers the next day with a gift card from your station and the winner.

**LOVE STINKS.** Instead of the usual hearts and flowers type giveaways, KRCH, Rochester, MN threw a “Love Stinks” singles party for all the single and divorced people in their audience. They featured free champagne for the first 101 minutes (their frequency, of course) and \$1.01 drinks for the next 101 minutes. They played games like “The Dating Game” and “Twister.” Everyone who showed up got half of a Valentine's card and had to find the person (of the opposite gender) with the other half. They gave roses to the first 101 women through the door.

**V-DAY GETAWAY.** This is a great holiday to work a deal with a travel agent, feeder airline or promotions company to give away a romantic get-away. Possible hook: award the prize for the most unusual Valentine's Day card received. Twist: offer two prizes, a “love” prize and a “lust” prize—the latter a “sneak-away” with separate cab rides to a motel, room service, maybe dark glasses as well—and let the winners choose which they'd like.

## **Fresh Radio Advertising Ideas**

**HOW DO I KNOW WHAT TO ADDRESS IN MY RADIO ADVERTISING?** Discover the reason people use your product or service. People make emotional decisions most of the time. What are the emotions that are driving people to your business or service? Feeling good about themselves? Feeling safe, young again, important, “with it?” There are any number of reasons, but what are they? Contrary to our logic, people are not calling, coming or shopping because of “friendly, knowledgeable sales people,” or “convenient hours,” or “the best prices.” These are all cliché, and no one believes them any more.

**CONGRATULATIONS TO OUR RAB/SMRN IDEA EXCHANGE WINNER, Dave Grosenheider, KLEM, Le Mars, IA. See his entry in next week's SMRN.**

### **HOW DOES RADIO ADVERTISING**

**WORK?** Radio is an intrusive medium

which echoes in the mind of the listener. It must be used that way. As an advertiser you need to “climb into the listeners mind”—and stay there! You need to be willing to make a commitment to using radio advertising properly. You may have heard someone say, “I tried radio once but it didn't work.” More often than not, they were never committed to making it work. Quite frankly, you have to think in terms of at least 13 weeks of advertising in most cases. Lack of commitment is one of the greatest killers of all advertising attempts.

Radio advertising also requires an investment. You need to invest in generating a return. Like any good conservative investment, radio advertising pays off big when you are willing to invest and commit, then watch the dividends steadily grow.

Finally, radio advertising thrives on consistency. Too many advertisers panic when in the first three or four days the phone isn't ringing off the hook. Don't panic! It's going to take nearly 13 weeks for you to realize the full extent of the investment that you are making. By that time, you'll be glad that you did.

**HOW MANY ADS DO I NEED?** The answer to that quite simply is—a lot! This is a relative thing, however. For some people, “a lot” will be once a day over 52 weeks. For others, it will mean six a day for 13 weeks.

Another common concern in this area is to ask “how much are the ads?” Although you will find radio to be a tremendous “bang for the buck,” this is the wrong way to approach the situation. The issue is RESULTS!

Think of it this way: One or two radio ads that cost \$50 each and produce no results are quite expensive. A hundred ads at \$100 each that grow your business tenfold would be a steal. Think about it.

**A SIMPLE ADVERTISING “PHILOSOPHY.”** It is our firm belief that advertising should be entered into as commitment which is never expected to end. Knowing that it will take at least 13 weeks for you to achieve satisfactory response to your investment, we all need to think “long term.” It is also critical to realize that at any given time, only a certain number of our listeners are in the market for your product or service. Therefore, if you advertise today and disappear a month or two down the road, someone else is going to reap the benefit of your investment. Plan ahead and plan to be around when the listener who didn’t need your services today does need them tomorrow. If you’re not there to benefit from their business, your competitor will be.

If even only ½ % of the people in your area began to use your product or service, imagine what that would mean to you. Radio works! That is proven time and time again in hundreds of markets throughout the US each hour of each day. Use the medium correctly and you’ve made a decision that will pay dividends for as long as you can handle the business. Use it wrong and chances are, when you “try” newspaper, cable, television, billboards, or any other medium, it won’t work either. Using advertising properly is critical and does not vary appreciably from medium to medium.

—Holkar Marketing, Inc., [www.freshideasonline.com](http://www.freshideasonline.com)



**FUN FACTS.** Here are some random factoids that frame life in these United States these days (okay, mostly about media and some about radio):

- Ninety-eight percent of U. S. households now have color televisions.
- The average household has 2.24 television sets.
- Sixty-six percent have more than three television sets.
- Ninety-four percent have videocassette recorders.
- Ninety percent have microwave ovens.
- Eighty-seven percent have frost-free refrigerators.
- Eighty-three percent have washing machines.
- Seventy-five percent have clothes dryers. (*Above six: Reason*)
- DVD sales have gone from \$5.4 billion in 2001 to \$8.1 billion in 2002.
- Thirty million U. S. households have DVD players, up from zero five years ago. (*Above three: The New York Times*)
- Ninety-five percent of all Americans listen to the radio during the week.
- The average American listens to radio for more than 20 hours a week.
- More than 80% of adults listen to radio in their vehicles. (*Above three: Arbitron*)
- Two million Americans are behind bars, 4.5 million are on parole, and 3 million are ex-convicts. (*The Economist*)
- “Hang on Sloopy” is the official rock song of Ohio.

## **Folding In Number Four**

**By Bob Doll**

If you tune into 1420 on the AM dial in Mercer County, Kentucky (population 21,000) or adjoining Anderson County (population 20,000). you'll hear:



Bob Doll

- A morning man who's been on the air there almost since the station went on the air in 1955. He not only plays music and gives the time, temperature, weather and local announcements, but from time to time he picks his guitar and sings a song;
- A local interview and local news and announcements conducted by the same hostess for over 50 years;
- A farm information program at Noontime, conducted by the Mercer county agent direct from his office in Harrodsburg;
- Program host John Brock, who has gathered and broadcast local news on the station for decades;
- Free classified ads at 9:30 a.m. and 3 p.m.;
- Play by play broadcast of local high school sports.

This "very local" radio station broadcasts from studios about 10 miles south of Harrodsburg at Danville, Kentucky. It shares its studios with three other stations, a heritage full time AM radio station programming news, talk, information and sports; and two FM stations—one Country, the other Oldies.

Bob Wagner, who has managed the Danville stations for Hometown Radio Group for six years, says the Harrodsburg AM station and its companion FM station were purchased by Lexington-based Mortenson Broadcasting, a group owner of Religious stations. Mortenson's interest was in the FM station, which could be upgraded to cover the Lexington area and allow him to upgrade the signal of the long established WJMM, a Class A facility. He approached Hometown about buying the AM station. Wagner says, "We were definitely interested, but there were two big decisions we had to make quickly."

First, the studios had to be moved. The old movie house where the station had been located since its founding in 1955 had fallen into disrepair. Second, a manager had to be found. Bob Martin, who had owned and operated WHBN for 40 years, was willing to be involved in the station operation on a limited basis only. To find a manager who had the ability and energy to manage a small station like WHBN would not be an easy task.

Wagner decided to move the operation to Hometown's building, North of Danville and South of Harrodsburg. And Wagner decided that he himself would manage WHBN in addition to the three other stations. The move of the station, in Wagner's words, "Was a non-event in Harrodsburg.

The station's most important address to its audience and advertisers is its radio dial position—1420.”

The move made it possible for the station to be on the air 24 hours a day for the first time in its more-than-50-year history. The facility is 1,000 watts days and 46 watts during non-daylight hours.

Wagner says, “Although WHBN was just a dozen miles away, we did not consider the station a competitor. We knew it has loyal listeners and loyal customers. Harrodsburg is not a Danville suburb. It is a community of its own with its own interests. When I looked at the station, I found it was serving those interests and loyalties well. We were buying a going business and determined to keep it that way.”

Wagner did not change the station's long established format, Traditional Country. He contracted for a satellite-delivered format which is carried from 1 p.m. to 3 p.m. and from 6 p.m. to 6 a.m. (except for times when sports or other community programming are being carried).

Bob Martin continues to do his morning show from 6 to 8 a.m., which he says doesn't interfere with his almost-daily trip to the golf course.

John Brock continues to host programs and report the Mercer County local news.

Darlene Radny, who for several years has been a salesperson at WHBN, continues in that capacity. She also continues her 3-to-5-p.m. disc jockey shift on the station.

Mary Chandless, who has done the 9 to 9:30 a.m. interview and local features on the station, had for years walked to the Harrodsburg station to do her daily radio program. She now records it in her living room, generally for broadcast within 24 hours. Mrs. Chandless, who is somewhat guarded when it comes to discussing her age, finds the recording a “blessing.” She can work her program in more conveniently with her many social and service activities in the community. She and her longtime advertisers are happy with the new arrangement. Wagner says, “Mrs. Chandless, who's in on everything in town and very well traveled, is a heritage asset to the station.”

The station also continues to broadcast long-established local paid religious programs (at noontime and on the weekends).

One of the big differences between Harrodsburg and Danville (population 16,000, Boyle County 28,000) is that Mercer County does not have a daily newspaper. Wagner says, “We carry obituary announcements on WHBN twice in the morning, twice in the afternoon and twice late in the evening. We wouldn't do that on our Danville stations.”

WHBN continues its long-established association with a funeral home in Lawrenceburg (the Anderson County seat). It is broadcast daily at 11:45 a.m. direct from the funeral home's

business office. The news is co and broadcast by funeral home personnel. Anderson County has a population of 20,000, and the WHBN broadcast is its only daily news service. In addition to its coverage of local high school sports, WHBN broadcasts the games of the Lexington Legends professional baseball team. "Lexington is a pleasant 40-mile drive from Harrodsburg. A lot of the folks make the drive to see the games. When fans can't go, they're encouraged to follow the Legends on the radio," Wagner says. "They're not a big revenue producer for us, but it's good nighttime programming on an a.m. station."

The major league Cincinnati Reds have had down seasons the last several years. Their games have been carried for years on the Hometown Radio a.m. station, WHIR (1 kW at 1230 kHz). Advertisers have cooled to the Reds in recent years, so Wagner and his salespeople are now offering a combination of the Legends on WHBN and the Reds on WHIR, which he says is "producing pretty nice revenue for the small town AM stations."

By maintaining the key people and the programming and taking advantage of current technology, WHBN has maintained (and some months expanded) its revenues. Will there be another station in the cluster? The Hometown Radio group also has stations in Northeastern Kentucky and southern Ohio. It is headed by Greenup-based attorney Philip Leslie. Wagner says, "The group has no target number for its future growth. We don't have magic formulas. We know that each station and each community has its own set of challenges and opportunities. We look at them one at a time."



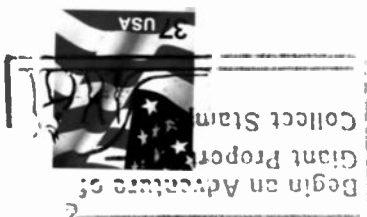
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**Small Market Radio Newsletter**



# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 32 • JANUARY 23, 2003


**RADIO UP 10% IN NOVEMBER.** According to the ongoing RAB study, radio revenue rose 10% in total combined local and national dollars in November against the same period last year—the third double-digit-increase month in a row and the ninth straight month of increases. The combined figure comprises a local 7% increase and a national 23% increase. Year to date, radio is up 6% combined—local 4%, national 12%. In terms of the Radio Index (base year 1998), the combined index in November was 127.8—local 128.3, national 125.8. According to RAB President/CEO Gary Fries, “Radio has been able to deliver quick turnaround results for its clients in this uncertain and tight economic climate. We expect equally strong numbers for December, regardless of what some forecasters have predicted, and thus a strong ending for 2002. Looking forward into first quarter, all indications are that this positive growth cycle is continuing.”

**POWELL REVEALS DEREG CONCERNS DURING SENATE GRILLING.** Last week FCC Chairman Michael Powell appeared before the Senate to answer questions about media ownership consolidation, which the Commission is reconsidering. Powell told the lawmakers that he is concerned about concentration, “particularly in radio.” As the FCC considers similar ownership deregulation for television, Powell says he hopes “to avoid the example of the radio business,” pointing to the rapid growth of Clear Channel Communications from 40 stations to over 1,200 in four years. In response to questions from Senators about the FCC’s plans to relax television ownership rules and their concerns that such relaxation would lead to even more media concentration, Powell noted, “The court will vacate our rules if we don’t justify them.”

**RADIO SHOW FATE UNCERTAIN.** At its Winter meeting, the NAB Board debated whether to combine the Fall Radio Show into the Spring show or combine it with the RAB show—or combine them all into one big show. While the decision is some time away, and implementation even farther—the show will definitely go on this year and probably will in 2004—increasing travel costs and declining attendance spell the death knell for a solo Fall conference.

**HELP FOR STREAMING RADIO STATIONS.** During the recent board meeting, the Radio Board directed the NAB Copyright Task Force to push for reform of the Digital Millennium Copyright Act in the new Congressional session. The “Small Webcaster Settlement Act of 2002” doesn’t address broadcasters who stream, so the Board wants the NAB to lobby for similar relief for those in our business.

**RAB OPENING KEYNOTER** will be popular speaker Les Brown; his topic will be “Achieving the Next Level,” focusing on how to avoid mediocrity and achieve greatness.

 [www.rab2003.com](http://www.rab2003.com)


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## TOP OF THE WEEK

**DRUG MARKETING INFLUENTIAL**, says a new study, the Wall Street Journal Online/Harris Interactive Health-Care Poll. Sixty-seven percent of adult Americans trust their doctors to choose the best drugs for them. Sixty-four percent feel that doctors should make their own decisions about meeting with pharmaceutical-company “detail” people to learn more about their drugs. On the other hand, 23% said their doctor may be too influenced by the marketing efforts of the drug companies. . .and 25% think drug companies are “much too aggressive.”

**NAB2003 REGULATORY FACE-OFF BOASTS NEW FACES.** FCC Commissioner Kevin Martin and Nancy Victory, head of the National Telecommunications and Information Administration, will be joining FCC Commissioners Abernathy, Adelstein and Copps for the session in Las Vegas. ABC’s John Cochran will moderate.  [www.nab.org/conventions](http://www.nab.org/conventions)

**COMMISSIONER BLASTS CONSOLIDATION.** Jonathan Adelstein has gone on record as saying, “Any changes that the FCC makes to its media ownership rules could massively and irreversibly change the media landscape. These changes will affect all of us as viewers and listeners. The FCC must proceed very cautiously, because if we permit further media consolidation and it turns out to be a mistake, we will find it difficult, if not impossible, to put the toothpaste back in the tube.” In his presentation before The Future of Music Coalition, titled “The Last DJ?”, Adelstein praised the study conducted by that group showing that radio consolidation has harmed diversity. “Years ago, as a new artist, you might have gotten your first airplay on your local station,” Adelstein commented. “As national groups buy out more local stations, that town may no longer have a local DJ at all.”

**NEW SERVICE APPEALS TO DO-IT-YOURSELFERS.** A company called RadioSoft has announced a new way to keep track of potential competition for AM, FM and TV stations. You register your geographical area and call letters, and the service alerts you to any construction permits filed with the FCC that may pose a problem.  [www.radiosoft.com](http://www.radiosoft.com)

**RETAIL SALES SUCKED INTO HYPERSPACE.** While brick-and-mortar retailers sing the blues about 2002, online e-commerce racked up a record year with \$15.7 billion—a whopping 22% increase over the year before—according to Harris Interactive. Harris Interactive’s Lori Iventosch-James commented, “With each holiday season e-commerce becomes more of a mainstream activity, attracting a greater mass audience. This season shoppers allotted more of their holiday budget to online spending. And this, combined with an increase in the total e-commerce population helped drive year-over-year growth.”  [www.harrisinteractive.com](http://www.harrisinteractive.com)

**NAB RE EEO FOR PT.** The NAB has filed comments with the FCC regarding whether the new EEO rules should apply to part-timers (those who work less than 30 hours a week). In the comments, the association urged the Commission not to change its current rules, which require only that stations “substantially” comply with the EEO regs—meaning, among other things, that stations need not do a full-fledged recruitment campaign before hiring a part-timer, although they must do so if the part-timer is promoted to full-time status.

## **Welcome to the RAB Idea Exchange**

On Saturday, February 1 at 11:00 a.m., I'll be conducting the "Small Market Idea Exchange" at RAB2003 in New Orleans (you *are* going, aren't you?). During the last few weeks we held a contest soliciting the best promotion ideas of 2002; the winner, Dave Grosenheider, KLEM, Le Mars, IA, received a free registration to the conference.

Here are a couple of the best entries. . .

**PUMPING UP THE "13TH MONTH."** Our best idea this year just took place the week between Christmas and New Years. We picked up the Idea at an Oklahoma Association of Broadcasters meeting this fall. Here's the idea:

- Develop a "hot" \$100 package of ads that have to run before January 3.
- Have the sales staff meet at 8:30 a.m. on the Friday after Christmas and tell them that they can go home at Noon when they sell a total of 30 packages.
- Give a spiff for the First, last and most packages sold.
- All sales people have to stay in the office and work together at a team to accomplish the goal.

This was a great idea and it worked well for us. We sold over 40 packages by 11:30 and added \$4,000 to December's billing. It was also a great way to turn a dead couple of days into a profitable time for our stations. The sales staff loved the idea, worked well together and had a lot of fun. This just shows that no matter how long you've been in the business you can always learn something new when you go to meeting!

—Harold Wright, Wright Wradio, Weatherford, OK, [harold@wrightwradio.com](mailto:harold@wrightwradio.com)

**TALK AROUND THE CLOCK.** Listeners have the chance to win a beautiful grandfather clock. They qualify by playing "Tick Talk Trivia."

We played it three times a day for three weeks. We took the (whatever number) caller, then started the clock ticking, giving the caller 60 seconds (tick, tick, tick) to answer three trivia questions. If the caller answered all three correctly within one minute, he/she won a qualifying prize and was entered as a semifinalist to win the grandfather clock.

We sold sponsorships to fifteen area businesses, who also gave us three gift certificates each for secondary prizes. We drew the winner of the grand prize from our qualifiers. The \$1,500 clock (which was traded) was a top-quality oak piece with a high perceived value on the air, and it was on display during the contest at the high-traffic location of the clock shop with our station logo and a "listen to win" banner on it. This promotion generated listenership, excitement, and dollars!!! Best of all, there was no cost to the radio station.

—Dave Grosenheider, KLEM, Le Mars, IA, (712) 546-4121, [daveg@lemarscomm.net](mailto:daveg@lemarscomm.net)

## What's Wrong with Big One Eye?

Plenty. The boob tube is facing a host of challenges that spell a lot of changes for the medium and how advertisers use it. The problem is, *local* advertisers get left out in the cold.

**TIME SHIFTING** is the big bugaboo in TV-Land. Old-fashioned time shifting is spelled V-C-R. Lots of people routinely tape shows and play them back later, fast-forwarding through the commercials. They're doing this not just when two of their favorite shows are on the air at the same time; they're doing it as a matter of routine, so they can fast-forward through the commercials. People are busy, and they like the idea of watching a one-hour show in 47 minutes.

When you fast-forward through commercials, have you noticed that some commercials seem to make sense at 6x speed? This is not accidental; savvy advertising folks sometimes design them that way, to attract your attention as you whiz through. That may make you actually want to watch the spot at normal speed, and/or the spot will deliver a message even as you whiz through.

And how many times have you been fooled into thinking that the show has resumed, only to find that you've backed up to catch the start of a look-alike commercial? Yup, that's deliberate, too—a conscious attempt to duplicate the pace and look of a real show, so you'll be fooled into thinking. . . well, you get the idea.

But all this VCR stuff is old school. Right now the industry is shaking in its Guccis about the growth of TiVo, Replay and other computer-based recording systems (including most of the new computer entertainment centers). These solutions simply strip the commercials out of the programming as they record, so all of the ad-industry fast-forward solutions are useless.

What's the answer? It's as close as your neighborhood multiplex: *product placement*. If you watch the hit CBS show *The Agency*, you see CIA agents walking around the office carrying coffee in clearly-marked Panache® cups. In myriad shows, you see passers-by passing by Coke® machines. When friends (or Friends®) start talking about where to go for lunch, it's a good bet that whatever eatery they settle on is ringing somebody's cash register.

A recent study by Lightspeed Research for *AdAge* shows that 75% have noticed such sneaky tricks, and 52% are mad as heck about it.

Big deal. That's like asking how many of us dislike paying ten bucks for a movie ticket and then having to sit through ten minutes of ads before the feature starts. Of course we don't like it. People don't like radio commercials, either—just ask them. But none of the above is going to keep people from overcoming their distaste and consuming the entertainment vehicle of their choice. So product placement is here to stay.

All of this represents a tremendous opportunity for the radio industry. Local advertisers can't afford the slick tricks or placement, so the value of their TV advertising is approaching zero!

## Dressing For Sales Success

It's been over 25 years since John Malloy wrote *Dress for Success* and his equal-time sequel, *Woman's Dress for Success*, but the principles are as valid today as they were then—although the lapels are narrower. (Actually, Malloy has relatively new editions of both of these books, with the words *The New* . . . tacked on the front of the titles.)

Let's not kid ourselves: your appearance has a lot to do with how successful you are as a salesperson. Sometimes I hear, "I dress according to whom I'm going to see today." In other words, if the salesperson is going to see a banker, he or she dresses up; but if the client is a scrap iron dealer, out come the grubbies.

That's a bunch of baloney. A salesperson should *always* dress well, no matter who's on the call sheet for the day. The variable-apparel theory springs from a lack of confidence and maturity. We all know people who dress well but act like slick salespeople; that's not what I'm talking about. Dress well and *act naturally*; you'll relate to everyone—and you'll get respect.

What, then, is dressing well in small markets? A good rule of thumb is to dress like your town's leading banker, lawyer, accountant, or other professional. Usually they're in suits; occasionally they're in sports jackets (blue blazer, refined wool pattern or the like) with wool slacks; rarely if ever are they without a tie, except maybe on casual Fridays (which are *out*, by the way).

I know a sales manager who requires his male salespeople to wear suits and ties, but he doesn't pay much attention to *how* they wear them, so he's got a sales force that looks like a bunch of refugees from Pizza Hut—wrinkled shirts, askew ties, mismatched colors and patterns. One guy wears baseball caps with his suits; another wears yellow Hawkeyes tee shirts under his stained white dress shirts. That's not going to get the job done.

So, Mr. or Ms. Fashion-Challenged, listen up:

**Men.** The most important article of clothing you wear is your tie. If you can afford nothing else, spring for a really good tie in a good men's store. While you're there, check out the styles and fabrics of the shirts, suits, jackets and slacks; it will help you make better selections at the bargain rack down the street. Your ties can be colorful, but the patterns should be neither too small (not suitable for day wear) nor too large (too gaudy). Do I have to mention that your ties should not be of the clip-on variety? I hope not.

For your shirts, stick with solid colors unless you really know what you're doing. And those solid colors should be white and blue, period. The shirts should be all or predominantly cotton; they just look crisper that way. About 99.9% of all men wear collars that are too tight and sleeves that are too short. The collar should be comfortable and the sleeves should reach just below

where the thumb joins the hand. Go to a good men's store and have them measure you for a shirt, then buy one from them; it's only fair, and it's cheap fashion consulting.

You really should have your shirts laundered, but even if you do them at home, make sure you use starch; you'll get used to the feel, and it'll make you look a thousand times better.

Do you know how to tie a tie, really? Have someone show you. . .practice. . .and get it right. The V between the lapels of your jacket—including the collar, tie and shirt front—is the most important part of your wardrobe. A properly tied tie, properly centered beneath a well-pressed, starched collar, projects authority. (The clothes project authority; *you* project warmth.)

Your jacket should fit well around the shoulders without bunching at the neck. The sleeves should be long enough so that with your arms at your sides you're showing about a half inch of shirt sleeve. The slacks should be comfortable and they should sit at the waist—most men wear them too tight and too low. They should be long enough so that you never show your socks while you're walking—which means a slight break when you're standing still and straight. Pleats? Cuffs or no cuffs? A matter of personal preference.

Now that you've gone to all this trouble, make sure you don't blow it with the wrong accessories. Your socks should be knee-length. You should never show your leg. Your belt should be of good-quality, not too thick, with a refined buckle—in other words, a dress belt. You should wear very little jewelry—a wedding band or other subdued ring, a nice analog watch (with a leather band, not a cheap expansion type). Avoid heavy chains and bracelets and sport watches.

Your shoes should be dress type, leather, either black or cordovan in color—not brown. They should be shined or touched up every day. And for goodness' sake, color-coordinate everything!

**Women.** For women, the rules are pretty much the same as for men: suits or coordinated separates. . .skirts are preferred over pants, although an expensive-looking, well-tailored pair of wool slacks are usually appropriate, especially during those freezing Winter days. Skirts should be neither too short nor too long; the classic length is right at the knee. (Slacks should be neither too short nor too long, for that matter.) When you wear skirts, be sure to wear stockings, but not dark colors or patterns or thick materials.

As for colors, choose solids and subdued patterns in shades of blue. You can't go wrong (well—see below to completely avoid going wrong). If you have a good eye and good taste, you can use other palettes, but avoid anything bright or gaudy, frilly or sexy.

Without trying to look too mannish, the "jacket-and-tie" approach works just as well for women, except the "tie" will be a scarf. Make sure everything fits properly—most women buy clothes that are way too tight. And keep the accessories small, tasteful and few.

Whether you're new to the workplace or have simply never heard this stuff before, please take it seriously. Your dress is a weapon; when approached properly it will give you a definite edge. If you remember nothing else, remember this: *Dressing well is a combination of the right clothing, worn right.* Your appearance will be crisp and professional and people will respect you, trust you—and buy from you!

## Can XM Put Radio Back Together Again?

Why does radio sound the way it does today? Why does it sound like it's been prepped, packaged and served up in easy-to-digest bites, like tiny bits of Spam stuck on toothpicks?

Owing to a growing sophistication in audience research, light-speed consolidation of radio ownership and the attendant rise in value of FM stations, the commercial FM dial has been essentially reduced to six musical formats: Pop/rock, hip-hop, country, classical, Spanish-language and variations on the theme of "adult contemporary," a sort of light pop or R&B. Research has shown radio owners that these are the moneymaking formats, and this is where they've flocked. Swept off the dial are niche formats, such as blues, bluegrass, easy listening and jazz, except for Kenny G-style "lite jazz," which falls neatly in the adult contemporary category.

Where does this leave radio in an era when the time spent listening to AM and FM is dropping? In an era of Internet music downloading, Internet radio, MP3s, burnable CDs, commercial-free digital music stations on your home cable and satellite systems, not to mention the distraction of cell phones, Blackberries, PalmPilots hooked to the Internet, portable DVD players, TiVo and home video consoles that will soon function as vast digital entertainment libraries? Who needs radio anymore?

You do, when it's good. Because there is something that radio can do that you can never do. Sure, you can download your entire CD collection onto your iPod and walk around with it. But those are the songs in your library, and even in random play there is a certain joyless satiety to that. The magic of radio long has been and will continue to be: You're alone in your car, flipping the dial, and, every so often, at exactly the right moment, exactly the right song comes on the radio. It makes you slap the steering wheel with happiness. The serendipity is spellbinding.

FM still manages to capture that magic, once in a while. But the response FM increasingly engenders is, "I'm so sick of that song." But are we sick enough to pull out our checkbooks? XM Satellite Radio Holdings Inc. is banking that enough people are fed up with what they hear on their radios that they'll cough up at least \$150 for an XM receiver and \$9.99 per month to pay for the 100 channels of XM's subscription radio—something like cable TV for radio—and have it beamed by satellite into their cars and homes.

But carping about a lack of variety on the FM dial is typically the province of the local music zealots, fans who crave new music, those with alternative tastes who believe the Dixie Chicks and Celine Dion are not only Wal-Mart-grade lowbrows but artistic agents of evil. For a great swath of the rest of folks who like hit songs and funny morning shows, FM is just fine.

Further, FM can do something that XM cannot: be local.

—Excerpted from an article by Frank Ahrens, *The Washington Post*, [www.washingtonpost.com](http://www.washingtonpost.com)

## What's Wrong with Retail Today

As far as I can tell, we are headed for a total melt-down in the retail industry. And I think I know why. Sure, you've got crappy service and stupid clerks and poorly-marked aisles and confusing layouts and haphazard inventories.

But the real reason there's going to be a consumer revolt the likes of which we've never seen is this: pricing is becoming more and more predatory, and more obviously so. Manufacturers and storekeepers don't even bother to disguise their greed and their disrespect of the customer—all the while bleating how service is their middle name or some such hooley.

Take a calculator to the store the next time you need some laundry soap. Compare the price per load of the small, medium and large boxes of one brand. Lo and behold, often the smaller sizes are the lowest prices—exactly the opposite of what is logical, of how we've been conditioned.

Our good friends at Wal-Mart have elevated all this to high art with their "always the low price" marketing. Anyone who knows how they work knows that Wal-Mart comes into a market undercutting everyone on everything, then quietly raises their prices. But since they're known for "always the low price," most people never catch on.

To me, all this is dishonesty, pure and simple, springing from the age-old philosophy, "You can fool most of the people most of the time. . ." Let's not participate, and let's encourage our retailing friends not to, either.



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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio

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**CONSOLIDATION UNDER CONGRESSIONAL MICROSCOPE.** The Senate Commerce Committee, chaired by radio's best friend, John McCain, will open hearings today (January 30) on radio-industry consolidation. One focus will be Clear Channel and their business dealings; CC President/COO Mark Mays has agreed to testify. These hearings take place in a decidedly unfriendly legislative environment; many Senators have expressed concern about consolidation, citing cities in their districts where mega-groups own most or all the radio stations. (Case in point: North Dakota Democratic Senator Byron Dorgan notes that Clear Channel owns all the stations in Minot.)

**ABC-CNN MARRIAGE OFF.** CNN parent AOL Time Warner is in such bad financial shape that plans to merge have been put on indefinite hold. AOL Time Warner wants to spin off its cable business later this year to cut debt, and the company is also drastically overhauling AOL itself.

**MEDIA AD SPENDING UP 3% THIS YEAR** is the prediction of Media Intelligence. The increases by media: Spanish-language television, 9.2%; Internet, 7.4%; cable network television, 4.8%; radio, 3.8%; outdoor, 3.4%; television, 2.7%; newspapers, 2.6%.

**ARBITRON SUFFERS FROM RESPONSE DECLINE.** According to Katz Media Group, which tracks these things, the response rates (in-tab diaries) for Arbitron surveys are dropping steadily from year to year. For Fall 2002, the first 84 markets tabulated by Katz show a response rate of 32%, down from 33.6% the Fall before.

**STATION GOING, GOING, GONE ON EBAY.** WGAB, Evansville, IN is for sale. Online. On eBay. The 19-year-old AM station went online with a \$50,000 opening bid; as of this writing, with 15 days, 19 hours left in the auction, the top bid is \$122,100.01 (the reserve isn't yet met). The description reads, in part, "Owner owned [sic] AM/FM combo, sold FM and now wants to retire. One of few independent stations available. On clear channel frequency. Very good reciprocal signal daytime. Very low power at night." In a hurry? Buy the station now, bypassing that silly bidding process, for \$2 million.

**COMMUTE TIMES SHARPLY UP** reports Arbitron based on a study of Census data. The average one-way drive time to work jumped from 22.4 minutes in 1990 to 25.5 minutes in 2000. Could this be good news for radio? You do the math.

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## **March Business Opportunities**

The following businesses post above-average sales in the month of March:

Auto Dealers (New Domestic)  
Auto Dealers (New Import)  
Auto Dealers (Used)  
Office Supply Stores  
Optical Goods Stores

Real Estate (New Houses)  
Real Estate (Resale Houses)  
Shoe Stores  
Tire Dealers

—RAB's *Top 40 Business Survey*

## **March Promotional Opportunities**

### **Months**

American Red Cross Month  
Deaf History Month (3/15-4/15)  
Help Someone See Month  
Honor Society Awareness Month  
International Listening Awareness Month  
International Mirth Month  
Mental Retardation Awareness Month  
Music in Our Schools Month  
National Athletic Training Month  
National Chronic Fatigue Syndrome  
Awareness Month  
National Collision Awareness Month  
National Colorectal Cancer Awareness Month  
National Craft Month  
National Eye Donor Month  
National Frozen Food Month

National High Tech Public Safety Month  
National Kidney Month  
National Lawnmower Tune-Up Month  
National Nutrition Month  
National Professional Social Worker Month  
National Talk with Your Teen about Sex  
Month  
National Umbrella Month  
National Women's History Month  
Optimism Month  
Poison Prevention Awareness Month  
Rosacea Awareness Month  
Save Your Vision Month  
Vulvar Health Awareness Month  
Workplace Eye Health and Safety Month  
Youth Art Month

### **Weeks**

Mar 1-7—Return the Borrowed Books Week  
Mar 1-7—Universal Human Beings Week  
Mar 2-8—Celebrate Your Name Week!  
Mar 2-8—National Pancake Week  
Mar 2-8—National Procrastination Week  
Mar 2-8—Save Your Vision Week  
Mar 2-8—Telecommuter Appreciation Week  
Mar 3-7—National Cheerleading Week  
Mar 3-9—National Professional Pet Sitters  
Week

Mar 3-7—National School Breakfast Week  
Mar 3-7—Newspaper in Education Week  
Mar 8-14—Universal Women's Week  
Mar 9-15—Girl Scout Week  
Mar 10-16—International Brain Awareness  
Week  
Mar 16-22—Camp Fire USA Birthday Week  
Mar 16-22—National Agriculture Week  
Mar 16-22—National Poison Prevention  
Week

Mar 16-22—National Spring Fever Week  
Mar 16-22—National Safe Place Week  
Mar 23-29—National Cleaning Week

Mar 31-Apr 6—National Sleep Awareness Week

## Days

Mar 1—Babysitter Safety Day  
Mar 1—National March to College Day  
Mar 1—National Pig Day  
Mar 2—Namesake Day  
Mar 2—NEA's Read Across America Day  
Mar 4—International Pancake Day  
Mar 4—Peace Corps Day  
Mar 5—Ash Wednesday  
Mar 7—National Salesperson's Day  
Mar 8—International Working Women's Day  
Mar 9—Girl Scout Sunday  
Mar 10—Telephone Invented, 1876  
Mar 11—Organize Your Home Office Day  
Mar 12—Girl Scouts of America Founded, 1912  
Mar 15—Ides of March  
Mar 15—National Quilting Day  
Mar 17—Act Happy Day

Mar 17—Camp Fire USA Anniversary  
Mar 17—St. Patrick's Day  
Mar 18—Purim  
Mar 19—Swallows Return to San Juan Capistrano  
Mar 20—Great American Meat-Out  
Mar 20—National Agriculture Day  
Mar 20—National Common Courtesy Day  
Mar 21—Spring Begins  
Mar 21—Single Parents Day  
Mar 22—International Goof-Off Day  
Mar 24—World Tuberculosis Day  
Mar 26—Legal Assistants Day  
Mar 27—Education and Sharing Day  
Mar 29—National Mom and Pop Business Owners Day  
Mar 29—Sam Walton Birthday (1918)  
Mar 30—Doctors' Day

—Chase's 2003 Calendar of Events



**BOOST YOUR AUCTION PROFITS** with this idea from our station manager at KMCD & KICK/96 in Fairfield, IA. Cooked up in conjunction with RAB's Sandy Johnston ([sandy@rab.com](mailto:sandy@rab.com)), this is a sure-fire way to add some cash business to the auction merchandise trade.

When salespeople book auction items, they follow up with a special advertising opportunity: merchants can invest in extra ads for a special rate as long as they invest at least as much as the retail value of what they're putting on the auction. For example, if an appliance dealer puts a \$500 television on the auction, the dealer can get a special ad rate if he or she buys at least \$500 in cash advertising. Our manager reports that auction participants are taking advantage of this offer and the auction-period billing is looking very good as a result.

Another thing we're doing: our sales staff brainstormed a "shopping list" of marquee items for the auction and the salespeople are actively soliciting those items—ranging from popular basics like a load of gravel to sexy things like a hot tub.

## **The Other Side of the Yellow Page Story**

Did you ever think about how you use the Yellow Pages? As a consumer do you pick up the phone book every time you are ready to buy something or need a service? When you do use the Yellow Pages, do you often know whom you are going to call and just use the in-column listings under the category of business you need as an easy reference?

Other than price shoppers, who call everybody, we have found that there are basically six types of consumers who use the Yellow Pages:

**User #1: Those consumers who have done business with a firm before.** They go to the category of business that firm is under and look for the business by name in the alphabetical listing. They don't get lost in the jungle of display ads.

**User #2: Those consumers who have been referred to a business.** Like user #1, they know whom they are going to call. They don't want to get lost in the jungle of display ads. It's easier to find the business in the in-column listings by name.

**User #3. Those who are influenced by creative advertising.** A business they have become aware of through advertising has "Top Of The Mind Awareness" (TOMA) for them. They, too, don't want to get lost in the jungle of display ads. They will look for that business by name in the in-column listings.

**User #4. These consumers are looking for a product or service by the brand name.** Goodyear Tires, Allstate Insurance, Napa Auto Parts, and so on. They know the brand name and will look for it in the in-column listings rather than the display ads.

**User #5. Newcomers.** They will look in the in-column listings under the category of business they need for a telephone prefix that is near theirs. They want a local business.

**User #6. Panic shoppers.** They will hunt through the display ads and the in-column listings. They will call everybody. Price is no object. They need service *now*.

The first four types of Yellow Page users are locked into the name of the business or product. The large expensive display ads don't influence them. The last two are really a crap shoot as to where their call will go.

With all this in mind, is that about how you use the Yellow Pages?

The question is this: If most consumers call a business by name out of the Yellow Pages, why do business owners keep on spending more and more in a book that is closed 99.9 % of the time?

—Merritt Mattson, Yellow Page Consulting, LLC, [mmattson1@new.rr.com](mailto:mmattson1@new.rr.com)

## **Local Stations Are Selling Out**

**By William O'Shaughnessy, WVOX & WRTN, New Rochelle, NY**

I've worked both sides of the street on the consolidation issue. Those opposed to this development that has swept over our profession include liberals, the guilds representing screenwriters and actors and consumers groups.

As the Commission weighs all the pleadings cascading into its deliberative process on the issue of Consolidation it might be useful to consider just what a radio station is.

I think it can resemble more than a jukebox. I believe a station achieves its highest calling when it resembles a platform, a forum, a soapbox, a podium, for the expression of many different viewpoints.

Every station has the potential to be more than merely a conduit for the delivery of information and hype about products, many of which we don't need and some can ill afford. Radio stations can be about more than commerce or ratings points. And if we do it right, a local radio station can, as Mario Cuomo says, make a community "stronger, better, even sweeter" than it is.

There is no question that locally-owned and locally-operated hometown-community radio stations, operated in the public interest by broadcasters who speak the language of the neighborhoods, are fast disappearing.

No matter how much the NAB spends on surveys designed to celebrate so-called "diversity" on the airwaves, local, regional and community stations are succumbing to the siren song of the big group operators. They are selling out and independent voices are being replaced by a cookie-cutter cacophony of the same-old, same-old music and often accompanied by vulgar, outrageous and tasteless stunts.

The old-time working local broadcaster is being replaced by "asset managers" beholden to corporate masters a whole continent away. "Clusters" presided over by "market managers," absentee owners and speculators (trying to cover their assets!) now control most major markets where once many different voices were heard in the land.

Most stations today are run out of airport lounges by paid-gun, itinerant, journeymen "market specialists" trying to squeeze every last dime out of their "properties." "Economies of scale," "win-win situations," "getting it done," "doin' what it takes," and "make it happen!" have replaced quaint old phrases like "public trustee" who operated for "the public interest, convenience and necessity."

Another Westchester [County] station has had 11 owners and 43 general managers in the past decade. They've cut everything. (Except the grass out front, literally!) The roof leaks and the weeds around the parking lot haven't been cut.

Now comes the “However.” (I told you I’ve worked both sides of the street on this issue.) I recall a very clear instruction I received one day from the great, towering New York Senator, Jacob K. Javits: “You either believe in the genius of the free enterprise system or you do not.” I like the sound of that.

But does free enterprise mean there mustn’t be some intelligent regulation if your free enterprise can choke off all the free expression? Did not the greatest Republicans like Teddy Roosevelt fight against combinations that would stifle diversity and true free enterprise and expression? And what was the Microsoft suit all about?

Perhaps whoever says they’re absolutely for or absolutely against consolidation is disingenuous. Maybe we have to take each case, each market, on an individual basis and look at it *ad hoc* for or against specific alignments and circumstances for specific reasons.

Maybe consolidation is only a temporary circumstance, a temporary fact of life driven by free market forces. And maybe when they realize they can’t run a thousand or more stations out of San Antonio they’ll start to dismantle these behemoths themselves and sell off some of those “properties” to independent entrepreneurs who will once more consider that they have a fiduciary relationship to an instrument of communication and who will then steer them back to the service of the people in their communities.

And some of them might even consider that they are in a profession and not an industry. And thus they are at the people’s business. We might even see broadcasters who would be appalled at the notion of putting a price on the public service we provide during national emergencies or catastrophes and by those who would tarnish our “finest hours” by seeking “compensation” for the “interruption” of their “business.”

If the Commission does pull all the ownership prohibitions you might be setting up bigger targets, but politically weaker ones, as they take out even more independent broadcasters who had a grip on their local congressmen.

Frankly, as far as my own purse is concerned, I’m not so damn sure consolidation is such a bad thing. Consolidation has—if the truth be known, in the intimacy of this room—made us all rich. Even for those who haven’t yet sold out to the speculators (at least literally!) the value of our stations has increased.

So I guess at the end of the day I’m with Senator Javits—a believer in the genius of the free enterprise system. I also suggest that if you want non-local radio, you have the satellite option (and we hope it remains non-local!) I would respectfully suggest that if the government is looking for a place to go, it might well get into this “Star Wars” threat. And, I’ll tell you: we would not at all mind some kind of “Missile Shield” defense on that!

Someone once said radio is the last turf on which an entrepreneur can run. The turf is getting a little slippery. But I still think radio is like Lazarus in the Bible. It’s still the medium closest to the people. You can’t kill it. Television couldn’t do it in. Nor could cable. Or the Internet.

But. . .greed just might finish us off.

## **You Can't Do it All Yourself**

**Commentary From Bob Doll**

If you want to build a successful radio operation, you have to build a team and motivate the team members to partner with you in making your operation "all that it can be."

Motivation, is, I think, the most important success ingredient. On a trip to California on Southwest Airlines, I was amazed by how well and from all appearances the folks at the counter were doing their duties of check-in and screening. While other airlines are chalking up million-dollar-plus daily losses, Southwest continues to show a profit. I believe their secret ingredient has to be how they encourage their management to be "they best they can be."



Bob Doll

On the plane, in the current issue of the Southwest magazine, I read an article titled "What It Takes To Motivate." The author is management consultant Valerie Sokolosky, who like the airline, is based in Dallas.

She advises managers to "make motivation an inside job." She points out that only the individual person can control his/her internal state. The manager's job is to encourage effective performance. The employee must be accountable for his/her job commitment and performance. Most employees crave job satisfaction and a sense that they are important to the organization. Work can help people grow professionally and personally. With a sense of achievement, employees will accept more responsibility.

It's not just the money. Beyond compensation, work fills an employee's desire for affiliation, achievement or power. Good managers motivate by recognizing individual needs and finding ways to fulfill them.

Ms. Sokolosky points to an *Industry Week* survey that finds that people respect leaders who share their vision and values. A good manager shares with an employee how what he/she does contributes to reaching the business's goals.

Managers need to find a way to recognize employee achievement and measure productivity. Ms. Sokolosky advises: "Don't let an employee feel out of the loop."

In measuring an employee's work, look at timeliness first. How often is his/her work completed on time? How accurate is the work? How well does the employee follow directions? How does the individual employee participate willingly in collaboration with other team members?

The most challenging time for a manager is when his/her radio station is being sold or there is a major change in the operation of the business. A good manager doesn't hide from his/her employees, but rather increases communication with his subordinates. Employees want to know what's going on; encourage them to share their ideas and opinions.

This is the first month of the year. What kind of a year is it going to be? I read the forecasts and they are mixed. You'll have a good year, I believe, if you realize you can't do it by yourself. Folks have to help you. As a manager, you have to motivate them to be all they can be. I read Ms. Sokolosky's article after seeing what she advocates in action at the check-in for my Southwest Airlines flight.

**A PERSONAL NOTE:** This month I reached 70. The good book says you've had a good long life once you've had three score and ten. Thanks to the miracles of modern medicine, many today are living well beyond that "ripe old age." I am grateful that I am one of them. I'm sure I have amazed my good doctors.

Some of you who knew about my birthday milestone sent cards and e-mails. Thank you very much!

As for my plans for this year and the future, I have no changes in mind. I'll continue to visit with you in the newsletter as long as Jay will put up with me. *[Editor's Note: That would be another 70 years at least!]* As you read this, Barbara and I are attending the RAB meeting in New Orleans and plan to be in Las Vegas in April for my 40th consecutive NAB convention.

At this time of my life, when I'm "flying on bonus miles," I'm grateful for the opportunity of sharing this great business with so many great people. I do not pine for things that once were, but look forward to things that are and will be, thanks to great people who are spending their lives in this great business.



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**Small Market Radio Newsletter**



# Small Market Radio Newsletter

The Voice of Small Market Radio

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**RADIO AD DOLLARS UP 6% FOR 2002.** Driven by a 25% national increase in December 2002 over the same month in 2001, the year 2002 ended with a combined local/national increase of 6% over the previous year, according to the ongoing RAB/Miller Kaplan Arase survey of more than 100 radio markets. Local lagged with a year-to-year increase of just 4%, while national was up 13% for the year. In December, local was up 4% for a combined local/national gain of 9%. The 2002 industry performance represents a bounce back to nearly (98%) the levels our industry hit in the year 2000—the biggest growth year since 1985. RAB President/CEO Gary Fries, in announcing the results during RAB2003, said, “Radio has made a full recovery and continues to lead ahead of other media. Radio remains strong, due in part to its diverse advertising categories, its ability to change and adapt to the constantly evolving advertising landscape and its success in delivering results for clients. The outlook for 2003 is more than promising for continued acceleration and growth.” *More RAB2003 remarks by Fries on Page 5.*

RAB2003

**MCCAIN PUSHES OWNERSHIP DIVERSITY** by reintroducing the concept of tax credits for media owners who sell to minorities and women. Tax credits were discontinued in 1995 when the concept was widely abused by buyers, who routinely put token minority, or female members or groups on their applications. NAB President/CEO Eddie Fritts commented, “NAB strongly supports passage of [McCain’s act]. Increasing employment and ownership opportunities for new entrants in broadcasting continues to be a priority for NAB. . . It is our belief that ownership diversity is good for localism and good for the business of broadcasting.” *See related comments on the McCain measure by Lowry Mays on Page 2.*

**RADIO UNDER FIRE** by the Senate Commerce Committee, which last week heard testimony from Clear Channel CEO Lowry Mays and NAB CEO Eddie Fritts. Fritts noted that the Telecommunications Act was intended to keep radio “a viable, vibrant and local medium. That objective has been met. Radio today is more financially stable. Radio’s programming is as diverse as its audience. Today, radio remains the ultimate local, community medium. We look forward to continuing that proud tradition into the future.” *For Mays’s remarks on the issue, see Page 2.*

**ANOTHER MEDIOCRE RETAIL MONTH.** January was poor for retailers, according to Retail Forward. The reason: consumer concern about the economy and possible war. Post-holiday and end-of-season sales brought people into the stores, but the cash registers failed to ring. The only bright spots were the run on Winter clothing in the midst of a cold wave that affected most of the country, and buying snack items and beverages for Super Bowl celebrations.

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## **Mr. Mays Goes to Washington**

Clear Channel CEO Lowry Mays testified last week before the Senate Commerce Committee, which is looking into possible negative consequences of the ownership consolidation spawned by the Telecommunications Act of 1996.

According to Mays, "The radio industry is healthier and more robust today than ever before, and that just wouldn't be true if radio stations across the country weren't pleasing listeners each and every day." According to Mays, service to the local listener is more than just good business, it's necessary in order for radio stations to survive because listeners can easily switch to a competitor. "Radio is the only business I know where you can lose a customer with the push of a button at 60 miles per hour," Mays told the committee. "You must delight the listener, every hour of every day."

In commenting about the legislation introduced by Sen. Russell Feingold (D-WI) to regulate the radio and concert promotion businesses, Mays said, "We think Senator Feingold is wrong. Dead wrong. The legislation is built on the faulty premise that the concert business and radio business need to be fixed. They don't. They are healthier than ever, delivering more and better service to consumers. The bill is not only ill-conceived, but it is unworkable for industries like ours, and places unnecessary burdens on over-worked government agencies like the Federal Communications Commission."

Addressing the widespread concern that Clear Channel and other large radio groups are controlling the public's access to music and that all the radio stations owned by a group tend to play the same records, Mays said, "Radio has always been focused on local audiences, and successful radio operators remain true to that fundamental rule. That means music play lists are determined based on local audience demands, not by corporate headquarters. Current hits such as Santana's 'The Game of Love' or Toby Keith's 'Who's Your Daddy' received vastly different numbers of spins in various local markets, because local audiences have different tastes."

Regarding diversity on the airwaves, Mays noted, "With the ability to own more stations after 1996, radio owners created economies of scale and were able to diversify formats. Radio began to compete more effectively with other media for advertising dollars and, in turn, was able to modernize facilities, increase and improve local programming and hire more and better on-air talent. Also since 1996, there are more minority owners of radio and more radio formats for listeners to choose from. Myths about consolidation: radio is by far the least-consolidated segment of the media or entertainment industry. The ten largest radio owners account for just 44% of the industry's revenues, while the top five record companies control 84% percent of all album sales. And while Clear Channel owns 1,200 radio stations, that's just 9% of all the stations in the U.S."

Mays went on to commend Sen. John McCain and others for their efforts to enhance diversity of ownership in the communications industry: "We strongly support Chairman McCain's legislation to help bring more small companies and new entrants into the communications and media businesses. Clear Channel has always been committed to diversifying media ownership and we welcome the introduction of this creative incentive to do just that."

## **RAB Small Market Idea Exchange**

Our *SMRN*-sponsored Small Market Idea Exchange at RAB2003 was well attended and lively. Whenever we do these things the ideas fly fast and furious, and this session was no exception. Here are some of the ideas contributed by our participants:

**DIALING FOR DINING.** We trade gift certificates for airtime with restaurants, dollar for dollar. We air a 60-second ad/promo that starts with, “Listen to Dialing for Dining every other Friday morning. . .here are two of the fine restaurants that are featured. . .” We then insert two non-competing restaurants’ messages, and end with another promo for our show.

During the Dialing for Dining Show itself, we open up the phone lines, we take calls and anyone can buy certificates at 65% of full value. We do in excess of \$3,000-4,000 every show. We’ve learned that we have to put a limit on the number of certificates any one caller can purchase. We also offer to print the certificates for the restaurant, with our logo as well as theirs on the certificates. [Kevin Alexander, KMRY, Cedar Rapids, IA, [k.alexander@kmryradio.com](mailto:k.alexander@kmryradio.com)]

**RECYCLE THAT AIRCHECK.** Airchecks are a necessary part of the talent coaching process, but they’re routine to us—sometimes even annoying. But what might be ordinary to you is exciting to someone else. When you do a local sports broadcast, the aircheck is a timeless keepsake to the player’s grandmother in another city, to the player’s girlfriend, to the player himself. You can burn a CD for 19¢ if you buy blanks in bulk, and you can also pick up labels and software to make handsome labels for the CD—which can contain your and your client’s logo. You can give away or sell the CDs at your client’s store.

**PLUG-AWAY MONDAY.** Have you ever had a situation when business owners call your call-in show and talk about their business? Rather than cutting them off and turning them off, turn it into an advantage: “Plug-Away Monday” lets local entrepreneurs call and, well, plug away. Some of them have long, involved web site addresses that nobody can remember. . .so offer to put a link on your web site; the announcer follows up the plug with, “. . .and you can visit them through wxxx dot com. . .” The sales manager spends that hour in the station, writing down leads. These people go on the air and plug “the best darn cheeseburger in Kalamazoo” or whatever, and they get a line out the door at lunch hour, demonstrating the power of radio. You generate leads, drive traffic to your web site, and perform a service to listeners and advertisers. [Previous two from Holland Cooke, [www.hollandcooke.com](http://www.hollandcooke.com)].

**LOCALIZING YOUR WEB SITE.** We pattern our web site after CNN. We give strictly local news, sports, weather. From that we sell sidebar and banner advertising. We just put a page on this week, a bridal registry page; most small-town newspapers have a feature like this, but often they don’t put the pictures of the brides and grooms. We do put pictures, along with the date of the wedding. We just this week sold the page to a local gift shop and an antique shop. [Jerry, WLIN, Cazesko, MS, [www.breezynews.com](http://www.breezynews.com)]

## **SMAC at RAB**

As many readers know, the RAB formed the Small Market Advisory Committee (SMAC) to stay in touch with our segment of the radio industry to make sure our needs are met. The SMAC typically meets twice a year, at the RAB and at the NAB Radio Show. Here are the highlights of our meeting at RAB2003.

Committee Chair Mike O'Brien, Bliss Communications, Janesville, WI ([mob@inwave.com](mailto:mob@inwave.com)) asked, "How did your 2002 end up? The consensus was that the year was good, *but*. . . As Mike Hulvey, Neuhoff Broadcasting, Danville, IL ([mhulvey@soltec.net](mailto:mhulvey@soltec.net)) noted, "We ended 'up,' but earlier in the year we missed goal six months in a row." Bill Payne, KITX, Hugo, OK ([paynewh@aol.com](mailto:paynewh@aol.com)) credited the RAB Sales Academy for his good year.

George Pelletier, Waitt Radio, Omaha, NE ([gpelletier@waittcorp.com](mailto:gpelletier@waittcorp.com)) noted that most of his markets had record years; "In South Dakota we couldn't get out of the way of the political money." George continued, "We've been focusing on certain benchmarks: 50% of first quarter by the end of January; make your year by November 1, so during the last two months we can focus on First Quarter."

According to Cary Simpson, Allegheny Mountain Network, Tyrone, PA ([amnet@aol.com](mailto:amnet@aol.com)), "We try to win the ball game with too few salespeople on our team. When salespeople are really good, they run like a clock: every Tuesday morning at 9 o'clock they show up at Bob's Hardware. The RAB Academy has proved immensely successful for us, but we've had a couple of losers. But they were losers when we sent them."

Mark Levy, RAB Director of Educational Services: "When we started up stations, we went on the air and articulated clearly what makes us different. I used to work in the newspaper business, and we implemented some of the tools that newspaper uses, like a year-long calendar."

Julie Koehn, WLEN, Adrian, MI, [wlenradio@dmci.net](mailto:wlenradio@dmci.net): "We had an outstanding year in 2002—up 10%. Only about 10% of that increase was political. We are concentrating on *local* business—where we have total control. In our station we practice 'top-down accountability.' Every person in the radio station is completely responsible for themselves and their company."

Steve Trivers, Fairfield Broadcasting, Kalamazoo, MI ([triv@fairfield-radio.com](mailto:triv@fairfield-radio.com)): The year 2002 was the best year in the history of our company. We really needed it, because in 2001 we were Little Big Horn and I was Custer. We coined a term for it: 'negative growth.' The reason we turned it around was the ideas we got at the RAB last year."

Steve went on to say, "With all the talk about consolidating the RAB and the NAB, I hope you'll keep this conference exactly as it is—the same time of year, the same focus on education. This is our 'management retreat,' our chance to learn about our industry."

RAB EVP/Services Mike Mahone ([mmahone@rab.com](mailto:mmahone@rab.com)) responded, "If you have strong feelings about this, e-mail me!" *And we hope you do. More next week.*

## Mr. Fries Goes to New Orleans

RAB President/CEO Gary Fries was upbeat as he gave his State of the Industry address at RAB2003. "Radio's time has come," he said. "We are right now one of the leading media and this is a great time to be in this business." Commenting on the industry's 6% gain in 2002, Fries said, "This was a hard-fought, in-the-trenches, hand-to-hand-guerilla-combat 6%. The year did not start that strong. It gained momentum throughout the year and you people made it grow."

Fries pointed out that in December 2002, total revenue was up 9%, on the heels of a September that was up 17%, an October that was up 13% and a November that was up 10%. "That is one of the strongest finishes we have ever seen in the radio industry and to finish the year that way, with momentum going into '03, the First Quarter should be very exciting to all of us."

Fries emphasized radio's total recovery. The 2002 revenue dollar amount of \$19.575 billion was just a little bit short of the figure in the record year of 2000, when revenues hit \$19.848 billion. Bringing up a slide that showed the accelerated curve in radio revenue growth over the last ten years, Fries said, "When you put this curve into perspective and look at what has been taking place over the last ten years, think about what can happen over the *next* ten! The people in this business have learned how to grow during tough times and that's going to make it a lot easier to take advantage of forward momentum as the times continue to improve."

Fries also noted that radio attained 8.2% of the total advertising pie in 2002. "We crossed the 8% barrier in 2000 and when we did so, we started to gain momentum on other media," he said. "The total ad pie is huge—\$260 billion. When you gain one-tenth of 1%, for example, you are adding a tremendous amount of revenue to the radio stream at the expense of existing media. That is not newfound money; that money is coming out of somebody else's pocket."

Moreover, Fries said that stations in every size market shared in the total revenue growth of 2002: "When I see this type of market spread, it is very exciting to see growth at all levels."

"It is gratifying to see the enthusiasm on your faces after coming through a hard time, and to see that not only is the radio industry back, but *you* are back," said Fries. "You did it by learning to swim underwater. You had to learn how to do this differently; you had to learn how to put your nose to the grindstone."

"Nobody has been able to end this business," he said, recalling the days when doomsayers predicted radio's demise at the hands of the newly-emerging medium of TV. "We are still taking money from other advertising categories, and we are still growing."

Fries concluded his speech by cautioning the industry to focus on the issue of accountability, a topic that is becoming increasingly more important to advertisers and agencies. "We need to look at all facets of our business operation: our sales; how we sell; what we deliver to the advertiser. Do the spots run as ordered? Are they logged properly and getting billed properly? Are the advertisers getting what they want?"

"I want this industry to stand tall," Fries said. "Be prepared for a rapid onslaught of advertisers wanting checks on accountability as far as the money they spend with you and what they get back. As we move forward, we are going to see new advertiser categories develop. There are many new opportunities for radio."

## FEEDBACK

**FORCED RELOCATION.** I have enjoyed your Small market Radio Newsletter for years. It is a great source to keep up with what's going on in our industry. The section on sales ideas is especially helpful. I was wondering if there has been anything in any past issues devoted to the promotion of a station's frequency change. I have been ordered to move from my current frequency of 27 years to accommodate another station that has been granted an upgrade to 100,000 watts. In the process, we have been granted an upgrade from 3,000 to 6,000 watts. As you can imagine, my enthusiasm for the whole process is minimal because it's hard to see many advantages for us. However, I have no choice and will put the best spin on it that I can. (Of course, in a ruling such as this, the station that is having to move to another channel is due reasonable and prudent financial consideration. However, given the choice, I would prefer to stay where I am.) Let me know if there's anybody else that has gone through the same thing and how they promoted it. Keep up the good work.

*Editor's Reply:* In my consulting work I encounter this challenge ("opportunity") from time to time. The short answer is *promotion, promotion, promotion*. Start promoting the change early—six months ahead is not too early—and explain carefully and fully what's going to happen. (The importance of clear communication and lead time rises with the target demographic; older listeners need more time to absorb and adjust to such a change.) This is a good occasion for the old "Tell A Friend" promotion, where your listeners are rewarded for turning others onto your station—in this case, at its new location. *Readers, how have you done it?*

**SHOPPING AND STREAMING.** Some weeks ago I saw a reference in SMRN to some guy who sells Shopping Show software. . .do you happen to have the contact information for this person?

Second, I have kind of been pushing the envelope with our web streaming. We've kept it up while all the negotiations have been going on, kind of flying under the radar here in North Dakota, and I haven't exactly gone out of my way to figure out what I owe to whom, now or in the future. Do you have some kind of info on where all that is at? It's starting to bother my conscience.

—Rick Pfeiffer, KSJB & KSJZ, Jamestown, ND, [mrradio@ksjbam.com](mailto:mrradio@ksjbam.com)

*Editor's Reply:* The guy who sells the Shopping Show software is Todd Noordyk, Great Lakes Radio (WKQS/WFXD/WHCH), Negaunee, MI, 906-227-7777, [todd@haja.com](mailto:todd@haja.com). As for web streaming, it's still an open question. As things stand now, we broadcasters are liable for copyright fees as specified by Sound Exchange—the minimum is \$500 per year, retroactive to October, 1996. The recently-passed legislation to give relief to small webcasters did not include radio stations, but there is legislation being floated right now that does. Some stations are streaming only their own locally-produced talk programming, like sports play-by-play, which is arguably not subject to copyright or music-licensing fees. . .but check with your communications attorney or, if you're a member, NAB Legal.

**PREDATORY PRICING REVISITED.** I believe the demise of "brick and mortar" retail is greatly exaggerated. There are simply too many other factors involved for the Internet to end retailing as we know it. However, I do agree with your frustrations about large retail chains and their pricing strategies—which can also happen on the local, small business level. We have a

sporting goods store in our area that routinely engages in predatory pricing. They put items such as Mini Mag Lights, batteries and the like up near the counter like most other stores. They also have these items elsewhere in the store, usually in a far corner. The cost for the same item in the back of the store is as much as 50% lower than up front near the checkout stand!

—Aaron Atkinson, KRLF, Pullman, WA, 509-332-3545, [AaronA@LFFMTC.org](mailto:AaronA@LFFMTC.org)

**NAKED TRUTH.** I work with an AM station in Rockingham, NC. I would like to know how old the person is who wrote the clothing article (“Dressing For Sales Success,” *SMRN* 1/23/03). He must be a dinosaur in the business. Dress codes are out. You don’t see bankers, lawyers, doctors and sales folks in ties, coats and starched shirts. When is the last time you wore a starched shirt, coat and tie with the temperature at 90 and the humidity factor at 75% and went outside to sell? Why would we dress like the “banker, lawyer,” etc.? I’ll bet his wife doesn’t iron and starch those shirts.

Have you checked the price for cleaning at your local laundry? Who is going to pay for this nonsense? Have you checked the price of a 100% cotton shirt, a tie or suit? We are commission salespeople in an economically-distressed business. We cannot afford to dress like you suggest! If you wear a \$500 suit, \$40 shirt, \$25 tie, \$85 dollar black shoes (mine are brown) and cannot close a sale, you have accomplished nothing! WHO SAYS CASUAL FRIDAYS ARE OUT? AS JOHN SAYS ON 20/20, “GIVE ME A BREAK.” PS: John didn’t wear a tie during his interview with Barbara Walters Friday, but I wore mine to the local hamburger stand.

—Terry Ward, WAYN, Rockingham, NC, [wtward@carolina.net](mailto:wtward@carolina.net)

*Editor's Reply:* It’s pretty clear that the generation gap is in full effect here. The dinosaur who wrote the article is me, age 56. But in my travels to radio stations in all size markets, I have observed several things. First, great salespeople dress well, regardless of their age. Second, smart young salespeople understand that (a) the most successful people in their markets are older than they, and (b) they need every bit of authority they can muster to overcome their youth and inexperience. Third, winning radio stations emphasize appearance in their sales force.

“Who says casual Fridays are out?” Just about every workplace survey done in the last six months. The clothing industry is selling suits again!

I will admit to a lack of clarity in one aspect of my article: dressing in good taste does not necessarily mean breaking the bank. Visiting upscale mens stores, even if you never buy a thing, helps you develop an eye for appropriate dress—how articles of clothing should look, how they’re tailored, and what goes well together. Soak up all that information and then buy the clothes at JCPenny. (It’s also better to have one or two good outfits than four or five bad ones.)

It’s like this: dressing well will never get you disrespected, while not doing so sometimes will. Smart people simply play the odds. In my experience, young, inexperienced salespeople dress like their peers because they are afraid of separating themselves from the herd, of standing out, of leaving their peers behind. Well, here’s a news flash: if you’re going to be successful, you *will* stand out and you *will* leave most of your peers behind. And if you’re going to make the decision to be successful, attire is only one of the things you’ll have to deal with.

Sorry I offended you, but I stand by the article 100%—and at the RAB, many managers told me they greatly appreciated the piece because they are having trouble communicating these points.

## Honey, I Shrunk the Conventions

One of the big topics of conversation at RAB2003 was whether the NAB should drop the Radio Show or combine it with the RAB. While the implementation of whatever becomes the plan is at least a couple of years away, it's pretty clear that the Fall NAB is in peril. This is not NAB's fault; they can't afford to, nor should they, run an event that few attend.

My first reaction to the prospect of a combined NAB-RAB show was negative, primarily because of the unique character and appropriate timing of the RAB show. Unlike other industry confabs, the RAB is centered on learning. And holding it early in the year prepares us and inspires us to have a better year. The NAB Radio Show is valuable, too, because it's really the only occasion when people from all departments of a radio station can come together to learn and to network.

But as Gary Fries said to me, "Just because it's always been done a certain way doesn't mean it should necessarily continue to be that way." And people who got into the business after the Paleolithic Age (I'm a dinosaur, remember?—see Page 7) don't seem to have as big a problem with the prospect of a combined show, later in the year, as my peers might.

So at this point I'm not sure how I feel, other than that radio deserves and needs its own conference. . .and I'm committed to keeping an open mind about how that comes about.



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**Small Market Radio Newsletter**







# Small Market Radio Newsletter


The Voice of Small Market Radio

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**COKIE ROBERTS GETS NAB DSA.** The veteran ABC News correspondent will receive the Distinguished Service Award during the All-Industry Opening Ceremony at NAB2003 in Las Vegas. The kick-off session will also feature a keynote speech by USA Interactive's and Vivendi Universal's Barry Diller.  <http://www.nab.org/conventions/nab2003/>

**COSBY ENTERTAINS RADIO TROOPS.** Legendary comedian Bill Cosby will kick off NAB2003 in Las Vegas with a special one-night performance Sunday, April 6 at the Bellagio Hotel and Casino. An 8:00 p.m. reception for all ticket holders will precede the Cosby performance at 9:00 p.m. NAB President/CEO Eddie Fritts said, "Bill Cosby is perhaps the most influential comedian of our time. We're thrilled to have him performing at NAB2003, the world's preeminent broadcast and communications convention."

 <http://www.nab.org/conventions/nab2003/>

**ARBITRON RESPONSE RATES UNDER FIRE.** The response rates for Arbitron surveys have shown a sharp decline, and the NAB Committee on Local Radio Audience Measurement (COLRAM) has expressed "serious concern" about the "critically low levels." According to a release from the committee, "COLRAM considers response rates to be a key measure of whether Arbitron's samples are projectable to the entire listening population. In our view, Arbitron has not yet committed to implementing programs to arrest these response rate trends on a scale that would make a meaningful positive impact. We strongly urge Arbitron to share with COLRAM, and with the radio broadcasters COLRAM represents, a comprehensive and meaningful plan to improve the response rates for its diary service, in both the near-term and long-term, at COLRAM's spring meeting."  <http://www.nab.org/>

**PIRATE SHUT OUT BY COURT.** A provision of the Radio Broadcasting Preservation Act of 2000 prohibits unlicensed broadcasters from getting an LPFM license. A former self-admitted pirate challenged the provision under the First Amendment; now a DC Federal Appeals Court has upheld the provision. The unnamed pirate is apparently planning to take the fight to the Supreme Court.

**RAEL RELEASES FIRST PAPERS.** The Radio Ad Effectiveness Lab, an initiative of the RAB and advertising groups, has released its first in a series of white papers that document radio's effectiveness in branding, selling and promoting products. White Paper No. 1 is now available for viewing.  [www.radioadlab.org](http://www.radioadlab.org).


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## TOP OF THE WEEK


**RAB CHIEF GAZES INTO CRYSTAL BALL.** Gary Fries, RAB President/CEO, has predicted that radio revenues would grow by 6-8% in 2003. "This is the healthiest environment that I have ever seen," said Fries. Referring to the myriad new advertising categories bursting on the scene, he said, "Change creates advertising."  [www.rab.com](http://www.rab.com)

**ARBITRON IN CONGRESS'S CROSS-HAIRS.** Recently Arbitron announced that it will take three years to revamp its ratings software. Their dropping response rates are causing widespread concern (*see related story, Page 1*). Now, Congress may pick up the ball and conduct hearings on the research company, investigating possible unfair or monopolistic business practices.

**RIAA CHIEF LEAVES THE BUILDING.** Hilary Rosen, well known for her determined fight against free music downloading, has resigned her CEO position effective the end of the year, to spend more time with her family. RIAA President Cary Sherman will appoint a search committee to find Rosen's successor.  [www.riaa.org](http://www.riaa.org)

**SPEAKING OF MUSIC DOWNLOADS.** . . Echo, Inc. is a new joint venture from a bunch of big box stores and music retailers to allow each of the partners to sell downloadable music on the Internet. Best Buy, Hastings Entertainment, Tower Records, Trans World Entertainment, Virgin Records and Warehouse Music will each offer the pay service, to be branded with their respective names. (In the midst of this, note that Blockbuster is in Chapter 11 and Best Buy is closing 100 Musicland stores.)

**COMMISSIONER ON THE CASE.** FCC Commissioner Michael Copps is moving forward with two public hearings dealing with ownership concentration (which he opposes). The hearings will take place at the University of Washington in Seattle in early March, and at Duke University in Durham, NC in late March. Copps has invited his fellow commissioners to attend, but he immediately received regrets from Chairman Michael Powell (who supports further deregulation), who said, "In the digital age, you don't need a 19th century whistle-stop tour to hear from America."

**IBIQUITY MAKES ANOTHER OFFER.** Last year the HD Radio company waived licensing fees for any station that committed before the end of the year. Now, iBiquity has another deal: for the first 125 commercial stations to sign up after February 1, the one-time audio license fee will cap at \$5,000; for non-comms signing up before the end of June, the fee is completely waived.  [www.ibiquity.com](http://www.ibiquity.com)

**NEW SALES TOOL FROM RAB.** The RAB has announced the launch of the Radio Sales Assistant, combining PROPosal Wizard with tools that will enable salespeople to monitor pacing, calculate closing ratios, set goals, manage contacts, monitor sales activity, track orders and write proposals. *Editor's Endorsement: I saw a demonstration of this excellent application at the Small Market Advisory Committee meeting at RAB2003. Kudos to author Dave Casper for smoothly incorporating all the ideas from the SMAC and the Sales Advisory Committee into a powerful, feature-rich program.*

## **More from the Idea Exchange**

Here are more ideas from our Small Market Idea Exchange at RAB2003:

**AUCTION SPIN.** Actually, I ran into this one at the airport on the way out of town, when I ran into RC Amer and Mark Hill ([mark@kadi.com](mailto:mark@kadi.com)), KADI, Springfield, MO. They are in the second year of their radio auction, and for many of the items they do a “reverse auction”—they start by announcing a price (usually 75% of retail) and then lower it every couple of minutes until someone calls in to take the item. The trick for the potential buyer is to wait long enough for the price to come down but not so long that somebody else grabs the item. It’s good radio, according to RC, who says, “Usually there’s a point when we get lots of calls all at once.”

**WEB SITINGS.** Anybody can go anywhere they want to and hear music. The idea is to try to find a way to direct them to your web site by providing them something of interest. If you don’t promote it on your station, they’ll never get there. Our web site is [BreezyNews.com](http://BreezyNews.com), and all of our on-air newscasts start with, “It’s time for another [BreezyNews.com](http://BreezyNews.com) update. . . For pictures and updates now, go to [BreezyNews.com](http://BreezyNews.com).” [Jerry, WLIN, Caziesko, MS, [www.breezynews.com](http://www.breezynews.com)]

**SMALL IS BETTER.** Some of the better web sites are coming from smaller markets. “Crazy Jerry” Hinrikus in Salina, KS—[www.ebclink.com](http://www.ebclink.com)—is streaming four or five ball games live at the same time on the web. Then he’s archiving them at his web site, so people can listen to them whenever they want. Each stream can be sponsored, and Jerry gets low-cost interns—or clients—to call the games. On the air, the jock is monitoring all the games and acts like *ESPN Sports Central*, giving constant updates.

Another thing that Jerry does—“[Market]’s Most Wanted” page. It’s like “America’s Most Wanted” for the local community, with pictures and descriptions of criminals at large, crime-stoppers tips and so on.

**BUT SELL BIG.** The danger facing radio people is treating their web sites like their radio stations. In radio we’re used to selling the smallest things we can find—spots, 10s, 30s, 60s. So when the web came along we started selling little things—banners and tiles, little stuff for little money. Instead of treating your web site as another radio station, selling little units, treat it as extra hours of the same station; it’s *part of*, and when you combine the two, it’s very powerful. All you have to do on the air is promo it.

**PAGE OF FAITH.** This is a page you sell to local clergy people—maybe five of them on the same page—and each one has a five-minute audio sermon available for downloading or listening. [Last three: Jim Tazarek, TazMedia, [www.tazmedia.com](http://www.tazmedia.com)]

**BUT SELL IT.** The main thing about your web site is to think of creative ways to sell it. Don’t just sell “spots,” find ways to *involve* your sponsors.

## Ten Reasons to Advertise

There are times when we radiologists and other professionals must remind prospects and active clients why it's important to continue to invest their hard-earned money in advertising. Often, when businesses experience slow sales and/or other financial concerns, they look to their advertising budget as one of the first areas in which to make cuts. But advertising is a business's most important link to the consumer—and savvy marketers actually will intensify their advertising efforts when they need to increase sales or meet other critical financial objectives.

Here are ten key reasons why businesses should establish and maintain a well-planned, well-funded, and well-executed advertising program:

1. **ADVERTISING CREATES STORE TRAFFIC.** Continuous store traffic is the first step toward increasing sales and expanding your base of shoppers. The more people who come into the store, the more opportunities you have to make sales. A National Retail Federation survey found that for every 100 items shoppers plan to buy, they make 30 unanticipated purchases.
2. **ADVERTISING ATTRACTS NEW CUSTOMERS.** Your market changes constantly. Newcomers to your area mean new customers to reach. People earn more money, which means changes in lifestyles and buying habits. The shopper who wouldn't consider your business a few years ago may be a prime customer now.
3. **ADVERTISING ENCOURAGES REPEAT BUSINESS.** Shoppers don't have the store loyalty they once did. Shoppers have mobility and freedom of choice. You must advertise to keep pace with your competition. The National Retail Federation states: "Mobility and non-loyalty are rampant. Stores must promote to get former customers to return and to seek new ones."
4. **ADVERTISING GENERATES CONTINUOUS BUSINESS.** Your doors are open. Employees are on the payroll. Even the slowest days produce sales. As long as you're in business, you've got overhead to meet and new people to reach. Advertising can generate traffic now. . .and in the future.
5. **ADVERTISING IS AN INVESTMENT IN SUCCESS.** Advertising gives you a long-term advantage over competitors who cut back or cancel advertising. A survey of more than 3,000 companies found that advertisers who maintained or expanded advertising over a five-year period saw their sales increase an average of 100 percent, and companies that cut advertising grew at a less than half the rate of those who advertised steadily.
6. **ADVERTISING KEEPS YOU IN THE COMPETITIVE RACE.** There are only so many customers in the market ready to buy at any one time. You have to advertise to keep

regular customers and to counterbalance the advertising of your competition. You must advertise to keep or expand your market share or you will lose to more aggressive competitors.

7. **ADVERTISING KEEPS YOUR BUSINESS TOP-OF-MIND WITH SHOPPERS.** Many people postpone buying decisions. They often go from store to store comparing prices, quality and service. Advertising must reach them steadily through the entire decision-making process. Your name must be fresh in their minds when they decide to buy.
8. **ADVERTISING GIVES YOUR BUSINESS A SUCCESSFUL IMAGE.** In a competitive market, rumors and bad news travel fast. Nothing sets the record straight faster than advertising; it tells your customers and competitors that your doors are open and you're ready for business. Vigorous and positive advertising can bring shoppers into the marketplace, regardless of the economy.
9. **ADVERTISING MAINTAINS MORALE.** Positive advertising boosts morale. It gives your staff strong, additional support. When advertising or promotion is suddenly cut or cancelled, salespeople and employees may become alarmed or demoralized. They may start false rumors in the honest belief that your business is in trouble.
10. **ADVERTISING BRINGS IN BIG BUCKS FOR YOUR BUSINESS.** Advertising works. Businesses that succeed are usually strong, steady advertisers. Look around. You'll find the most aggressive and consistent advertisers are almost invariably the most successful. Join their ranks by advertising and watch your business grow!

—*Radio Sales Today*, RAB, [www.rab.com](http://www.rab.com)



**GET CASH IN ADVANCE** from these types of advertiser, warns Larry Fuss, Delta Radio, [lfuss@deltaradio.net](mailto:lfuss@deltaradio.net):

1. *Any* type of transient business—traveling meat wagons, circuses, concerts, parking lot mattress sales, tool sales, etc.
2. Honky-tonks and night clubs
3. Tattoo parlors
4. Anybody who does business out of their truck or out of their home
5. All political advertising
6. All religious advertising (tent revivals, gospel singings, snake handlings, etc.)
7. Any new business with an unknown credit history (pay in advance for first order)
8. Anybody we have ever had a collection problem with, including people who don't know how to put a stamp on an envelope and mail us a check

## **Reconnecting**

**By Bob Doll**

When a backhoe broke a gas line at a busy intersection in downtown Chapel Hill, North Carolina in 2001, flames shot into the sky. Electric power was shut down to avoid sparks. Local residents tuned into the local radio station to find out what was happening. All they got was music.



Bob Doll

When they called the station to find out what was happening, no one was there. No live person answered the phone because the station's computer was running the station, playing music day and night. Announcements and commercials were being dropped in by a tape that had been made by an announcer earlier in the week.

That story was told in *USA Today* by a journalism professor who lives and works in Chapel Hill. Philip Meyer holds the Knight Chair in the School of Journalism at the University of North Carolina. He is also on the board of contributors at *USA Today*.

But a lot can happen in a couple of years. According to Professor Meyer, "On December 4, 2002, a big ice storm hit the Chapel Hill area. Homes were without electricity for up to a week. WCHL kept the town together. The station stayed on the air, thanks to its emergency power generator. Citizens, huddled around their battery radios, called into the station with advice on how to keep warm, where to find firewood, how to avoid blocked streets, identifying merchants who had a stock of batteries."

After the first Chapel Hill emergency in 2001, WCHL changed management. Jim Heavner, the owner-operator of WCHL, approached the former owner, Don Curtis of Curtis Media Group, about taking WCHL back. The station was the smallest of a dozen media outlets operated by Heavner's Village Companies (VilCom).

The Curtis organization folded the WCHL operation into WDNC-AM, 10 miles away at Durham. It was a big mistake. Phil Zackery, vice president of the Curtis Group, said at the time, "Pairing WCHL and WDNC hurt both stations." Although Chapel Hill and Durham are just 10 miles apart, they have just one thing in common: they're both in North Carolina. "WCHL," Zackery said, "will reconnect itself as Chapel Hill's hometown station, which will be a very good thing for that community."

And so it was that Jim Heavner brought WCHL back to Chapel Hill last Fall; he says, "People who were in the area before WCHL was moved to Durham will remember the station's past style and welcome its return." They did.

Heavner's first move was to establish studios at the Campus on VilCom Circle, an office park he developed in the 1990s. It is in the building called McLamrock Hall, which Heavner named in honor of Sandy McLamrock, a Chapel Hill entrepreneur, civic leader and WCHL founder (in 1953—another building in the park is Boyd Hall, named for WCHL's original program director, Ty Boyd, who went on to become the legendary morning man at WBT, Charlotte and, in recent years, a nationally known motivational speaker).

Heavner installed Dean Linke as WCHL's general manager. Linke had managed Heavner's highly successful web site, GoHeels.com, sold last fall to Learfield Networks.

Heavner and Linke chose a News/Talk/Sports format for WCHL. Thirteen of its daily 24-hour schedule are devoted to locally-originated talk. Knowing the importance of an established morning host on an AM station, they brought back Ron Stutts, a popular area personality for decades.

Stutts is joined on the morning show by Linke, who reports on sports. A local tire dealer sponsors safety messages delivered by area grade-school students. A local dry cleaner appears on the air to pass along "The Clean Joke of the Day."

At ten o'clock the station carries a program it calls "The Special Hour." Ten rotating hosts pick their topics and studio guests. Heavner hosts the show two or three mornings a week.

At eleven o'clock, there's an hour of news and features (mainly local). Other local programs include "According to Me," hosted by a local businessman who identifies himself as "Me," and a local sports talk show hosted by a high-profile local sports figure.

Because of the influence of University of North Carolina faculty and the vigorous area high-tech industry, Heavner and Linke believe that their station needs to offer outstanding world and national news service. In Linke's words, "We were fortunate that CBS, the longest established news network, was available to us."

The station's heavy local news coverage is enriched by a cooperative agreement with the local daily newspaper, the *Chapel Hill Herald*. "We made a handshake deal", Heavner says.

Network talk shows include Sam Donaldson from Noon to two and Dave Ramsey's financial and other advice show from two to four. Linke reports, "We're getting very good feedback on both."

In addition to North Carolina football and basketball, which WCHL gets from a regional network, the station originates the university's women's basketball and baseball games. The station also covers the two local high schools.

Linke and two salespeople handle ad sales for the station. "We're blessed here with a business community of many talented merchants and service providers. They welcomed us back with

open arms. Many told us how advertising messages.

they were to have a local radio station again to carry their

“As WCHL had done for more than 40 years before moving to Durham, we stress ads with a purpose, many done by the customers. Like most full service radio stations, we don’t get a big margin, but we’re solidly profitable and growing.”

Jim Heavner broke into radio while in high school at Kings Mountain, North Carolina. He arrived in Chapel Hill fresh out of school and quickly rose from part-time announcer to salesman to managing partner to owner to group owner. Along the way, he became play by play man for a regional network that he started. He became nationally known in the 1960 RAB sales programs. His part of the program was advising stations how to conduct “The Consultant Sell,” which brought new respect and revenue to many radio stations in all size markets in all parts of the country. It’s a sales idea that has lasted four decades.

WCHL “is back in town,” thanks to its adopted son. After two and a half months, it’s a good thing for all concerned.

*Bob Doll is Editor Emeritus of SMRN. He is the author of Sparks Out of the Plowed Ground and A Perfect Union. Bob can be reached at (830) 379-7549; fax (830) 372-2905; e-mail [bobar@gvec.net](mailto:bobar@gvec.net).*



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# Small Market Radio Newsletter

The Voice of Small Market Radio

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**XM REACHES FOR THE SKY.** According to an article in the 2/17/03 issue of *Barron's Weekly*, XM Satellite Radio is projecting that by the end of this year they'll have over a million subscribers. The company's target is 10 million subscribers by the end of 2007.


 [www.xmradio.com](http://www.xmradio.com)

**IS WAR IMMINENT?** While the Powers That Be (or Powers That Bush) decide the answer, we in small market radio must deal with a skittish customer base. We asked two top sales consultants how they answer the "war" objection; see their answers beginning on Page 3. *Hint: keep these around for almost any other objection, too!*



**AMBER PASSES SENATE, BLOCKED IN HOUSE.** After being passed in the Senate, the bill that would fund a nationwide missing-child alert system is being held up in the House. The sponsors of the House version of the bill, Reps. Martin Frost (D-VA) and Jennifer Dunn (R-OR), will likely drop theirs in favor of the Senate version, sponsored by Sens. Kay Bailey Hutchison (R-TX) and Dianne Feinstein (D-CA).

**NAB WANTS YOUR LOCAL-SERVICE STORY.** To bolster our industry's assertion that, in the words of NAB President/CEO Eddie Fritts, radio is "a diverse, local, community-oriented medium," the association wants to hear from us about "innovative" things we're doing to be uniquely part of our communities. As their call to action says, "Has your radio station debuted any local bands that made it big? Does your station have specialty niche programming targeted at certain ethnic groups or other demographics? NAB wants to hear from innovative radio GMs, programming directors and DJs who are engaged in these activities." E-mail your stories to Alex Haurek at [aliaurek@uab.org](mailto:aliaurek@uab.org).

**ABC AND CNN NEWS WON'T MERGE,** says CNN parent AOL Time Warner: "After careful review, it was determined that although there are great merits and possibilities to a merger, the potential problems associated with the completion of such a transaction and the integration of these two distinct and great cultures was more than we wanted to pursue at this time."  [www.aoltime Warner.com](http://www.aoltime Warner.com)

**TWO APPOINTED TO NAB RADIO BOARD.** Radio Board Chair Ginny Morris has appointed Maria Elena Llansa, Spanish Broadcasting Systems, and Bruce Reese, Bonneville International, to at-large seats on the NAB Radio Board.  [www.nab.org](http://www.nab.org)

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## TOP OF THE WEEK

**LIMBAUGH TOPS TOP TALK HOSTS.** No surprise there, but the *Talkers Magazine* top ten talk hosts does contain one upset: Dr. Laura, who at one time ran neck-in-neck with the head ditto-head, has tumbled to Number Three, behind upstart Sean Hannity. The list: 1. Rush Limbaugh (14.5 million listeners); 2. Sean Hannity (10 million); 3. Dr. Laura Schlessinger, Howard Stern (tie—8 million each); 4. Michael Savage (6 million); 5. Art Bell, Jim Bohannon, Dr. Joy Browne and Don Imus (tie—4.25 million each); 6. Neal Boortz, The Dolans and Clark Howard (tie—2.5 million each); 7. Michael Gallagher, G. Gordon Liddy and Bruce Williams (tie—2.25 million each); 8. Kim Komando, Tom Leykis, Jim Rome and Doug Stephan (tie—1.75 million each); 9. Glenn Beck, Michael Medved and Dave Ramsey (tie—1.5 million each); 10. Bob Brinker, Dr. Dean Edell and Phil Hendrie (tie—1.25 million each).

**EQUAL-TIME COMPLAINT QUASHED.** The FCC has denied the complaint filed by a mayoral candidate in Newport, RI in which he alleged that area radio stations KNPT (AM) and KYTE-FM failed to grant his request for equal time. The candidate, David Allen, charged that the radio stations aired interviews with the incumbent mayor, Mark Jones, outside of a news context; the Commission found that the interviews took place as part of the stations' normal news coverage.

**MEGA HEADS QUASH PACING NUMBERS.** During the annual Group Fly In, in Washington, DC earlier this month, the assembled CEOs said they would prohibit their managers from reporting revenue numbers to the RAB and Wall Street analysts. The group heads have also curtailed statements by RAB's Gary Fries, asking him to say only whether a month was "good" or not. The Miller, Kaplan, Arase & Co. monthly revenue reports will contain no categories, just the broad strokes. The group guys cite concerns over leaks to Wall Street and the industry press.

**NEW RED CROSS PSA'S FROM NAB.** A new public service campaign, "Together We Prepare," is now available. The spots urge listeners to prepare for the unexpected, with the help of the Red Cross. To find out when the campaign will be available for radio, e-mail Red Cross coordinator Jessica Danaceau at [danaceauj@usa.redcross.org](mailto:danaceauj@usa.redcross.org).

**NEW LIBERAL RADIO NETWORK TO DEBUT.** A group of wealthy Democrats is planning a new network in an attempt to balance right-leaning fare from such as Rush, Sean and Michael (pick one). Led by venture capitalists Sheldon and Anita Drobny, the new web will be headed by radio consultant Jon Sinton, who commented to *The New York Times*, "The object of the programming is to be progressive and make a statement that counters this din from the right." The group's first move: contract chats with comedian Al Franken, author of *Rush Limbaugh Is a Big Fat Idiot*.

**RAB REPRISES WOMEN'S MANAGEMENT COURSE.** The Radio Advertising Bureau will be holding its second course just for women sales managers and aspiring managers March 31-April 3 at the RAB Radio Training Academy in Dallas. Guest speakers include Joan Gerberding, Nassau Media Partners; Nancy Vaeth Dubroff, Susquehanna; and Mary Bennett, RAB. Topics include "Time Management: Creating A Balance," "The 'Genderation' Gap," "Communicating Upward," and "Public Speaking and Presentation Skills."

## Responding to the “War” Objection

Jim Taszarek

So the client says, “We’re going to hold back our advertising for awhile. We’re going to see where this thing goes.” Answers:



Jim Taszarek

1. Well, that’s fine. Just make sure your closest competitor down the street isn’t staying on the air. If you’re not advertising (inviting our listeners to come to your place of business) and during that same time a couple of your close competitors keep advertising, that means you’ll lose share of business. Worse, if they see you out of the battle, and they may choose to increase their advertising while you’re lying low, you might come out on the other side of this with a much lower share of market than now.
2. Mr./Ms. Advertiser, if you think a war will slow business down, and you’re not advertising, boy, your business will slow down even more. Yours will slow down more than your competitors. And when it’s over, your competitor might be way ahead of you.
3. Mr./Ms. Advertiser, you’re still going to have to pay for the electricity, phones, insurance, dues, business taxes, payroll, benefits etc. Right? So while your overhead stays the same, your volume will decrease. Just make sure it doesn’t decrease so much as to put the business in jeopardy. Heck, logic would dictate to advertise *more* in tough times.
4. On that subject, consider that now might be a great time to actually increase your spending. Let’s say a couple of your competitors are foolish enough to cut back their advertising. Take advantage of that now. Create a couple of sales, a couple of offers that are great deals for your customers. Have them here in droves. Create a great cut-through commercial and a cut-through offense style sale/promotion and you can change the competitive landscape of the business in about a month. You’ll be on top of the mountain.
5. Great. We need the avails. Why? Everyone knows our area network TV stations will be dumping all their spots. Those advertisers are coming to radio in droves. They have to advertise to stay in business. And to them, our rates look cheap. We can sell your spots for double what you’re paying. Thanks so much.
6. By the way, when it’s over, history will repeat itself—again. A bunch of those former TV advertisers who had great results with their new radio schedules will stay on radio, at higher rates. When you need to come back, there won’t be as many avails, and the rates will be higher. Where will you go to advertise?
7. Remember our enemies said, “We want to damage the American economy.” Looks like they’re succeeding. Lack of advertising will slow down your volume. So you’re doing your small part to slow the economy. The President said, “Charge ahead. Get out and do

business.” Sounds to me like this might be a great time for a big sale or a promotion—as a matter of good business, not to mention patriotism.

Think these responses sound cold and tough? Hey, that’s the New Economy.

A couple of other ideas:

1. Is there a nearby military installation? There are probably lots of military dependents who could use some financial help. What are the town and the station doing to give support to these people? Sounds like an ideal opportunity for a community drive, with lots of sponsor participation.
2. Speaking of nearby military installations, what about a 60-second sponsored “Base Newscast,” about the military and civilians at the base? Great sponsorship opportunity.
3. How about a morning breakfast workshop conducted by the station? Call it *the KXXX Economic Roundtable: Surviving in Doubtful Times*, or, *Surviving in a Semi-Wartime Economy*. Have guest speakers—from out-of-town ad agencies, big companies or universities—give histories of what happened when businesses cut back advertising during the depression.
4. Finally, have you heard people say, “I’m glued to CNN?” Sure you have. In the last week or so have you noted how long it takes to load CNN or MSNBC on your computer? That means, when people are in their car or working, they’ll be glued to the radio. Imagine what would happen if there’s any military action? (Hope not!) But if there is, again, people will be glued to their radios. And Mr./Ms. Advertiser who decided to “wait and see” will have missed the largest audiences in a decade!

—Jim Taszarek, TazMedia, [www.tazmedia.com](http://www.tazmedia.com)

## Dave Gifford

The prospect of war, like the economy, just gives business people another excuse not to advertise, or to reduce the advertising. Here are some ideas for when you hear, for *any* reason, “I’m cutting back my advertising!”

The first thing to ask is, What is behind those words? Obviously—between your last call and this call—something influenced them to use those words.

Do not assume, for one second, that it’s a chiseled-in-stone *decision*. It may only be *conclusion*, or maybe they’re merely verbalizing what they’re considering doing. But a notion and/or a conclusion is not a decision!

What is called for is “shock treatment.” Verbally, you have to slap them into their senses by spelling out in word pictures the consequences—what is going to happen to their business (“cause and consequences”) if they make the mistake of cutting back their advertising in a recession.



Dave Gifford

1. "You can't! That's financial suicide." (A verbal shake-them-into-their-senses "slam dunk"!)
2. "Boy, that's the kind of decision that'll strike the fear of God into your competition! Get serious!"
3. Immediately after hearing the objection, quickly write down the following three words in vertical order: MORE! SAME! LESS! Then, turning the piece of paper containing those words toward your client, ask the following question: "If you cut back your advertising, are you going to sell more of what you sell, the same as what you currently sell, or, closer to the truth, LESS of what you currently sell?"

Obviously, nobody is going to say "more" of what they sell, but don't be surprised, if only to defend their decision to cut back their advertising, they answer, "The same!" To which, you reply, "Cut back your advertising and I guarantee you six things: 1. You'll lose customers! 2. You'll miss your targets! 3. You'll lose market share! 4. Your revenue will go down! 5. Your cash flow will go down! 6. Your profits will go down! And you can't afford that, can you?"

4. "If you think things are bad now, just wait till you see how bad things get after you cut back your advertising!"
5. "Cut back your advertising, Bubba, and I promise you one thing. Overnight your best customers are going to become your competitor's best prospects!"
6. "Would you rather our listeners buy from (name their most hated competitor), instead? They're increasing their ad budget!"
7. "Look, every year, for a business that fails, is a recession year! Hell, it's a depression year! Yet, for those businesses who prey on competitors who cut back their advertising, it's a boom year!"
8. "You know, you couldn't make it any easier for your competition if you tried. And by that I mean, in cutting back your advertising, that's exactly what your competitors want you to do!"
9. "Let me ask you something: What if tonight your competitors decided, effective tomorrow morning, they're all going to cut back their advertising? Would they, or would they not, be playing right into your hands? Well, in cutting back your advertising, what do you think you're doing? Think about the consequences."
10. "You realize, of course, by cutting back your advertising, you're playing right into the hands of your chief competitors—true or false?"
11. "What are you going to do, let the competition have the stage all to themselves? You can't afford that!"

12. "Let's discuss this. Of your major competitors, which ones stand to gain the most at your expense? If you actually do cut back your advertising, you'd better think about that."
13. "Look, the only way things are going to get better around here is for you to make them better! Cut back your advertising and you're only make things worse!"
14. "You realize, I hope, that the road to business failure is paved with businesses that cut back their advertising during a recession!"
15. "OK, but according to the National Retail Federation, and I quote, 'Any business that cuts back its advertising will either be severely hurt, or will not survive.'"
16. "It's just like the little lady said in *Alice In Wonderland*, 'Sometimes you have to run twice as fast to stay in the same place.' Cut back your advertising and you'll just fall back, period."
17. "Then how the heck do you hope to replace the 30% of your customer base that you lose every year through attrition?"
18. "Bertha, what your business needs is more customers and more sales! If you cut back your advertising, how are you going to get them?"
19. "Come on, Bubba, cutting back your advertising in a recession is like stepping over dollar bills to pick up pennies—and you know it!"
20. "True or false: Cutting back your advertising is like firing your best salesperson. The answer is true, isn't it?"
21. "That's some New Years' Resolution you've got there. One I think you better break real quick if you hope to compete this year!"
22. "Cutting back your advertising can only mean one thing: you choose not to compete!"
23. "Before you cast your decision to cut back your advertising in quicksand. . .if fewer dollars are being spent, then, just to stay even, you have to get your 'unfair' share of the dollars that *are* being spent! How are you going to do that if you cut back your advertising? You can't; it's impossible! In order to get your 'unfair' share of business, you have to advertise for your 'unfair' share of business!"
24. "Face it, today you need only two things to succeed in business, regardless of the economy. You need new business and you need repeat business, but you can't have one without the other, can you? Now, you get new business by advertising for it, and you get repeat business by advertising for it consistently. And, face it, if you fail to advertise consistently, you fail to advertise intelligently. So, explain something to me, will you? How are you going to attract new business, and therefore more repeat business, if you cut back your advertising?"

25. Take the objection away from them! "Business is slow, is it? Well, that's exactly why I'm here. I'm here to speed it up!"
26. To steal an account from a non-frequency competitor like newspapers: "You're #1 sales problem is not poor sales! Poor sales is a symptom of your #1 sales problem, the result of your #1 sales problem. Face it, if more people knew about your business, you'd be doing more business! If more people knew why they should be doing business here, more people would be doing business here. Clearly, your #1 sales problem is that there is a fundamental flaw in your advertising. Obviously, you're not reaching enough people, enough of the right people, enough times! Cut back your ad budget and you're going to end up reaching even fewer people, fewer times, true or false?" (Followed by your "Effective Reach & Effective Frequency" speech)
27. "The lesson of every recession is the same. Those businesses that end up stronger than ever, after the recession is over, are those businesses that maintained a competitive top of mind awareness during the recession! Cut back your advertising and you cut back your share of market, true or false?"
28. "Face it, Bertha, you're staring into the teeth of some very determined competition in 2003 —growing competition! And standing here looking out that window isn't going to do the trick. What you've got to do is to get people staring back at you. . .over this counter! Cut back your advertising and that's not going to happen, is it?"
29. "Face it, Bubba, the major difference between a big business and a little business, is the size of their advertising budget. Face it, generally the company that advertises most, wins, and the company that advertises least, loses, true or false? So, since life is full of choice, what's your choice? Do you choose to win, or to lose?"
30. To a personal business "friend" you can say anything to: "You're going to what? You're going to cut back your advertising? Well, then, why don't we go to work on your 'Going Out Of Business Sale' and accomplish two things at the same time?"
31. To a personal business "friend" you can say anything to: "Then, while you're at it, why don't you shut off the lights and padlock the door! Because if you cut back your advertising, now, when you need it most, you're toast!"
32. To a personal business "friend" you can say anything to: "Well, face it, the way you advertise, you deserve a recession!"
33. "Good! You've been wasting too many ad dollars anyway. Now you can put them all on my station and finally get your money's worth!"

Keep in mind, you match each "boomerang" (comeback to an objection) to your personal relationship with the prospect or customer. If there is no one on your list you can use some of the above "boomerangs" on, you're probably not close enough to anyone on your list!!!

—© Dave Gifford, Dave Gifford International, [giff@talkgiff.com](mailto:giff@talkgiff.com)

## **War! (Ungh, Good God, Y'All.) What Is It Good For?**

As we put this issue to bed, the threat of war in the Middle East is very real. That threat of war has divided our country and most of the world like no time since Vietnam. (In some parts of the world, commentators say, there has been nothing like it since World War II.)

Each of us is wondering, "How, exactly, will all this affect my business?" I will avoid the temptation to respond with a flippant, "That's up to *you*," although I hope you do feel, as I do, that while we have little control over external events, we have total control over how we respond to them.

In a way, we're lucky to have had to deal with the shaky crappy-economy-driven selling environment of the last couple of years. It has made us—those of us still in the business, that is—stronger and more able to deal with negativity in the marketplace.

A prominent industry leader told me recently, "I don't think war will have that much of an effect. We've been talking about it for so long, if it becomes a fact, there won't be that much difference."

I hope that's true; but I am planning some killer responses nonetheless.



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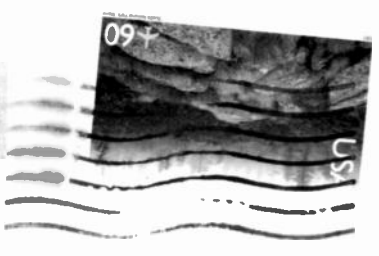
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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio

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**COUNTRY GROWING, SURVEY SEZ.** A study by Edison Media Research, conducted by and for the Country Radio Seminar (CRS), indicates, in the words of Edison President Larry Rosin, "Country music is resurgent this year and seems to be picking up 15-29s along the way. This younger demo is critical to the future of the Country music industry and the Country format." <http://www.crb.org/2003/index.html>

**SMALL MARKET CRS RADIO PROMOTION AWARDS** have been given to WTHI, Terre Haute, IN, first prize for "Clabber Girl Classic"; WIXN, Dixon, IL, first runner up for "Backyard Cookouts"; and WPKR, Oshkosh, WI, second runner up for "Peace, Prayers, and Patriotism."

**LISTENERS LOVE RADIO CHOICE, SURVEY SEZ.** An Arbitron study shows that 79% of respondents are "very pleased" with the programming choices available to them, saying they now have more choice than, or the same amount of choice as, they did five years ago. More than 33% say their choices are greater now, and 69% say their local stations do a "very good" or "good" job with programming variety. Nearly 80% say they listen to their local stations at least once a week for news, weather, traffic, sports and community activities, and 85% say that radio plays an important role in delivering that type of information to them. [www.arbitron.com](http://www.arbitron.com)

**SEE WHAT WE HAVE TO CONTEND WITH?** A *New York Times* op-ed piece recently opined, "A song about George W. Bush's rush to war in Iraq would have no chance at all [on the radio] today. There are plenty of angry people, many with prime music-buying demographics. But independent radio stations that once would have played edgy, political music have been gobbled up by corporations that control hundreds of stations and have no wish to rock the boat."

**SAT STOCKS SKY HIGH.** Based on recent successes in getting auto manufacturers to feature, and consumers to purchase, their systems in new cars, the stock of both XM and Sirius has jumped over 20% in recent days. And speaking of the Number Two satellite company, Sirius drew praise for its recent ad campaign—which coupled a hip Grammy-telecast spot with a 12-page FSI—from MediaPost's John Gaffney, who says the satellite company "has gone from dead to brilliant in a matter of weeks. Its new campaign is creating a sense of cool and curiosity around a business that was static at best. Rock on, Sirius."

[www.mediapost.com/dtls\\_dsp\\_trad.cfm?tradID=196723&archive=tr](http://www.mediapost.com/dtls_dsp_trad.cfm?tradID=196723&archive=tr)

**WAR MAY HURT, ANALYST SEZ.** According to Lehman Brothers analyst William Meyers, broadcasting stocks may underperform the broad market in the event of war in the Middle East. Meyers predicts that those stations with less news programming might do better, since they probably won't go commercial-free at the beginning of hostilities, as news outlets might.

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## **April Business C**

The following businesses pos

- Alcohol Awareness Month
- Cancer Control Month
- Community Spirit Days
- Holy Humor Month
- Informed Woman Month
- International Customer Loyal
- Keep America Beautiful Mor

## **April Promotion**

### **Months**

- Alcohol Awareness Month
- Animal Cruelty Prevention M
- Cancer Control Month
- Couple Appreciation Month
- Deaf History Month (3/15-4/
- Informed Woman Month
- International Amateur Radio
- International Customer Loya
- International Legacy Month
- International Work Life Enri
- Keep America Beautiful Mor
- Mathematics Education Mon
- Medication Safety Week
- National Autism Awareness
- National Child Abuse Preven
- National Humor Month
- National Kite Month

### **Weeks**

- Apr 1-7—Golden Rule Wee
- Apr 1-7—Graduate and Prof
- Awareness Week
- Apr 1-7—Laugh at Work W
- Apr 1-7—Testicular Cancer
- Week
- Apr 5-10—NAB Spring Cor

## **ortunities**

-average sales in the month of April:

- National Autism Awareness Month
- National Lawn & Garden Month
- National Humor Month
- Stress Awareness Month

—RAB's *Top 40 Business Survey*

th

## **pportunities**

- National Lawn and Garden Month
- National Occupational Therapy Month
- National Parkinson's Awareness Month
- National Pecan Month
- National Pet First Aid Awareness Month
- National Poetry Month
- National Sexually Transmitted Diseases
- Education and Awareness Month
- National Sexual Assault Awareness Month
- National Smile Month
- National Youth Sports Safety Month
- Prevent Injuries America!
- School Library Media Month
- Soyfoods Month
- Stress Awareness Month
- Women's Eye Health and Safety Month
- World Habitat Awareness Month

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Month

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- Apr 6-12—National Civility Week
- Apr 6-12—National Library Week
- Apr 6-12—Passion Week
- Apr 6-12—Pediatric Nurse Practitioner
- Week
- Apr 6-12—Week of the Young Child
- Apr 7-13—National Blue Ribbon Week

Apr 7-13—National Public Health Week  
Apr 13-19—Holy Week  
Apr 13-19—National Garden Week  
Apr 13-19—National Women's Nutrition Week  
Apr 13-19—Pan American Week  
Apr 14-18—Explore Your Career Options Week  
Apr 14-21—Jewish Heritage Week  
Apr 14-18—National Credit Education Week  
Apr 14-20—Young People's Poetry Week  
Apr 17-24—Passover (Pesach)  
Apr 20-26—Administrative Professionals (formerly Secretaries) Week  
Apr 20-26—Grange Week

#### Days

Apr 1—April Fools' Day  
Apr 1—National Fun at Work Day  
Apr 2—International Children's Book Day  
Apr 2—Paraprofessional Appreciation Day  
Apr 2—Reconciliation Day  
Apr 4-6—Alcohol-Free Weekend  
Apr 6—Check Your Batteries Day  
Apr 6—Daylight Savings Time Begins  
Apr 7—World Health Day  
Apr 9—National Former Prisoner of War Recognition Day  
Apr 9—Thank You School Librarian Day  
Apr 10—National Alcohol Screening Day  
Apr 10—National D.A.R.E. Day  
Apr 10—National Siblings Day  
Apr 10—National Teach Children to Save Day  
Apr 11-13—National Youth Service Days  
Apr 13—Palm Sunday  
Apr 14—Pan American Day  
Apr 15—Income Tax Day  
Apr 16—National Stress Awareness Day

Apr 20-26—National Coin Week  
Apr 20-26—National Crime Victims' Rights Week  
Apr 20-26—National Karaoke Week  
Apr 20-27—National Landscape Architecture Week  
Apr 20-26—National Organ and Tissue Donor Awareness Week  
Apr 21-27—Egg Salad Week  
Apr 21-27—National Park Week  
Apr 21-27—National Playground Safety Week  
Apr 21-27—National Wildlife Week  
Apr 21-27—National Window Safety Week  
Apr 27-May 3—National Volunteer Week

Apr 16—Passover Begins at Sundown  
Apr 18—Good Friday  
Apr 18—Pet Owners Independence Day  
Apr 19—Husband Appreciation Day  
Apr 19—National Auctioneers Day  
Apr 20—Easter  
Apr 21—Kindergarten Day  
Apr 22—Earth Day  
Apr 23—Administrative Professionals (formerly Secretaries) Day  
Apr 24—Take Our Daughters and Sons to Work Day  
Apr 25—National Arbor Day  
Apr 26—National Rebuilding Day  
Apr 26—National Sense of Smell Day  
Apr 26—Native American Heritage Day  
Apr 28—Kiss Your Mate Day  
Apr 28—Workers Memorial Day  
Apr 30—Hairstylist Appreciation Day  
Apr 30—National Honesty Day  
Apr 30—Vietnam Liberation Day

—Chase's 2003 Calendar of Events

## More on the War

Last week we presented two consultants' recommendations on how to respond to the objection, "I'm going to hold off because of the threat of war." This week, courtesy of the RAB, we present some hard data to compel your advertisers to do the right thing:

- During the last recession, in the early 1990s, a study conducted by the Center for Research and Development found that businesses that cut ad spending to increase short-term profits fared no better in terms of profitability than those that actually increased their ad spending by an average of 10 percent. Moreover, the study's data showed that in exchange for accepting a slight decline in short-term profits, an aggressive ad campaign can more than double an advertiser's gains in market share.
- At an Advertising Research Foundation conference in New York last year, Taylor Nelson Sofres (TNS) analyst Dr. Stephan Buck presented research that concluded that in each of the last three economic downturns over the past 30 years, brands that maintained advertising continuity did better in terms of market share than those who cut ad spending.
- Another TNS study examined premium supermarket brands compared with smaller brands during a spate of price wars in British supermarkets. That study found that the average share of #1 brands within the branded sector dropped by 2 percent over the past four years after years of growth. The tertiary brands, which had maintained ad spending, saw a 15 percent increase in market share.
- Three in five (61 percent) of respondents to a Strategy One survey in the wake of the September 11 terrorist attacks agreed that it was appropriate for marketers to take and communicate a position on the attacks. At the same time, 64 percent said they agreed marketers should focus on talking about their products and services.

The following thoughts on advertising in wartime for the smaller advertiser were written in 1942, but they are just as applicable today:

- First, the advertising must be distinctive, to be noticed at all.
- Second, it must be timely (the anxious are tuned to every scrap of news).
- Third, it must be brand-building (ignore what others say about gaining readership by hiding your logo).
- Fourth, it must create conversation, to amplify your small budget.
- Fifth, it must stir emotion.
- Sixth, it should consider the "saving grace" of humor (because people crave relief from the grim tidings of the nightly newscast).
- Seventh and lastly, it must be believable.

From a recent article by the Southern California Broadcasters Association: "Most advertisers and all the pundits are trying to predict what will happen if the U.S. declares war on Iraq and attacks. The truth is, no one knows because we've never been in exactly this place before. But in recent history we have been through the Gulf War, the Afghanistan War, two recessions and a terrorist attack on U.S. soil. What we have learned in retrospect from advertisers who did and who didn't advertise, and how they advertised during those periods, is that it is better to advertise and hold or capture market share than to disappear and cede market share to a bolder competitor."

—Radio Advertising Bureau, 800-232-3131, [www.rab.com](http://www.rab.com)

## FEEDBACK

**CAN YOU HEAR ME NOW?** I'd like some feedback from some other *SMRN* readers on a problem that's been brewing for over a year now as more cellular companies switch from analog to digital service on cell phones.

Twelve years ago we at small market stations were excited that we could spend a third of the money for cellular remotes and sportscasts and not have to install courtesy phone lines in every press box, even if we sacrificed some line quality. For years my stations have relied on our full-power 3-watt Motorola bag phone to handle play-by-play in our rural mountainous area. Even a Flipjack two-channel mixer gave some quick remote options with our ½-watt Flipjack phones.

Now comes a new era when 3-watt bag phones will soon become obsolete. Analog towers are being converted to digital; ½-watt phones can't get a signal out of many gymnasiums, and I have an engineer who suggests a \$3,000 investment in a Marti D-Cellcast with 3 watts of power may itself be obsolete in a couple of years. He further suggests some cell companies might be blocking higher power signals coming into their digital towers from such broadcast equipment.

Suddenly cell contracts with unlimited weekend minutes appear laughable if you can't get on the air. What solutions are other small market stations turning to? Are we headed back to the days of investing hundreds in lines with the phone company for out-of-town sportscasts?

—Ed Norden, KRLN/KSTY, Canon City, CO, [krlnksty@ris.net](mailto:krlnksty@ris.net)

*Editor's Note:* And we thought the evaporation of cellular-service trades was bad. Readers, what are you doing about this?

**DRESSING DOWN.** Great response in your February 13th newsletter to the reader about dress. The way I see it, if you're dressing professionally, you're making great money and your lousy-dressed competitors are second rate!

—Carter Snider, WLKI, Angola, IN, [LCB@WLKI.Com](mailto:LCB@WLKI.Com)

*Editor's Note:* Carter is responding to a "Last Word" we did in our 1/23/03 issue entitled, "Dressing for Sales Success." Two weeks later (2/6/03) we printed a rather scathing rebuttal from a young salesperson, along with my rejoinder, which was followed by another rebuttal from said salesperson, which was followed by. . .well, you get the idea. No minds were changed in the making of this movie.

**ALL THE GOOD STORIES.** We recently got an e-mail from a reader who has rejoined us after a ten-year hiatus, telling us that he always enjoyed the profiles of small market stations that used to appear every week. The good news, dear reader, is that the "Small Market Stories" are alive and well, still done by Editor Emeritus Bob Doll, but now they appear monthly, usually in the middle issue of the month. And some of the classic stories can be found online in the Subscribers section of [www.smallmarketradio.com](http://www.smallmarketradio.com). Enjoy. . .and learn from the experiences of fellow toilers in the small market vineyards.

## **The Future of the RAB Conference**

**Commentary by Bob Doll**

**ONE IDEA CIRCULATING** is to fold the NAB Radio Show into the RAB Managing Sales Conference. After attending the RAB Conference earlier this month, I believe that such a move would be a bad idea. I think the sales conference is too important to be diluted by another event on the premises.

Over time, radio broadcasters have rightly come to believe that radio is about sales and marketing. As my first boss told me over 50 years ago, "If we have the sales, we can afford everything else."

My firsthand observation of the sales conference impressed me with its educational tenor. The vast majority of the attendees were there to learn, to increase their knowledge and sharpen their skills in carrying on the most important part of the business—SALES.

Successful managers in insurance, a far more mature business than ours, have known for decades that their business is first and foremost sales. As many an old-timer has said, "All the rest is sales support."

The programs and seminars in New Orleans were excellent. Everyone I talked with told me, "I know I've gotten enough new information and ideas to pay for the trip."

There is also talk about discontinuing the NAB Radio Show in favor of staging a half dozen regional radio meetings around the country. That energy would be better expended in cooperating with the state associations to enrich their regularly-scheduled conventions.

I believe the radio show should be incorporated back into the NAB Spring convention. There's plenty of room, and the engineering exhibits and programs and the legal stuff are already in place. Many of the smaller equipment suppliers will be better off concentrating on one big broadcasting radio show than trying to have a presence at two.

Las Vegas is a convention city that has no equal. It is more likely to fit into the kind of tight travel budgets that radio operators, large and small, are faced with now and into the future.

**THE OWNERSHIP REWRITE.** The FCC has been deluged by more than 13,000 public comments. That's a staggering amount of reading for the Commission members and the FCC staff. In addition to the written communications, the FCC is gathering even more comments in formal and informal meetings with the public.

Chairman Michael Powell is being pressured by members of Congress to finish the rewrite ASAP. The issues are complex. Powell believes they are so complicated that he has offered a reward to the FCC economist who comes up with a competitive media index that could survive time. After reading a lot on this subject, I must tell you I don't have any clear cut opinion on what should be in this rewrite. I don't apologize for this, because apparently none of the experts do, either.

**WELCOME BACK.** A lot of us have lamented the exit of very good radio people in this era of consolidation and downsizing. We have believed that the real good ones will be back. Case in point: Chuck Thornton, absent from radio for a couple of years, is back. Yogi Yoder has put Chuck's dedication and ability to work as general sales manager of the three-station cluster he runs for Bill Prettyman at Martinsburg, WV (60 miles outside DC).

## **Audio Theater**

**By Jeffrey Hedquist**

What are some of the skills you need to create great radio commercials? The ability to capture attention, tell compelling stories, involve the listener's imagination, create effective dialogue, develop distinct characters and use music and sound effects to weave an audio spell. Funnily enough, these are the same skills you'll develop doing audio theater.



Jeffrey Hedquist

The term "audio theater" is commonly used to describe longer forms of production than radio commercial writers and producers are used to. Long form for most of us is :60. Audio theater can be 90 seconds, 3-5 minutes, a half-hour, an hour, or multi-hour compilations of episodes. It might run on commercial or public radio, on the Internet, be distributed on CD or cassette, downloaded as MP3s or any combination thereof.

Audio theater's purpose is not necessarily to sell, but to entertain, involve, uplift and enrich the audience. It has the same demands as any other entertainment vehicle—a short story, book, movie, video game, live presentation. You're competing for the audiences' attention—just like you do when you create a commercial.

How can you get involved? There may already be an audio theater group in your city, or you may be able to develop one with interested participants from writers' groups, radio and TV stations, advertising agencies, production houses, theater groups, improv groups, schools and colleges.

Use your favorite web search engines to find books, tapes and courses on audio theater. One of the best resources is the National Audio Theater Festival ([www.natf.org](http://www.natf.org)). I was privileged recently to be able to give a couple of seminars and to direct a live half-hour radio drama at their annual summer workshop. I learned a lot.

Attending a NATF workshop will give you a chance to develop skills, as well as network with some of the most famous innovators in audio theater, who are very willing to share their knowledge and experience of this wonderful medium.

And did I mention that it's loads of fun?

### **POINT OF VIEW**

When you write your radio commercial from a specific point of view you give it focus. The more specific it is, the more believable the spot can be. The perspective might be of someone who lives right smack in the middle of your demographic bell curve. It might be a real or fictional

character related in some way to y ended audience—a spouse, distant relative, paper boy, driving instructor, English teacher, parent, boss, future offspring or doctor. Remember that whether you're using narrative, dialogue, or multi-voice ensemble for the spot, it's still a story—a story about the listener.

How would the person whose point of view you've adopted describe the experience of visiting and buying from the advertiser? In your imagination (or in real life), take your sister to the advertiser's place of business. How would she describe her experience? As you write, become her. Create a conversation she might have in her head, or with store employees, or other customers, or with her friends as she relates the experience. What's her speech pattern like? Does she have any phrases that she repeats? How old does she sound?

What would your Uncle Ned think if he went to Discount Software City? If Mr. Jenkins, your driving instructor, could see the hot car you're thinking of buying at ABC Motors, what do you think he'd say? If you took your grandmother into the store where you buy CDs and let her listen to the music, what would her reaction be? Imagine the person you love opening a present from you. They peel back the wrapping and gaze. They smile. Their eyes may fill with tears. What would they say or think? Those are the words that will bring your story to life, and touch the hearts of your listeners.

*Jeffrey Hedquist is constantly adopting new perspectives at Hedquist Productions, Inc., P.O. Box 1475, Fairfield, IA 52556; phone 641-472-6708; fax 641-472-7400; e-mail [jeffrey@hedquist.com](mailto:jeffrey@hedquist.com). © 2003 Hedquist Productions, Inc.*



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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio

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**RADIO UP IN JANUARY, BUT WHERE'S THE LOCAL BEEF?** According to the ongoing RAB-Miller, Kaplan revenue reporting, January was up 6% in total over the same month last year, comprising a 20% national bump but only a 3% local blip. From an analytical point of view, *MediaPost* quoted two number-crunchers on the subject. S.G. Cowen's James Marsh noted, "January is such a small month so few care about it. March is the month to watch in the first quarter." But according to UBS Warburg's Leland Westerfield, "January figures strike a refreshing reminder that the year had started off well for radio, particularly in national spot. It's worrisome, however, that local trended poorly. As the year proceeds, comparisons will grow more difficult, making a target of 5-6% growth an ever-more-elusive goal for many radio operators. Still, this year will likely be stronger for radio advertising than any other media, in my view." *Editor's Note:* It's important for small market stations to keep in mind that this report surveys only 150 larger markets, where national business is more prevalent anyway.

**NEWS NETS MAKE NEWS.** Two national webs have announced new news networks. Westwood One is launching "NBC News Radio" on March 31, borrowing heavily from NBC television content anchored by the likes of Tom Brokaw and Brian Williams. NBC News Radio will consist of hourly one-minute reports plus special cutaways for breaking news. Meanwhile, On April 1 Fox will debut "Fox News Radio Service," featuring hourly casts, thus ending Fox's joint venture with Westwood One.

**DIVERSITY OF DIVERSITY OPINIONS IN RICHMOND.** The five FCC Commissioners held the only "official" hearing on broadcast ownership last week in Richmond, VA, listening to six hours of testimony which alternately praised and panned the 1996 Telecommunications Act for unleashing the wave of consolidation. Chairman Michael Powell opened the proceeding by saying, "We all agree that some broadcast ownership limits are critical if we are to maintain a robust marketplace of ideas. The fight is over just how much or how little regulation is needed." Comments followed from a variety of interests, including the president of the Newspaper Association of America, advocating the abolition of newspaper-broadcast crossownership; other print guys said that repealing the crossownership ban would only hurt an already-troubled industry. The TV folks argued in favor of further consolidation, as did Clear Channel President Mark Mays, who used the old "canary in the coal mine" analogy, saying, "The canary isn't dead; it is alive and well, and is healthier and more robust than it has been before. Radio is experiencing a new vitality." This drew a sarcastic response from consolidation foe Commissioner Michael Copps: "That canary is still in the coal mine and he's alive, but he immediately got acquired and he is now programming 12 radio stations."

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## More Idea-Exchanging

Here are more ideas from our *Small Market Idea Exchange* at RAB2003; for other articles on this topic, refer to our issues of 1/23/03, 2/6/03 and 2/13/03. If you don't have them, go to Back Issues in the Subscribers section of [www.smallmarketradio.com](http://www.smallmarketradio.com). (You'll need the current password, which is in the middle column in the footer at the bottom of Page One of this issue.)

**AUCTION ACTION.** We do a Saturday morning auction September through May. We do really well with it, bringing in \$3-5,000 a week. We also do a clearance auction every three months to get rid of the old items; we've found that a Tuesday evening works very well.

We've also started a vacation auction and we've got exceptional response to that. We air it in April and May and we solicit all the different resorts, bus tour companies, camp sites, and products you might use when you go on vacation. We take out one ad in the newspaper on the Saturday prior to the start of the auction and promote it on the air. We're bringing in \$10-20,000 on that one. (*Ruth Turner Wellman, KNUJ, New Ulm, MN, [ruthturnerwellman@clearchannel.com](mailto:ruthturnerwellman@clearchannel.com)*)

**WEB WONDER.** We just started a program called Uncle Webster. We did a two-week phoning sales blitz and we've sold 40 clients, the majority of which are new. That has brought in \$160,000 new revenue for the year. The Uncle Webster people, New Generation Media, Sonoma, CA, come into the market and orchestrate everything, from the phone calling to the incentives.

We booked about 120 appointments that we did in four days, with their reps and our AEs. The packages range from \$69 a week to \$129 a week; the products offered include tiles, banners, couponing, "advertorials" and web page sponsorships. If a client doesn't currently have a web site, a 20-page web site is part of the program. If they do have a web site, they can use their ads to link to their site. The way it's set up, it's like getting the radio schedule for free or the Internet for free. (*Shalean Smith, NCC Radio Group, [shalean@nccradio.com](mailto:shalean@nccradio.com)*)

**WEB WORKS WITH RADIO.** The key to the success of your web site is aggressive radio promotion. About a year ago, our site was bumping along with something like 25,000 hits a month; it wasn't really going anywhere. So we implemented a high-frequency radio campaign—one spot an hour, 24/7. Sure, some got preempted, but that's still a lot of commercials.

For the first few months after the campaign started, we saw a little growth, but in October of last year, we jumped up to a quarter of a million hits a month. But a "hit" is everything on a page, so what really matters is *page views*, which is the number of people who see the whole page. It's a lower number, but more realistic. And since October our page views have been around 125,000-130,000 a month. Since we do no other form of advertising, it's another radio success story, that goes in the folder we all have with client testimonials. . .in writing. . .on letterhead. . .signed. . .in a nice book. . . (*Your Humble Editor*)

## Competitive Media Updates

**COUPONS.** It's a \$4 billion industry, but only 1.5 percent of them are ever redeemed, and that number is falling. Ten years ago, 7 billion coupons were redeemed nationwide every year; now it's about 4 billion. Most of the decrease can be attributed to shoppers losing interest during the robust economy of the past decade, says NCH Marketing Services VP/Marketing Charles Brown.

That would imply that the current lackluster economy should have caused a boost in couponing; unfortunately, no such boost has materialized. Still, coupons are hardly in danger of extinction. NCH says that 80 percent of shoppers use them, saving an average of \$206 per year at supermarkets, discounters, and drugstores.

What's it to radio? More people likely would use coupons if they had more information about such things as which stores double coupon values, which manufacturers put items on sale when a coupon is issued, and so on. A radio campaign for a supermarket or other coupon redeemer on your prospect list could position the advertiser as the most coupon-friendly store in its market segment, offering tips for more effective coupon use—and coincidentally driving additional sales for the advertiser.

—Minneapolis/St. Paul *Star-Tribune*, 2/27/03, as reported in *Radio Sales Today*

**TELEVISION.** Advertisers who spend millions on TV commercials could be wasting their money, according to a study from the London Business School, which claims that few of us actually watch the ads.

The study found that people who watched television with family or friends were far more likely to talk to each other during the commercial breaks than to focus on the ads. This, the researchers claimed, meant advertisers were misguidedly spending money on placing their commercials in popular programs rather than in less-watched shows, where lone viewers were more likely to be concentrating on the ads.

Mark Ritson, the study's author, observed a sample of eight households ranging from a retired couple to a group of five immigrant office workers over a single week using miniature cameras and microphones. He found that those viewers who watched the ads together tended to "deride products and ads in front of their friends," defeating the object of advertising. Others spent the commercial break doing housework, reading, or channel hopping. Even the most avid viewers of advertising watched the commercials only half the time, with many watching fewer than a quarter of the ads.

What's it to radio? Ritson says, "This is important because most countries, including the U.S. and the U.K., use "people-meters" to measure advertising audiences. The problem is that the people-meter assumes that people in living rooms during commercial breaks are watching the advertising if they are present in the room, when the experiment shows that many are not in fact doing so. This study, while hardly statistically projectable, still should raise some questions among your prospects and clients who advertise on television.

—*Media Guardian*, 2/4/03, as reported in *Radio Sales Today*

## Small Market Sales Advice

Some time ago the RAB compiled a set of sales-oriented comments by members of the Small Market Advisory Committee; our thanks to Bill Willis, WFLQ, French Lick, IN, for bringing these to our attention. We hope you'll find them thought-provoking:

1. Retention begins with recruiting the right person. Then they have to be properly trained. They will need feedback, positive and negative, for the entire time they work for you.
2. The culture of your stations is what determines how long people will stay with you.
3. Compensation, benefits and recognition must be at least competitive.
4. Read the book *First Break All the Rules* by Marcus Buckingham and Curt Coffman.
5. We recruit constantly. Anyone who calls or writes will be an interview.
6. We have a sales internship program.
7. New hires take our two-week self-written sales training program. It includes homework assignments, readings and ten lessons, as well as field training.
8. We believe in high standards, hard work, helpful leadership and recognition.
9. You have to know the hot-buttons. Some veterans like days off. Some live to be involved in decisions. Some like to do production or help with on-air work.
10. You cannot expect the sales staff to remain loyal if the ownership, management or format changes constantly.
11. Similarly, pay plans should be consistent.
12. Most sales people today need to feel wanted.
13. Today's sales people also appreciate flexibility regarding hours and family needs.
14. Be clear with your expectations and hold your sellers to those expectations.
15. We do two new-salesperson "boot camps" a year. These are three-day training sessions that are pretty comprehensive.
16. We use a sliding scale, easing people from salary to commission.
17. Some of our stations use a mentoring program, where an experienced salesperson takes a new person under his/her wing.
18. Train people so well that they become successful and make so much money they don't want to leave.
19. Use carefully-designed incentive plans: time off, laptops, education, etc.
20. We try to rule out browbeating.
21. We've gone to a single sales staff to sell our cluster.
22. Train new recruits *and* veterans.
23. Hire good people and pay them a good salary they can live on and make ends meet. Make sure the salary is such that they want to reach their sales goals and make more money.
24. Offer benefits that are better than your competitors.
25. Have high standards and don't compromise on them.
26. Make sure the manager and the salesperson know what is expected of one other.
27. Don't con the sales team. Be honest, open and appropriate in all communications.
28. Talk all the time about successful people in different fields of work.
29. Invest in sales training.
30. Have each account executive pass certification requirements offered by the RAB.
31. Start every sales training session with a "Lighten Up and Live" session. It's okay to have fun.

## **E-Mail Rules (Or Does It?)**

Electronic mail is becoming more and more a part of business life every day. Judging from the number of *SMRN* readers that get our newsletter via e-mail (over 80% of them now), and the fact that virtually all our reader correspondence is via that medium, small market broadcasters are definitely getting the e-mail message. But, judging from some of the e-mails I get from readers and others, there's a need for some quick lessons on e-mail etiquette, or "netiquette."

**WRITE WELL.** There are those people who say that e-mail is like verbal conversation and it's okay to just dash it off, unmindful of spelling, grammar and punctuation. I am not one of those people. Yes, for efficient internal communication it's okay to be brief and a little sloppy, but even with your staff, your character and intelligence are being conveyed. Do you want people to think of you as in illiterate goon? Do you want people to think that you don't have a handle on the language? I think not—especially clients and other business associates outside the building. I always spell-check outgoing messages—it's easy to make this automatic in most e-mail applications—and reread the darn things before hitting the "Send" button. If you really care enough to send the very best, and you're language challenged—hey, we all are from time to time—set up your e-mail program to compose your messages in MS Word and use the grammar-checker as well as the spell-checker.

**STOP SHOUTING.** A COMMON AND REALLY ANNOYING E-MAIL *FAUX PAS* IS TO COMPOSE MESSAGES ALL IN CAPITAL LETTERS. IT'S HARD TO READ AND YOU SEEM TO BE SHOUTING ALL THE TIME. SEE WHAT I MEAN?

**MAKE IT EASY ON THE EYES.** Sometimes we get e-mails that have dark type on a dark background, or garish color combinations, or cutesy fonts. They are not professional. Stick with a white or light-colored background and a businesslike font, like Arial, Helvetica or Times Roman. It's easier to read and projects a better image.

**SIGN OFF.** In your e-mail program is a feature that automatically adds a "signature" at the end of your messages; use it. You can include your name, title, company, address, phone, fax and any other information you think would be useful for the recipient. You can even include your company logo, for that matter. And be sure to include your e-mail address; even though it is in the "From" line of the message you send, it's easier to see in your signature.

**DON'T GET TOO HIP FOR THE ROOM.** Be very careful in your use of "smileys" or "emoticons"—those little character combinations that denote feelings, like :), ;), :| and ;\ . Ditto e-mail acronyms like TTYL, ROFL, BFN and IMHO. Would you put a ">:(\" or a "BCNU" in a business letter? I think not.

**KEEP IT.** Make sure that you set your e-mail program to save all your outgoing messages. Sure, some are trivial, but it's easier to go through the Sent Items folder and delete the superfluous ones than risk losing the important ones.

**NOW WHAT ARE WE TALKING ABOUT, AGAIN?** To keep your correspondence clear, especially when you try to reconstruct a set of messages at a later time, set up your e-mail application to “include original message when replying.” This way you (and your correspondent) can always scroll through the latest message to see all previous messages on the topic. Note that whenever you reply to a message, the subject line is automatically created, with “RE: [original subject].” That leads to this caveat: Make sure that if you are sending back something that has nothing to do with the original message, *don't* hit the “reply” button; start a new message entirely, with a new subject. How many messages do you have in your in-box with the subject, “RE: Vacation Photos” that have nothing to do with vacation photos?

**GOOD HOUSEKEEPING.** If you're like most of us, you have 4,596 messages, more or less, in your in-box—some new, most old, some you need, most you don't—and another similar number in your Sent Items folder. That's like putting every piece of paper you get into one huge file folder labeled “Stuff.” It's easy to set up folders and sub-folders in your e-mail application to organize your “stuff.” Then you can simply drag and drop each message you want to keep into the appropriate folder. I use Stephanie Winston's great “TRAF” rule: Do one of four things with everything that comes your way: Toss, Refer, Act or File. In e-mail parlance, the first two are Delete and Forward. (But DFAF isn't as catchy, is it?)

**CUT THE SPAM.** Whether you use your e-mail program itself, your service provider or a third-party application, you can save a lot of time and aggravation by setting up rules that detect unsolicited e-mail messages. Since none of them is flawless, you'll want to have your spam automatically moved to a “Junk” folder that you can quickly review before The Final Solution (the Delete key).

**COMMUNICATE QUICKLY.** There's a little thing called Instant Messaging (IM for short) that your kids know about and you should, too. AOL and MSN have it, and it's even built into Windows XP; it's free. (We prefer AOL Instant Messenger, for no good reason.) For efficient communication inside your building or across your company, there's nothing like it. Two caveats: First, use IM only for quick messages that you don't want to keep; you can save IM, but it's not automatic. For communication of record, use e-mail. Second, make sure everyone's IM is set to accept messages only from people on the “Buddy List,” and make sure the Buddy List includes only people you approve. (Ours is set up for internal communication only, but some stations include clients and others as well.) This needs to be monitored carefully, for two reasons: First, if you accept messages from just anybody, you'll get spam and viruses. Second, if you let people put their own buddies on their Buddy List, they'll spend most of the day IM-ing them.

**IT'S NOT FUNNY.** Something that will absolutely kill the efficiency and effectiveness of business e-mail is giving and receiving Internet humor postings. Most are harmless time-wasters, but some contain viruses and some are downright killers. As I was writing this piece my e-mail system was completely shut down by some joker who had innocently sent out an *83-megabyte* video clip—which, if your e-mail provider would even let it through, would still take an hour and a half to download with a super-fast connection. But there is a God: the thing shut down his company's e-mail, too, so there was plenty of Hell to pay. The first time I get any sort of so-called funny e-mail, I respond with something like, “I love you, but take me off that list.”

If you remember just one thing about e-mail, remember this: whenever you communicate electronically, you're making an impression. What that impression is, is up to you.

## When to Cut Your Losses

In the mid-1990s, I managed an employee who was the epitome of a disruptive force. I'll refer to him as Skippy.

His slipshod work landed us in hot water so many times that we developed second-degree burns as a matter of routine. His divisive, "me first" attitude nearly destroyed a well-oiled staff of proven professionals. He was an argumentative, self-righteous clock-watcher who gave 60-percent effort at all times.

Despite his obvious shortcomings, I was hesitant to send Skippy packing; we were severely short-staffed and a replacement would take several weeks (if not months) to get up to speed. It made sense to retain any warm body—whether borderline incompetent or otherwise—rather than make a horrendous staffing situation worse.

Skippy continued to underwhelm management despite more than a dozen comprehensive special performance reviews and continuous training and monitoring. An ugly sexual harassment case finally sealed his fate for good.

Total time wasted on Skippy from the first special performance review to termination: eight months.

Egad. . . eight months?

Looking back a decade later, we should've drop-kicked Skippy out the door in three to five weeks max. The result would've been no sexual harassment case, no long-term damage to morale, and no Skippy to wreak daily havoc on my staff.

I am now a firm believer in a theory called "addition by subtraction." In this example, we would've been much better off without Skippy from a morale and efficiency standpoint, even though one less body in the department would've presented myriad problems in the short term.

If you are unfortunate enough to deal with an employee in the infamous Skippy mold, consider these tips to help you take charge of the situation from the outset:

- Have the employee read your company policies the first day on the job, along with the performance expectations unique to your department. Obtain the employee's signature for both; give him a copy and place the original in his personnel file.
- Conduct a special review immediately after the employee's performance drops below standards. Make sure you document the review thoroughly: state the problem(s) encountered, the corrective steps the employee must take to improve, and a date for the follow-up review (perhaps in two weeks). Have the employee sign the review documentation and give him a copy; place the original in his personnel file. Verbal warnings are acceptable for less egregious infractions, but don't forget to document them as well.

- Conduct the follow-up special                    whether the employee is progressing or regressing. Document the review as previously described. If the employee is backsliding, this review should convey a sense of urgency and include a stern reiteration of company policies and your departmental performance expectations. Make it clear that you must note improvement in one week or you will take the next disciplinary step (i.e., termination). If the review is positive in nature, note progress made to this point and deficiencies that remain.
- Conduct the third special performance review in two weeks if the employee continues to show improvement. The meeting should be upbeat and offer objective, job-specific praise as appropriate. You should also consider reviewing and revising the employee's goals at this time. This should be your final special review if all goes well.
- *For aspiring Skippies of the world:* Conduct the third and final special performance review. Let the employee know his performance is below the standards agreed upon when he was hired, then inform him that he is being terminated. Highlight the main reasons for the firing, including details from previous verbal warnings and special performance reviews. Remain on point and do not become emotionally involved.

A disruptive force can be an expensive burden in terms of man-hours and training dollars. Take the necessary steps to address a problem employee and attempt to correct the behavior, but cut bait when it becomes obvious it's time to move on. If it's sooner rather than later, don't fret—your ideal applicant is probably an interview away.

—Dave Marr, *Omnia News & Views*, [www.omniagroup.com](http://www.omniagroup.com)



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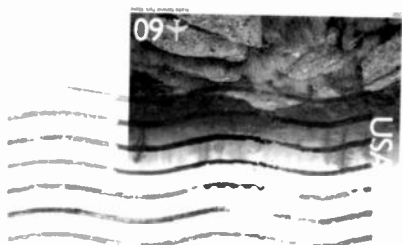
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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 39 • MARCH 13, 2003

**RADIO-MERCURY DEADLINE EXTENDED** to Friday, March 21 “in response to an overwhelming demand from advertisers, agencies, radio stations and colleges,” according to the RAB. Criteria for eligibility and more information on the Radio-Mercury Awards is available online at [www.radiomercuryawards.com](http://www.radiomercuryawards.com), or by e-mail at [mercury@rab.com](mailto:mercury@rab.com).

**NOT A PERFECT STORM** as blizzards and war jitters held retail sales down in February. The big discounters reported modest gains, or losses: Wal-Mart was up 2.6%; Target fell 1.4%; J. C. Penney was down 2.1%; Federated (Macy's, Bloomingdale's) declined 6.8%; and Sears dropped 9.4%. On the other hand, the Gap chain is rebounding, with sales up 10% at Gap stores and 8% at Old Navy, but down 3% at Banana Republic.

**BROADCAST IS HOT. . .BUT. . .** At the International Radio and Television Society Forum in New York last week, analysts proclaimed the national broadcast market to be hot, but not without some underlying soft spots, like the highest-spending categories, automotive and entertainment: the auto business could well suffer from further Mideast-crisis-prompted gas-price increases; and the entertainment industry is suffering from lower-than-expected DVD sales.

**COUNTRY ON TOP** according to the latest Katz Media Group study, analyzing the Fall 2002 ratings for more than 4,100 stations in all Arbitron markets. Details: Country is the 12+ champ with a 13.1 share. . .Black and Hispanic formats compose three of the top ten most popular formats. . .Smooth Jazz attained its highest ranking ever. . .Classical stations' ratings have more than doubled since 1985. . .the Seventies format has been declared DOA. . .Katz is now measuring Classic Hits as a separate format.

**MEMO TO FSI USERS.** From John Gaffney in *MediaPost*, 3/10/03: “Looks to me like someone forget to tell free standing insert advertisers that newspaper readership is slipping. . . The newspapers I buy on Sundays are still packed with inserts. In a world where clients want to break free from clutter FSIs are a solid strategy. My concern would be cannibalization of run-of-press pages.”

**E-MEDIA IN THE COURTS?** Senators Charles Grassley (R-IA) and Charles Schumer (D-NY) have introduced a bill that would permit electronic media to broadcast Federal court proceedings and a case-by-case basis. According to Grassley, “The bill will help the American people to become better informed about the judicial process.” Industry groups were understandably enthusiastic; RTNDA President Barbara Cochran said, “We are encouraged that this bill is being reintroduced in the Senate.”

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IN OUR 20TH YEAR

US & Canada (\$US):  
• One Year . . . . . \$129  
• 26 Weeks . . . . . \$74  
International (\$US):  
• One Year . . . . . \$184  
• 26 Weeks . . . . . \$104  
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• 26 Weeks . . . . . \$49

[Online Mar 5865]

## The Real Yellow Pages Story

Did you know that your client's Yellow Pages contract contains a "clause of continuance"? This allows the directory publishers to include the business owner's Yellow Pages ad in the upcoming directories and not even have to call on them. The only way out of it is to send a certified letter with a return receipt requested demanding the changes the clients wants to be made.

This is the trap many businesses find themselves in and they don't understand it. Their Yellow Pages ads stay the same year after year and they absorb the yearly rate increase without paying any attention to it.

In fact, over the last two weeks I have run into numerous business owners who haven't seen a Yellow Pages rep for the last few years, yet their ads keep running. Now that radio is having so much effect on Yellow Pages volume, their reps are letting the clause of continuance take effect rather than lose the advertising space. This tactic not only hurts the business owner, but also hurts the other media reps in the market because those advertising dollars are not available.

I recently held our "The Other Side Of The Yellow Page Story" seminar in Ft. Myers, FL and then went on the street and talked to radio clients. Everyone we talked to was dissatisfied with the Yellow Pages for one reason or another. To get our clients thinking like a consumer, we asked them what percentage of their business was repeat and what percentage was referral. The percentages were very high. We then went through the six types of yellow page users; every single client agreed they used the Yellow Pages like these six types. We talked a lot about in-column and trademark listings. It was interesting that everybody agreed the Yellow Pages were performing *major surgery* on their checkbooks.

An account rep from Ft. Myers just called me and said he had an heating and air conditioning firm—who had two full-page ads with white knockouts—cut his Yellow Pages expenditure by \$58,000. This rep wrote a radio contract on the spot for \$25,000 and got the client to agree to spend the other \$33,000 with other creative media. He did all of this in front of the Yellow Pages rep, who was in the client's office making her pitch when the radio rep came in. This same radio rep had diverted \$12,000 from another heating and air conditioning firm the week before.

In that same market another rep picked up a six-month contract for \$12,600 to a firm that sold shutters for hurricane protection who was a new client for the station. Yet another young lady converted some big dollars from a plastic surgeon who discovered his clinic didn't have to be so big in the Yellow Pages after all. And the list goes on and on.

The amazing thing is, business owners are eager to listen to someone who can give them the real scoop about this expensive, stagnant medium. Once they see how consumers really use the directory, they are happy to decrease their investment and use creative media to generate more of those who have top of mind awareness of the client and those who are brand or product name shoppers.

—Merritt Mattson, Yellow Pages Consulting, LLC, [mmattson1@new.rr.com](mailto:mmattson1@new.rr.com)

## The New EEO Rules

The FCC's new EEO rules took effect this past Monday, March 10. All "station employment units" (SEUs)—commercial, non-commercial and religious stations—with five or more full-time employees must follow the new guidelines. For some light reading, you might want to peruse the full text of the Commission's Report and Order, found at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-02-303A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-02-303A1.doc). For your convenience, we have done the heavy reading for you and here provide the stuff you really need, beginning with Part III (Summary), ¶ 4, which begins with the now-famous three-Prong requirement:

- Prong 1: Widely disseminate information concerning each full-time (30 hours or more) job vacancy, except for vacancies filled in exigent circumstances;
- Prong 2: Provide notice of each full-time job vacancy to recruitment organizations that have requested such notice; and
- Prong 3: Complete two (for broadcast employment units with five to ten full-time employees or that are located in smaller markets) or four (for employment units with more than ten full-time employees located in larger markets) longer-term recruitment initiatives within a two-year period.

These are the record-keeping and reporting requirements from the Report:

1. Collect, but not routinely submit to the Commission:
  - a. Listings of all full-time job vacancies filled by the station employment unit, identified by job title; for each such vacancy, the recruitment sources used to fill the vacancy (including, if applicable, organizations entitled to notification, which should be separately identified), identified by name, address, contact person and telephone number;
  - b. Dated copies of all advertisements, bulletins, letters, faxes, e-mails, or other communications announcing vacancies; and
  - c. Documentation necessary to demonstrate performance of the Prong 3 menu options, e.g., job fairs, mentoring programs;
  - d. The total number of interviewees for each vacancy and the referral source for each interviewee; and
  - e. The date each job was filled and the recruitment source that referred the hiree.
2. Place in the station public file annually a report including the following:
  - a. A list of all full-time vacancies filled during the preceding year, identified by job title;
  - b. Recruitment source(s) used to fill those vacancies (including organizations entitled to notification of vacancies pursuant to Prong 2), including the address, contact person, and telephone number of each source;
  - c. A list of the recruitment sources that referred the people hired for each full-time vacancy;
  - d. Data reflecting the total number of persons interviewed for full-time vacancies during

- the preceding year and the total number of interviewees referred by each recruitment source; and
- e. A list and brief description of Prong 3 menu options implemented during the preceding year.
3. Submit the station's EEO public file report to the Commission as part of the renewal application and midway through the license term for the Commission's mid-term review for those stations subject to mid-term review (television stations with five or more full-time employees and radio stations with more than ten full-time employees). EEO public file reports for the preceding two year period will be required because broadcasters have two years in which to complete the prong 3 menu options. Broadcasters must also post the current EEO public file report on their web site, if they have one.

**WHAT DO WE HAVE TO DO NOW?** From Harry Cole, Fletcher, Heald & Hildreth, P.L.C. ([cole@fhhlaw.com](mailto:cole@fhhlaw.com)): The immediate impact on stations' public files and web sites will actually be relatively slight, at least for the next several months.

The new rules require stations with five or more full-time employees to place in the public files, and post on their web sites (if they maintain web sites), an Annual EEO Public File Report. These Reports include records of the station units' recruitment efforts and initiatives over the preceding year. The information on these Reports includes identification of the station(s) covered by the Report; a statement of the total number of full-time job vacancies filled by the employment unit in question during the preceding year; a statement of the total number of persons who were interviewed for all of the full-time vacancies; for each full-time vacancy, a listing of the job title, the date the job was filled, the total number of interviewees for that job, and a listing identifying (by name, address, contact person and phone number) the recruitment sources utilized to fill the vacancy, stating the number of interviewees referred by each source, and indicating the source that referred the hiree; and a description of supplemental recruitment initiatives which the station made as required by other sections of the new EEO rules.

The Reports must be placed in the public file, and on the web site, on the anniversary of the deadline for filing the station's license renewal application. Note that the first renewal anniversary will not occur until April 1, 2003, which is the anniversary date for radio renewals in Tennessee, Kentucky, Indiana, Texas, Delaware and Pennsylvania. Other radio renewal anniversaries will occur on June 1, August 1, October 1, December 1 and February 1, 2004.

Since the first renewal anniversary (i.e., April 1) has not yet arrived, technically no stations at all are presently expected to have an Annual EEO Public File Report in their files or on their web sites. That will change gradually over the next year, as renewal anniversaries pass. By February 1, 2004, all stations with five or more full-time employees will be required to have such a report in their files.

Note that a new EEO Public File Report must be placed in the station's public file each year. All such reports are to be kept in the public file until the grant of the station's next renewal. However, only the most current EEO Public File Report must be posted on the web site.

## **An Open Letter to Michael Powell**

**By John Rook**

I applaud *Los Angeles Times* writers Jube Shiver and James Granelli for their "A Busy Signal for FCC Chief" (3/5/03) exposing you, blemishes and all. I have personal experience of your close-minded attitude in detriment to the small broadcaster and favoritism granted the more affluent and powerful. When you were chief of staff to the antitrust division of the Department of Justice, I met with and provided details to your investigators outlining my complaint of antitrust violations at the hands of four major group owners. After more than a year, these complaints were accepted and your department had no choice but to file suit against the lawbreakers.

So much time passed, I was forced out of business by these antitrust actions before the Department of Justice finally ruled "no fault" at the request of the violators, but insisted the relationship of the four group owners be dissolved. Inquiring why it took so long for the DOJ to act, I was informed you were not comfortable with enforcing the law against my well-connected, well-known competitors.

I held my breath in disappointment when you were appointed to the Federal Communication Commission. As its chairman, once again my complaints of additional monopolistic violations in the radio industry were scoffed at as I was laughingly advised I should learn to live in the new world of deregulation. When I complained of payola violations, I was told I obviously was living in the wrong generation; the 1960s were long ago. I could take civil action myself if I wanted to, but the FCC was no policing agency, I was advised.

So you see Mr. Chairman, I not only have little faith in your ability to act in protecting the small broadcaster, I also question your desire to do anything that doesn't reward you personally. It is said, "Powell doesn't communicate well and doesn't solicit opinions of others."

You claim not to be an obstructionist, but those who know you best say you are a prima donna, unable to respect the opinions of those opposing your continued giveaway to rich broadcasters with connections that can help you in the future.

If you decide to leave the FCC and continue feeding at the taxpayer trough as the governor of Virginia, that would be fine with me. I'm not a resident of that state. However, former FCC Chairman Nicholas Johnson, says, "If Powell's corporate friends, whom he has enriched to the billions of dollars, do the decent thing and pay him back a small portion of their winnings, he can have one of the best financed races for anything." Johnson continues, "Since elections often disproportionately turn these days on who can raise, and spend, the most, he might very well be elected."

That, Mr. Chairman, is why so many have so little faith in government. Thus far, you have shown a decided lean toward serving the wealthy only. Perhaps you would be better suited as a replacement for Alan Greenspan.

*Editor's Note: John Rook is a former program director, consultant, station owner and longtime subscriber and friend of SMRN. He can be reached at [JHRook@earthlink.net](mailto:JHRook@earthlink.net).*

## **Burned Up and Blown Down**

**By Bob Doll**

Everybody in the radio business has stories about their tough start in the business. Over the years I heard and told many of them myself. But, I think this one tops them all.

W. I. C. (Bill) Taylor had been with J. C. Penney all of his working life. But, like all real entrepreneurs, he wanted to go in business for himself. At 48, he left Penney to go into a business quite different from retailing—radio.



Bob Doll

With a couple of minority investors, he built KBIM at Roswell, NM in 1953. The town of less than 50,000 population already had two radio stations, one founded in 1927, the other in 1946. There was also a local VHF television station.

Taylor's station—5,000 watts at 910 on the dial—had coverage superior to the incumbents. He settled on a strong news-and-popular-music format but shortly evolved it into the Top 40 approach being pioneered by Gordon McLendon and Todd Storz. KBIM was an instant hit—so much so that he used the money KBIM was making to build two other New Mexico stations at Las Cruces and Colorado Springs.

When his daughter, Betty, a social studies and English teacher, married John King, a junior executive at a Fort Worth, TX-based insurance company, Bill took an immediate liking to his new son-in-law. Shortly after the wedding, Bill told John, "I could use a man like you in my radio company."

John, who had studied to be a teacher but took the insurance company job because it paid more, was very reluctant to take John up on his offer, saying, "I not only know nothing about the radio business, I've never even thought about it." Bill replied, "Go with me to the NAB convention in Chicago. Look around. Pick up what you can. I think you'd like it." He did.

Bill was well aware that being the guy who married the boss's daughter might make everybody in Roswell uncomfortable—including John. So Bill sent John to his Las Cruces station, KGRT. He told his manager there, Bill Lask, "Work him hard. Teach him all you can." Today John says, "Not only was Lask a great teacher, I learned something from everybody—even the weekend announcer. The truth is I really didn't know anything."

A year after he'd proved himself in KGRT, King was summoned by his father-in-law to Roswell. In 1959 Bill had built an FM station, but he had another project in mind and he wanted John to help him with it.

That other project turned out to be Channel 10 TV (KBIM-TV), which would be Roswell's second television station. When the owner of the existing TV station got wind of Taylor's plan, he told him, "If you build that TV station, I'm going to build a 50,000 watt AM radio station. Taylor went ahead with his television plans and sure enough, his competitor put a big radio station on the air. Then, in 1963, another AM radio station went on the air.

By early in 1966, when Taylor's TV station went on the air, there were five AM stations, one FM station (KBIM-FM) and two television stations. King says, "It was probably the most competitive radio market in the country. But our AM radio station remained #1 and very profitable. KBIM-AM not only supported the FM station but the TV station as well."

In the summer of 1966, an economic disaster of major proportions hit Roswell: Walker Air Force Base, the community's largest employer, was abruptly closed. Over 15,000 servicemen, their families and the civilian work force at the base found themselves without work. The area lost over 25% of its population. Betty King remembers, "There were thousands of empty houses and hundreds of business closings."

The new TV station was having a hard time getting any interest from national and regional agencies who had to provide most of its income. John King says, "Most of them never heard of Roswell. It was a slow education job for our national and regional rep firms. John, who spent most of his time running the radio stations, pitched in at the TV station as news anchor, film buyer and program director.

In addition to the challenge of starting a new "very expensive" business and the dealing with the horrible economy, the stations lost their 1,840 foot TV tower in a violent windstorm. The tower's insurance coverage made it possible to rebuild it. Then, just a few years later, a fire destroyed the TV, AM and FM studios, all co-located in the building. "It was tough operating from temporary facilities next door, then rebuilding. But we made it."

By the early Seventies, the Roswell local economy was slowly coming back, though King says, "We knew it would never be quite like it was." The TV station, a CBS affiliate which reached 200,000 people thanks to its tall tower, was improving.

At the same, astronaut Jack Schmitt came home to New Mexico to a hero's welcome. He leveraged that into a successful bid for U. S. Senator. Betty King, who had no political experience, proved to a tireless and effective campaign worker. After winning the seat, Schmitt offered her the management of his district office. After 25 years as a teacher, she says, "I welcomed the new challenge."

Schmitt served just one term in the U. S. Senate. That put Betty back in the workforce. John King says, "That was very lucky for the station. My father in law said she's a very strong willed person. Give her something she can do on her own. The two decided to make Betty manager of the FM station. After 20 years it was still not making any money."

The FM antenna was moved onto the 1,840-foot TV tower and covered the same area (about 200,000 people) as the TV station. Betty's natural bent for selling and promotion made KBIM-FM a regional success with its Beautiful Music franchise.

John says, "The AM station's Top 40 format had been on for over 30 years, but pop music listeners were migrating to FM. We were among the first AM Top 40 stations and I think among the last too. In the late 1980s I hired Jim Zippo from Dallas to take the station to Oldies. It was only moderately successful. In the early '90s we went to Talk and it's worked very well. I'm amazed at how many people listen, and for how long. (The most current Arbitron shows KBIM-FM and KBIM-AM ranking first and second out of 14 Roswell stations.)

Bill Taylor and the Kings sold KBIM-TV in 1989 for \$5 million. The Kings traded their TV stock for ownership of the radio stations. Bill Taylor kept in touch with the radio and TV business until his death at 94.

**Author's Note:** *SMRN* subscriber and advertiser Rod Schwartz of Grace Radio Sales suggested the Kings as a subject for a story. He called them "nice people." They are.

*Bob Doll is Editor Emeritus of SMRN. He is the author of Sparks Out of the Plowed Ground and A Perfect Union. Bob can be reached at (830) 379-7549; fax (830) 372-2905; e-mail [bobar@gvec.net](mailto:bobar@gvec.net).*



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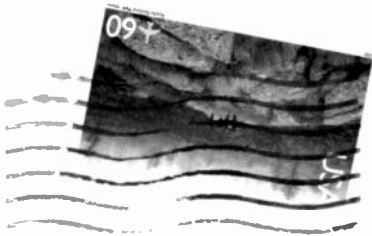
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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio

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**ADVERTISING GREEN GOES TO WAR?** Media planners are warning that there might be an advertising slowdown during the first few days of any military action, but the realities of seasonal marketing will ultimately prevail. Some networks—notably CNN, that did a similar thing after the Gulf War started and after the 9/11 attacks—have said they'll go commercial-free at the beginning of any Mideast hostilities.

**MAYBE IT'S JUST WHAT ABC NEEDS.** *MediaPost's* John Gaffney offered this ramification-laden comment recently: "The other day my 8-year-old daughter wanted to know, 'What time is the war going to be on?' She thinks it's going to be a regularly-scheduled show, and is more than a little bit worried it might compete with *Lizzie McGuire* in the 7:30 time slot. Problem is, I'm not sure she's entirely wrong."

**CHICK'S FLICK PROMPTS DROPS.** Radio stations across the country have refused to air records by The Dixie Chicks after lead singer Natalie Maines commented during a London concert, "Just so you know, we're ashamed the President of the United States is from Texas." Furthermore, the group posted a similar sentiment on its web site: "We've been overseas for several weeks and have been reading and following the news accounts of our governments' position. The anti-American sentiment that has unfolded here is astounding. While we support our troops, there is nothing more frightening than the notion of going to war with Iraq and the prospect of all the innocent lives that will be lost."

Following the fracas following Maines's editorializing, she issued this statement: "As a concerned American citizen, I apologize to President Bush because my remark was disrespectful. I feel that whoever holds that office should be treated with the utmost respect. We are currently in Europe and witnessing a huge anti-American sentiment as a result of the perceived rush to war. While war may remain a viable option, as a mother, I just want to see every possible alternative exhausted before children and American soldiers' lives are lost. I love my country. I am a proud American." See our Last Word, Page 8. <http://www.dixiechicks.com>

**STERN HOT OVER HOT.** Infinity syndicated personality Howard Stern is suing ABC-TV and others for \$100 million, claiming that the series *Are You Hot?* is based on a Stern bit and that the series quashed a television show, based on the same bit, that he was developing. His argument is bolstered by the fact that a former Stern sidekick, Jackie Martling, consults the *Hot* show.

**CHICKENMAN EARNS HIS WINGS.** Seminal radio creative force Dick Orkin will be honored with the Lifetime Achievement Award during the Radio-Mercury Awards ceremony in New York in June. [www.radiomercuryawards.com](http://www.radiomercuryawards.com)

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[Online Mar 5865]

## TOP OF THE WEEK

**THE PRICE IS RIGHT FOR RAB MANAGEMENT COURSE.** The RAB is pulling out all the stops for a special two-day radio management course held in conjunction with NAB2003 in Las Vegas. First, it's free. . .but attendance is limited to the first 30 people who call and register for both NAB2003 and the RAB course. Second, the Big Guy himself, RAB CEO Gary Fries, will be conducting a class, as will Entercom CFO Steve Fisher. To register, call 800-232-3131; no faxes or e-mails, please. *Editor's \$0.02: This is an incredible opportunity for budget-crunched small market broadcasters. Get on the stick now!*

**NAB2003 IS LESS THAN THREE WEEKS AWAY.** Here's the latest news: CBS Chief Washington Correspondent and author Bob Schieffer will keynote the Radio Luncheon on April 8. The luncheon will also feature WPLJ PD/morning man Scott Shannon, the latest inductee in the NAB Hall of Fame.  [www.nab.org/conventions/nab2003](http://www.nab.org/conventions/nab2003)

**"RAB AT NAB" SPOTLIGHTS ECONOMIC RECOVERY.** The RAB will once again be presenting a series of six sales-and-marketing sessions at NAB2003, with an emphasis on maximizing recovery after an economic downturn. According to the RAB, the sessions "will provide the tools and strategies to help Radio sales managers and salespeople take advantage of any existing opportunities, as well as create new ones, that will accelerate revenue growth in this turnaround period."  <http://www.nab.org/conventions/nab2003/rab.asp>

**CABLE RATINGS** show that the medium is still no match for broadcast TV in terms of households reached. The number one show during the week of February 24-March 2 was *SpongeBob Squarepants*, with a 3.3 share and 3.5 million homes. That same show appeared five more times in the Top 15; other shows making the grade include the series *WWE Raw Zone*, *Trading Spaces* and *Jimmy Neutron*. The #15 show, another airing of the Spongester, had a 2.4 rating and reached 2.6 million homes. By comparison, the #1 show in television last week, *CSI Miami*, had a 14.2 rating and reached over 15.1 million homes.

**MOUSE HOUSE BREAKS BROADBAND WEB WEB.** ABC News is debuting a new 24-hour news service exclusively for Internet users with high-speed (broadband) access. According to ABC sources, the network, called "ABC News Live," is "more like C-Span than CNN," and will feature live feeds and anchored coverage, as well as news summaries and rebroadcasts of such TV network fare as *World News Tonight* and *Nightline*.

**ACCOUNTABILITY IS KING.** We've heard it from RAB President/CEO Gary Fries for years, and now the word is filtering from the ad-buying world as well: media are increasingly being held accountable for the ad budgets they receive. According to an article in *MediaPost* last month, "The current flat performance of Wall Street and depressed consumer confidence numbers are changing the way individual advertising campaigns and media buying are judged. 'Marketers are being asked to demonstrate results in a much more tangible way than they've had in the past,' says William Band, director of marketing solutions with Braun Consulting. 'They now have to build a business case for their marketing process and identify much more specific metrics that they're then going to be held accountable for.'"

## More from the Exchange

Here are more ideas from the Small Market Idea Exchange we conducted at RAB2003 in New Orleans last month:

**WEB SITE MAINTENANCE.** Russ Long, WRNJ, Hackettstown, NJ ([russlong@oldies1510.com](mailto:russlong@oldies1510.com)), asks, How do you man and maintain your web site once it's up and running? Do you use existing staff, hire another person, use interns or what? Most of the people on our staff are not willing to pick up the additional burden.

Shalean Smith, NCC Radio Group, [shalean@nccradio.com](mailto:shalean@nccradio.com): We're outsourcing a lot of the development and maintenance through UncleWebster.com. Our news guy will be posting the news and weather information. The public service announcements can be posted online by the organizations themselves.

Mike Peterson, Crossroads Media Group, Terre Haute, IN, [mpeter@wsdm.com](mailto:mpeter@wsdm.com): We're an ABC Oldies Radio affiliate, and we use their OldiesRadioOnline.com ([www.oldiesradioonline.com](http://www.oldiesradioonline.com)). It's done by FirstMediaWorks ([www.firstmediaworks.com](http://www.firstmediaworks.com)) and they've set it up so the local affiliates can add local content—news, sports, community events, contests, and so on. The person in our office who takes care of all that is our community affairs director. Our news person takes care of putting up our local news.

To be very honest, we've not had a lot of success selling it, but I do have one success story: We were working with a furniture store, a longtime successful client. His newspaper ads are nothing—just white print on black, never any photos. I asked him why he didn't run photos and he told me the paper never got it right, they were bad quality, they were just black and white, and so on. So I told him we could take color photos of his furniture, put up a page for him on our web site, and promote that page on the site and in his radio ads. I charge him \$200 for a month as long as the content doesn't change during the month. So we took our digital camera, took six pictures, posted them, and he was delighted. So we upgraded the client from \$1,000 a month to \$1,200 a month. It's an easy way for the client to do display advertising in color.

Kim Fischer, KVML, Sonora, CA, [promotions@mlode.com](mailto:promotions@mlode.com): Our company has an Internet division that has put together a web portal for our community. But they're so busy with making money with their services that they don't have time to maintain our three sites. In other stations I've worked for, we'd farm it out to other companies. But the turnaround was very slow and frustrating, and we didn't have as much control over it.

So what I did a couple of years ago was teach myself a program—I use *Dreamweaver*—that I could use to change the guts of the web site without touching the main design of the page. And that's what we do now. Some of the community information and the news can be uploaded through a simple password-protected form that our web company set up. I do promotions and an air shift, so I'm pretty busy, but it doesn't take me that long to do it.


## Fast and Furious

Herewith, a blizzard of disparate information you should know as you go about your daily marketing consulting. . .

**THE GREAT MEASUREMENT DEBATE.** According to *MediaPost* columnist Seana Mulcahy, “Can’t we all just get over the fact that the [Internet advertising] industry sold itself on false metrics and move on? Advertisers must evolve into considering and evaluating multiple metrics and search for answers to questions such as: What is the total lifetime value of my customer? How can I determine the lowest common denominator (demographics, psychographics, technographics, connection speed, etc.) when targeting a specific audience?”  
*Editor’s Comment: Isn’t this the way we should be positioning radio, too?*

**MAGAZINE ADVERTISING REBOUNDS.** According to the Publishers Information Bureau, February saw total magazine ad revenues increase by over 10% over the same month last year. The winners were the newsweeklies, like *Time* and *Newsweek*, perhaps due to the attention on the threat of war. The losers, because of the weak economy and stock market, were the business titles like *BusinessWeek* and *Fortune*.

**LOVING TO HATE TIVO.** Reports from the AAAA conference in New Orleans earlier this month indicate a lot of ganging-up on new television time-shifting technology embodied by RePlay and TiVo. The reality is sinking in: conventional television advertising is being circumvented more and more by such devices, rendering it less and less effective. The answer, according to many at the conference, is product and brand placement in shows, referred to in ad-speak as “brand integrated content.” In standard programming, this manifests when products and logos show up in shots, or characters refer to products in conversation. Case in point: recently a character on *CSI* mentioned that a grouchy coworker “hasn’t had his Starbucks yet today.” In sports programming, it can include electronically-generated logos on the field and elsewhere.

**ONLINE ADVERTISING PROVING ITSELF.** According to online marketer DoubleClick, web advertising is growing in terms of budgets, ad sizes and click-through rates. Seventy percent of all online ads are sized according to the standards established by the Interactive Advertising Bureau, including “button” (120x60 pixels) and “full banner” (468x60 pixels) banners; but “skyscraper” ads (120x600 pixels) are growing, now accounting for 8% of total usage. In addition, the use of “rich media” (Flash animation and other sophisticated rendering technologies) has increased to account for about one fourth of all ads served by DoubleClick. Also growing is the use of content, keyword, geographic and time-of-day targeting, where a specific ad is served depending on the profile of the viewer.  [www.iab.net](http://www.iab.net)

**USA TODAY HAS THE ANSWER.** According to a Vividence study commissioned by *USA Today*, controversial “floating ads,” those pesky banners that pop up over the content you really want to see, are the least preferred form of online advertising. The most preferred? The “sliding billboard” (a *USAToday.com* proprietary format), followed by the “pop-under.”

## Branding

All good radio commercials are designed to capture a share of your audience's mind. You could call it branding. As "the Wizard of Ads," Roy Williams, says, "Branding is implanting an associative memory with a recall cue."

As you craft radio commercials for an advertiser—hopefully as part of a continuing campaign—keep in mind that no matter what kind of commercial it is—image, event, co-op, item, or sale—you have to make sure it *brands*. Make sure it tells the story about the listener's involvement with the advertiser, positions the advertiser, reinforces the advertiser's USP, is set within the larger context of the campaign—not just a stand-alone commercial.

Can you name two sale commercials or holiday commercials that you still remember? Difficult, isn't it? Too often special-event spots sound nothing like the rest of the campaign. An event spot that focuses only on the items, prices/discounts and time frame will only live in the memories of the listeners for the duration of the sale or event.

If you create the story of that sale or event in the same context as the rest of your 52-week campaign, it will reinforce the branding that you've already worked so hard to establish. For example, if your campaign is created around the adventures of two characters, have those same characters tell a story, do humorous interviews, give news reports about the sale or relate their experiences during or after the sale.

Most of your audience won't immediately respond to a sale, item or event for a variety of reasons. Don't waste the opportunity to leave them with information, a good feeling and/or a reinforcement of the USP, because sometime in the future they will be ready to make a purchase. If every commercial they've heard for the advertiser consistently reinforces the branding, they'll be more likely to remember them.

I've called radio "the branding iron of the imagination." Since radio is an interactive medium, the most important part of that interaction is something we all came in with—our imaginations. Emotion is the heat for your branding iron. When you excite, interest and feed your audience's imagination, they actually become active listeners—participants. They create with you, and your name, store and USP will be imprinted on their DNA forever. . .if you engage their imaginations and do it with consistency.

Too many advertisers, especially retailers, feel that the only way to get listeners to respond is to offer lower prices, and they use that ploy instead of a consistent branding campaign that reinforces benefits. For an advertiser to get caught up in the "price-only" cycle is like living on a diet of sugar. You get that immediate high, that feeling of energy, but it's always followed by a letdown. And if you continue this up-and-down cycle, it will eventually damage the system.

That's what it's like with non-branding sale advertising. The advertiser sees an immediate increase in customers, cash flow and gross revenue, but the surge (which yields much less profit) doesn't last once the sale is over. In the long run, you're conditioning the audience to think of the advertiser only in the discount context. You could damage the advertiser's reputation, or maybe shorten the life of your client.

So I am advocating a complete switch to complex carbohydrates. You may not see the immediate surge you get with price advertising, but you will build longevity, image, a share of mind, a niche, strength and a continuity of customers that could last into the future. Now this doesn't mean that you can't have a fudge brownie once in a while. Just don't base your diet on them.

—© 2003 Jeffrey Hedquist, Hedquist Productions, [jeffrey@hedquist.com](mailto:jeffrey@hedquist.com)

## FEEDBACK

**THE FIRST IMPRESSION.** Regarding your article on dress (*SMRN* 1/23/03): When making a sales presentation, you only get one chance to make a first impression. For those who claim that they are “uncomfortable” in a tie or a dress are missing the point. You don’t dress for your own comfort. You dress out of respect for your client. I’m not real intelligent, so I need every advantage I can get. When you make a sales call in a suit with your shoes shined and hair combed properly and your competitor is standing there in an open collared shirt and a pair of dockers, who do you think gives the best impression of a professional? Psychologically you have won your first battle. You appear as someone who exercises extra effort and pays attention to detail. Who would you trust your hard earned advertising dollars to?

—Source misplaced—writer, can you identify yourself?

**FIRST RATE.** Great response in your February 13th newsletter to the reader about dress. The way I see it, if you’re dressing professionally, you’re making great money and your lousy “dressed” competitors are second rate!

—Carter Snider, WLKI, Angola, IN, [lcb@wlki.com](mailto:lcb@wlki.com)

**CELL PHONE ANSWERS, CLEAR CHANNEL QUESTIONS.** In response to Ed Norden’s questions about cell phones (*SMRN*, 2/27/03), we ran into the same problem. We were using the same bag phone, and it can be hooked up to a directional antenna. We purchased a RemoteMix Sport from JK Audio. It works with our Motorola StarTac and Audiovox phones, but it cannot be hooked up to an antenna, unfortunately; you have to rely on the antenna in the phones. So far we have not run into a problem where we can’t get a strong enough signal.

On another subject, did you see the article in the February 18, 2003 *Fortune* magazine on Lowry Mays where he is quoted as saying he’s not in the business of providing news and information? I’m not sure who Arbitron is interviewing, but in this area, listeners in smaller communities are not happy with the local programming provided by group owners.

—John Hoscheidt, WRMJ, Aledo, IL [jhwrmj@qcconnect.com](mailto:jhwrmj@qcconnect.com)

**ONE HAND ROOTING.** I thought you might like reading this article: <http://www.sltrib.com/2003/Mar/03022003/utah/34327.asp>. My favorite part is near the end:

“Nobody roots for the leader,” shrugs Clear Channel’s Stanek, who maintains the company’s broad reach is good for radio. Because of its size, Clear Channel has run nationwide contests with much bigger prizes—up to \$1 million—than individual stations can afford to offer, he says. The company also owns a network of 48 “KISS-FM”s around the nation; this means that KISS’s pop music fans, when traveling to another city, are assured of finding a familiar-sounding station—much in the way that some travelers rely on McDonald’s.

I also loved the comment, “I don’t think [DJs not being local] is important as long as they cover local topics, like a big concert coming here.” If you lived in Salt Lake City, with all that is happening in the world, would you consider a concert coming “a local topic”? I loved the reference by Clear Channel to McDonald’s. . .because that’s where a lot of the former radio people now work.

—Tom Ewing, WSOO, Sault Ste. Marie, MI, [tewing@up.net](mailto:tewing@up.net)

## Protecting Your Credit

*Editor's Note: Marie Kiefer, KMCD-KIHK, Fairfield, IA (our stations) forwarded this to me. It's a good primer on prudence.*

The next time you order checks, have them imprinted with your initials and last name, instead of your full first name. If someone takes your checkbook they will not know if you sign your checks with just your initials or your first name, but your bank will.

Put your work phone number on your checks instead of your home phone. If you have a Post Office box, use that instead of your home address. If you do not have a P. O. box, use your work address.

*Never* have your Social Security number printed on your checks (*duh!*). You can add it if it is necessary, but if you have it printed, anyone can get it.

Place the contents of your wallet in a photocopy machine. Do both sides of each license, credit card and so on. You will know what you had in your wallet, all of the account numbers, and phone numbers if you have to call and cancel. Keep the photocopy in a safe place. I also carry a photocopy of my passport when I travel either here or abroad.

We've all heard horror stories about fraud that's committed on us—people stealing our name, address, Social Security number, credit cards and so on. Unfortunately, I, an attorney, have firsthand knowledge, because my wallet was stolen last month. Within a week, the thief(s) ordered an expensive monthly cell phone package, applied for a credit card, had a credit line approved to buy a Gateway computer, received a PIN number from DMV to change my driving record information online—and more.

But here's some critical information to limit the damage in case this happens to you or someone you know: We have been told we should cancel our credit cards immediately. But the key is having the toll-free numbers and your card numbers handy so you know whom to call. Keep those where you can find them easily. File a police report immediately in the jurisdiction where it was stolen; this proves to credit providers you were diligent, and is a first step toward an investigation (if there ever is one).

But here's what is perhaps most important (I never even thought to do this): Call the three national credit reporting organizations immediately to place a fraud alert on your name and Social Security number. The alert means any company that checks your credit knows your information was stolen and they have to contact you by phone to authorize new credit. By the time I was advised to do this, almost two weeks after the theft, all the damage had been done.

The numbers to know: Equifax, 1-800-525-6285; Experian (formerly TRW), 1-888-397-3742; Trans Union, 1-800-680-7289; and the Social Security Administration fraud line, 1-800-269-0271.

# Title

On Page One and elsewhere you've read about Dixie Chick Natalie Maines shooting off her mouth at a concert in England. . .prompting public reaction and an airplay backlash. . .prompting a rapid revision of Maines's stance.

I'm conflicted on this. On the one hand, it is the right—some would say obligation—of every American to exercise the free-speech rights on which our country was founded. Using that argument, Ms. Maines was merely exercising her first-amendment privileges, and it is unfair and unfortunate that there was a backlash against her and the Chicks. . .and that she felt it was necessary to issue the proverbial "clarification"(otherwise known as "back-peddling").

On the other hand, is it appropriate for musicians and other celebrities to use their media and public access as a bully pulpit for their views? After all, the average citizen doesn't have the same kind of access or the same kind of popular clout.

My idealistic nature wishes that freedom of expression did not spawn vitriolic backlash, and that all of us could express our views openly without fear of reprisal.

But my practical nature understands that if I ever took a stand on war, I'd lose half my readers. Which half, of course, would depend on what stand I took.



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**Small Market Radio Newsletter**




# Small Market Radio Newsletter


The Voice of Small Market Radio


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**NAB2003 IS A "GO."** According to association officials, the big Las Vegas confab will go on as scheduled: "All necessary precautions to ensure creating as safe an environment as possible around the show will be taken." The show might not go on, however, if the Homeland Security alert level makes the event impossible for travel or on-site security reasons.

 [www.nab.org/conventions/nab2003](http://www.nab.org/conventions/nab2003)

**ABC TOPS RADAR 76.** The March 2003 RADAR numbers show that the 37 rated radio networks reached 75% of 12+ U.S. consumers in a typical week during the survey period of January-December 2002. RADAR 76 marks the end of the transition from telephone to diary methodology and is based on a sample of just under 50,000 respondents. The study revealed that the measured nets reached 75% of persons 12-34, 78% of adults 35-49 and 72% of adults 50+. What's more, 78% of all adults living in households with incomes of \$75,000 or more listen to network radio each week. The top five networks: ABC Daytime Direction Network (9,192,000 persons, 3.8 rating); Westwood CNN Max Radio Network (7,369,000, 3.1); Premiere Pulse Network (5,431,000, 2.3); ABC Morning News Radio Network (5,361,000, 2.2); and Premiere Morning Drive AM Network (5,176,000, 2.2). *See related story, below.*  [www.arbitron.com](http://www.arbitron.com)

**RADAR NOW ALL-DIARY.** The latest RADAR survey (76) from Arbitron completes the four-year migration from telephone interviews to diary, a process that began when Arbitron acquired RADAR from SRI. The advantages to advertising buyers, according to Arbitron's Thom Mocarsky: "They get finer detail in their demos, more stable estimates, more stations aggregated into the networks. Plus we can do weighting improvements, for more reliability." While the advantages of one methodology over another are debatable (and hotly debated), at least now all radio surveys are produced using the same methodology, which should ensure greater consistency; as Mocarsky puts it, "The strengths and weaknesses of any methodology are now common in national and local radio."  [www.arbitron.com](http://www.arbitron.com)

**NTR BIG AND GETTING BIGGER,** according to an RAB study covering the year 2002. The fourth annual Non-traditional Revenue (NTR) Survey sampled 30% more stations last year than the year before, and showed 68% of all stations actively pursuing NTR for more than three years. More significant, most stations plan to increase their NTR efforts this year: 85% plan to increase NTR proposals, and 72% are getting more involved with event marketing. While the biggest challenge to NTR selling continues to be time management, that factor declined 2% from 2001. According to the RAB, "This could represent a trend of AEs being more able to handle the challenge of NTR selling."  [www.rab.com](http://www.rab.com)

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## TOP OF THE WEEK

**FREE ARMED FORCES SALUTES** are available from Grace Broadcast Solutions. GBS's Rod Schwartz is making these 60-second produced pieces available *gratis* to any station requesting them. They are formatted to allow a 15-second station or sponsor intro at the top, and a 15-second tag at the end. [www.gracebroadcast.com/products.htm](http://www.gracebroadcast.com/products.htm)

**TV TIME-SHIFTING PI R GOES OUT.** SONICblue, Inc., the parent of ReplayTV, one of the first manufacturers of digital video recorders (DVRs), will declare bankruptcy and sell ReplayTV to a Japanese company, D&M Holdings, that also owns the consumer electronics brand Denon. To those who might see this as a sign that DVRs are in trouble, Carmel Group analyst Sean Badding says, "It's a sad story for that particular company but in no way does it resemble the health of the DVR industry. This is an isolated incident. It is no way an indication of the growth potential of DVR." [www.sonicblue.com](http://www.sonicblue.com)

**THE MEL & SUMNER SHOW PICKED UP.** Ending the "Will he or won't he?" soap opera—for a few months, anyway—Viacom President Mel Karmazin has signed a new three-year deal for salary of \$1 million per year, another \$2.9 million in deferred compensation and a target bonus that starts out at \$6.5 million a year. Despite rumored tensions between Karmazin and Viacom CEO Sumner Redstone, the two made nice in a press release announcing the deal. According to Redstone, "I am very pleased that Viacom will continue to benefit from Mel's leadership and talent." Karmazin said, "Viacom is a great company. . . I [have] had the privilege of working with Sumner, one of the great visionaries and executives in the entertainment industry. . ." [www.viacom.com](http://www.viacom.com)

**CONGRESS ALL OVER NAB2003.** The Las Vegas supershow is a great opportunity to get up close and personal with our government friends, with six Congresspersons on a panel at the NAB2003 Congressional Breakfast to be held Monday, April 7. Sens. Conrad Burns (R-MT) and Norm Coleman (R-MN), and Reps. Rick Boucher (D-VA), Eliot Engel (D-NY), Gene Green (D-TX), and Lee Terry (R-NE) will participate in the annual breakfast, moderated this year by Commonwealth Broadcasting President/CEO and NAB Radio Board Vice Chairman Steve Newberry. Then, later that same day, on a panel entitled "Legislating the Airwaves," seven congressional aides who specialize in telecommunications policy will discuss the behind-the-scenes decision-making process on Capitol Hill. [www.nab.org/conventions/nab2003](http://www.nab.org/conventions/nab2003)

**SPAM GOOD FOR SOMETHING AFTER ALL.** According to online marketer DoubleClick and their *E-mail Trend Report*, e-mail was a significant contributing factor in the successful online shopping holiday season in 2002. For retail and catalog companies, response rates and click-through rates rose over the previous quarter, driving more traffic to retail sites, and substantially increasing conversion rates, DoubleClick says. While average response rates declined slightly (by 2.5%), the rates for the retail and catalog segments increased by 12% from third to fourth quarter. Similarly, although click-through rates declined by 6% overall, retail and catalog saw a slight (3%) increase from one quarter to the next. [www.doubleclick.com](http://www.doubleclick.com)

## May Business Opportunities

The following businesses post above-average sales in the month of May:

Appliance Stores	Fast Food
Auto Dealers (New Domestic)	Florists
Auto Dealers (New Import)	Hardware Stores
Auto Dealers (Used)	Hotels/Motels
Auto Parts Stores	Lawn & Garden Stores
Auto Repairs	Mobile Home Dealers
Beer	Real Estate (New Houses)
Bridal Market	Real Estate (Resale Houses)
Building Supply Dealers	Restaurants
Camera Stores	Supermarkets
Carpet Stores	

—RAB's Top 40 Business Survey

## May Promotional Opportunities

### Months

Asian Pacific American Heritage Month	National Mental Health Month
Better Hearing and Speech Month	National Moving Month
Clean Air Month	National Neurofibromatosis Awareness Month
Family Support Month	National Osteoporosis Prevention Month
Get Caught Reading Month	National Family Month (5/11-6/15)
International Business Image Improvement Month	National Physical Fitness and Sports Month
International Dental Awareness Month	National Salsa Month
National Allergy/Asthma Awareness Month	National Scholarship Month
National Arthritis Month	National Shoes for Orphans Month
National Barbecue Month	National Sight-Saving Month
National Bike Month	National Stroke Awareness Month
National Book Month	National Tuberos Sclerosis Awareness Month
National Correct Posture Month	Older Americans Month
National Egg Month	Sight-Saving Ultraviolet Awareness Month
National Good Car-Keeper Month	Strike Out Strokes Month
National Hamburger Month	Women's Health Care Month
National Hepatitis Awareness Month	Young Achievers Month

### Weeks

May 1-7—National Peace of Mind Week	May 4-10—National Family Week
May 3-10—National Safe Kids Week	May 4-10—National Pet Week
May 4-10—Be Kind to Animals Week	May 4-10—National PTA Teacher Appreciation Week
May 4-10—Goodwill Industries Week	May 4-10—National Suicide Awareness Week
May 4-10—National COPD/Emphysema Awareness Week	May 4-10—National Wildflower Week

May 4-10—Small Business Week  
 May 4-10—Teacher Appreciation Week  
 May 5-11—Astronomy Week  
 May 5-9—National Organizing Week  
 May 6-12—National Nurses Week  
 May 10-18—National Tourism Week  
 May 11-17—Kiwanis Prayer Week  
 May 11-17—Life Coach Recognition Week  
 May 11-17—National Alcohol and Other  
 Drug-Related Birth Defects Week  
 May 11-17—National Historic Preservation  
 Week  
 May 11-17—National Nursing Home Week  
 May 11-17—National Police Week  
 May 11-17—National Running and Fitness  
 Week

May 11-17—National Transportation Week  
 May 11-17—Universal Family Week  
 May 12-18—National Etiquette Week  
 May 12-18—National Stuttering Awareness  
 Week  
 May 12-19—Reading Is Fun Week  
 May 16-26—International Pickle Week  
 May 17-23—National Safe Boating Week  
 May 18-24—National Dog Bite Prevention  
 Week  
 May 18-24—National Effectiveness Week  
 May 18-24—National Emergency Medical  
 Services (EMS) Week  
 May 18-24—World Trade Week  
 May 19-25—Buckle Up America! Week  
 May 19-26—National Backyard Games Week

### Days

May 1—Executive Coaching Day  
 May 1—Law Day  
 May 1—Loyalty Day  
 May 1—May Day  
 May 1—National Day of Prayer  
 May 1—School Principals' Day  
 May 1—Stepmothers Day  
 May 2—Sibling Appreciation Day  
 May 3—Kentucky Derby  
 May 3—Tax Freedom Day  
 May 4—National Weather Observer's (formerly  
 Weatherperson's, formerly Weatherman's)  
 Day  
 May 5—Melanoma Monday (a.k.a. National  
 Self-Examination Day)  
 May 6—Childhood Depression Awareness Day  
 May 6—National Nurses Day  
 May 6—National Teacher Day  
 May 7—National Anxiety Disorders Screening  
 Day  
 May 7—National School Nurse Day  
 May 8—V-E Day  
 May 8—World Red Cross Day  
 May 9—Post-Partum Depression Recognition  
 Day  
 May 10—Astronomy Day  
 May 10—International Migratory Bird Day  
 May 10—National Babysitters Day  
 May 10—National Small Business Day

May 11—Mother's Day  
 May 11—National Clergy Day  
 May 12—Limerick Day  
 May 14—National Nightshift Workers Day  
 May 14—National Receptionists Day  
 May 14—National Third Shift Workers Day  
 May 15-16—Lunar Eclipse  
 May 15—Peace Officer Memorial Day  
 May 16—National Bike to Work Day  
 May 16—National Children and Police Day  
 May 16—National Defense Transportation Day  
 May 17—Armed Forces Day  
 May 17—Preakness Stakes  
 May 19—Boys Clubs Founded, 1906  
 May 21—American Red Cross Founded, 1881  
 May 21—National Employee Health and Fitness  
 Day  
 May 21—National Wait-Staff (formerly  
 Waiters) Day  
 May 21—National Maritime Day  
 May 24—Brother's Day  
 May 25—National Missing Children's Day  
 May 26—Memorial Day  
 May 28—National Senior Health and Fitness  
 Day  
 May 30—Hug Your Cat Day  
 May 31—Solar Eclipse  
 May 31—World No-Tobacco Day

—Chase's 2003 Calendar of Events

## Keep Marketing!

In the last few days, we've had to cover everything from commercial-free broadcasts of the war on cable networks to some advertisers pulling their campaigns because they don't want to be the company "this war is brought to you by."

It's all painting a potentially dangerous picture, and with every passing day, I'm reminded of what many columnists, including myself, were writing right after September 11, 2001—now is not the time to give up. If we give up, they win. That holds just as true today as it did then, and I'm happy to report that many advertising experts are urging their clients to "Keep Marketing," as Yankelovich puts it.

The firm today released a 10-page document outlining what companies can do to keep their brands visible and the marketplace strong in its *Staying the Course: Twenty-One Guidelines for Marketers During War With Iraq*.

"The fact is that consumption needs to continue. War with Iraq will not eliminate people's needs for food, clothing, shelter, transportation, comfort, family, security, entertainment and more," said J. Walker Smith, a leading consumer trends analyst and president of Yankelovich, Inc. "The issue is not whether marketing will continue, but how. If the American economy stumbles because of war with Iraq, there is a real impact from the loss of jobs, income and productivity. Marketing during wartime is not just about selling products, it's about sustaining the viability and strength of the marketplace."

According to Yankelovich, marketers must keep advertising: "Take responsibility for providing leadership and inspiration to consumers and don't send the wrong signal by retrenching or stopping all marketing."

Also, according to the guidelines, marketers must:

- Avoid flag-waving and exploitation. Stay away from messages that are at odds with consumers' sensitivities. Don't wrap your brand in the American flag.
- Provide comfort and connection. Offer small indulgences and quick escapes. Help bring people together. Offer products for home and family.
- Concentrate on your best customers. Do less broad-based prospecting and new customer acquisition. Put more focus on maintaining and growing your existing customer base.
- Segment customers by war worries and formulate marketing plans accordingly. Identify the ways people are dealing with worries and add this knowledge to the segmentation that guides marketing efforts.
- Re-examine niche marketing vehicles. Identify the lifestyle interests of your customers and increase your presence in media focusing on those specific lifestyle interests.

"A strong economy, as much as a strong military, is how America secures world peace," said Smith. "Keeping fit requires marketing that stays active and committed. Now is the time for American business to reinvest in the American dream." Amen to that!

—Masha Geller, MediaPost, 3/21/03, [www.mediapost.com](http://www.mediapost.com)

## FEEDBACK

**WHO WROTE THAT?** The writer of the letter in last week's *SMRN* about dress for salespeople is Patrick Brown, WRSW, Warsaw, IN. Our thanks to Patrick for his contribution.

**BONEHEADS.** I noticed that all the country stations owned by Cox have elected to drop "Lia" [Lia Knight's syndicated radio show] because the Dixie Chicks' are still being played in the show. Just goes to prove that there are lots of boneheads in radio.

At our country station, we chose not to join in any boycott of The Dixie Chicks. Boycotts are usually ill-advised, ineffective and stupid. The U. S. instituted an economic boycott of Cuba over 40 years ago in an effort to drive Fidel Castro from power. Last I heard, he's still there.

We heard from a handful of listeners who asked us to quit playing the Dixie Chicks, but they do not constitute a groundswell of public opinion. If the Dixie Chicks songs drop off the chart or disappear from the MediaBase research, then we'll drop them. But I refuse to get caught up in a silly boycott just for the sake of publicity. Natalie Maines may be an airhead, but she's still entitled to her opinion.

—Larry Fuss, Delta Radio, Inc., Cleveland, MS, [lfuss@deltaradio.net](mailto:lfuss@deltaradio.net)

**WHAT AMERICA IS ALL ABOUT.** A memo I sent to my managers regarding the Dixie Chicks:

There has been a lot of controversy over airing the Dixie Chicks' music due to the comments one of the artists made about President Bush. She later apologized to President Bush. Many right-wing groups are basically doing e-mail spam to radio stations trying to get radio stations to stop airing Dixie Chicks music. Often a minority screams the loudest, and today's technology allows a small grassroots effort to have a large impact. What is our policy on this matter?

As owner of the company, I do not want our stations to stop playing Dixie Chicks songs. However, I don't want our announcers to say anything on the air about them when the songs air. If they wish to make or invite comments about the controversy during the course of their show, fine, but I don't want attention brought to the song every time it airs.

America was built as a democracy, and even the opinions of people we may not agree with have the right to be expressed. At least half of Americans don't agree that we should be going to war, many in the middle aren't sure, and then others feel like whatever the current administration wants is sacred.

I tend to think the vast majority of Americans fall in the middle. . .the silent majority. If they don't like the Dixie Chicks, they will stop requesting the songs and stop buying the music and that will be the end of it; but that's not the case now. Regardless of how we feel on the decision to go to war, we support the men and boys who don't have a choice and are going over there to defend the right of the Dixie Chicks to say what they want to say—and likewise the Chicks will suffer the consequences of their actions. That is a big part of what America is all about.

Had radio stations censored many of the songs of the 1960s and early 1970s, we would not today have the beautiful music of Peter, Paul and Mary and countless others who used their music as expression of their political, religious and personal beliefs.

We won't censor as long as it is not vile and repulsive to all our listeners and advertisers. Play the Dixie Chicks but leave the controversy up to others.

—Art Sutton, Georgia-Carolina Radiocasting, Toccoa, GA, [sutton@gacaradio.com](mailto:sutton@gacaradio.com)

## War Then, War Now

Opinion from Bob Doll

Before sitting down to write this page, I went to my *SMRN* files and looked over the issues from January and February 1991, during the Persian Gulf War.

I was traveling in New York state, where Joe Riley had hired me to conduct a series of three small market management seminars. The first was in the Western part of the state at Batavia; the second, in Central New York at Rome; and the final one at Kingston on the East side.



Bob Doll

I remember a young man in his twenties who was starting his radio career. In a question-and-answer session, he asked me, "How will the war effect my business?" I told him I was not qualified to answer his question, but quoted the best guesses I'd read in the financial pages. Although many of the predictions had been dire, when the war broke out in 1991, the stock market went up, as it did last week when hostilities began in the current war.

I remember arriving at Kingston the night war broke out in 1991. Looking across the Holiday Inn lobby into the bar, I got a look at the TV set. I told Joe Sullivan, an expert on auto dealer advertising and promotion, who was on the programs with me, "I'm going to take my bag to the room and then get a good seat in the bar to watch the war." I was amazed that the set was tuned not to one of the three major networks, but to CNN. The cable network had stolen the show from the Big Three networks. As it turned out, even many of the Big Three affiliates forsook their primary network for the CNN coverage.

During the seminar sessions the next day, the station operators said little about the war. Instead, their focus was how to sell advertising and affect savings in their operations. They were dealing with things they could manage, not things beyond their control.

I'll never forget entering Albany airport for my trip home, little more than 24 hours after the first missile was launched. It was eery: there was barely a handful of passengers in the place. When I got on my plane for Kalamazoo, the only other passengers were a hockey team and its support staff.

In the first *SMRN* issue following the start of the war (1/24/91), we devoted only one paragraph to the subject, admitting that our publication, like other print media, was not the place to report on the war; that was the province of radio and TV stations.

In the following issue, we report KJAN, Atlantic, IA was distributing yellow ribbons free to listeners so they could display them on trees in their front yards. . . and that KCLN, Clinton, IA had purchased a quantity of red-white-and-blue contractor tape that local motorists could attach to their vehicles' radio antennas.

The following week, we printed Bob Kimel's fax telling us that his stations, WWSR/WLFE at St. Albans, VT, successfully telemarketed ads encouraging listeners to show their support for the troops by displaying their American flags.

There are business winners even in tough times. In our 1/31/91 issue, we reported that sales of takeout food were enjoying sales increases of 7-40%. Video rentals were up significantly—except for war movies.

Sales of transistor and shortwave radios were up strongly. Cable hookups were up: new customers said they were subscribing to follow the war—or to watch the movie channels to get away from it. CNN Radio affiliates believed that CNN's stellar war coverage on cable TV had greatly increased the prestige of having a CNN radio affiliation.

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