

# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 42 • APRIL 3, 2003

**XM GROWTH REPORTED.** XM Satellite Radio reported that it added over 145,000 new subscribers during the fourth quarter of 2002, bringing the total to over 347,000. While the service showed a loss of about \$500 million, revenue jumped from \$500,000 in 2001 to \$9 million last year. XM announced that next month it will debut a "Family Plan," whereby additional subscriptions in the same household will be discounted to \$6.99 per month. *Editor's \$0.02: It's time for all of us to stop dissing satellite radio and accept it as another legitimate medium, with strengths and weaknesses like any other. We do, however, need to remain vigilant about the well-established duplicity displayed by this industry, especially by XM, in attempting to sneak over to our playground. We're grateful, as ever, to our friends at the NAB for standing watch for us.* [www.xmsatelliteradio.com](http://www.xmsatelliteradio.com)

**DON'T EXPECT WEBCAST ROYALTY RESOLUTION SOON.** The Copyright Royalty and Distribution Act, sponsored by Rep. Lamar Smith (R-TX) and Howard Berman (D-CA), would require the Library of Congress to hire a full-time judge to mediate royalty disputes. But a Congressional panel has postponed indefinitely a meeting to discuss the Act. According to Smith,

"This legislation will streamline the process and help reduce its unpredictability and inconsistency." There is no word on why the postponement or when discussions might resume.

**JUDGING FOR RADIO-MERCURY HISPANIC AWARD** will be chaired by Aldo Quevedo, Executive Creative Director, Dieste, Harmel & Partners Publicidad. Sr. Quevedo will be responsible for selecting the judges who will select candidates and the winner in the Spanish-Language category. The Radio Creative Fund, the Radio industry-funded organization that produces the Radio-Mercury Awards, established the Chair position in response to the increased interest from the Hispanic advertising community in Spanish-language creative.

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

**COUNTRY DOING FINE**, according to a new Interep report on the radio format and music genre. According to the report, nearly 42 million adults listen to Country radio each week; in terms of record sales, only Country and Gospel music showed sales increases last year. Good news for Country radio sellers: The median age of a Country listener is 42.6 years. . .66% live in metropolitan areas or suburbs. . .77% own their primary residence. . .49% live in \$50,000 plus households. . .62% are married. . .70% are employed. [www.interep.com](http://www.interep.com)

**WARTIME PSAS AVAILABLE TO ALL** from the NAB. Available on their web site are a series of public service announcements containing wartime response and preparedness messages from a variety of sources. [www.nab.org/publicservice](http://www.nab.org/publicservice) [www.nab.org/PSAs.asp](http://www.nab.org/PSAs.asp)

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Jay Mitchell Associates, Inc.  
57 South Court Street  
P. O. Box 1285  
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Phone ..... 641-472-4087  
Fax—Editorial ..... 208-730-4363  
Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor ..... Jay Mitchell ([jay@jymi.com](mailto:jay@jymi.com))  
Managing Editor . . . Greg Baum ([greg@radiovill.com](mailto:greg@radiovill.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovill.com](mailto:karen@radiovill.com))  
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IN OUR 20TH YEAR

[Online #

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## TOP OF THE WEEK

**PRINT SUFFERS AD CASUALTIES.** According to Newspaper Association of America representative Jim Conaghan, “For the most part papers are still seeing declines, although smaller than last year.” Lagging categories include travel and tourism, and the all-important help wanted classifieds. Blame it on the war, says Conaghan: “There is some consensus among economists we won’t get an improvement until after this conflict is resolved. That suggests we won’t see improvement in help wanted until after the conflict is resolved, and something happens in the second half of the year.” [www.naa.org](http://www.naa.org)

**GROUP EXECES DISCUSS BROADCASTING’S FUTURE** in a special NAB2003 panel including Hubbard Broadcasting’s Stanley Hubbard and Emmis’s Jeff Smulyan. (The panel features a couple of television people, too.) The session will be moderated by Susan and Larry Patrick of Patrick Communications. According to Susan Patrick, “We will learn how they have guided their companies through this ever-changing media landscape. We intend to coax them into giving their predictions for the future—find out where they see things going—and get their advice on how executives can adapt and change to keep their company at the forefront of the industry.” [www.nab.org/conventions/nab2003](http://www.nab.org/conventions/nab2003)

**FCC SETS OWNERSHIP RULES DATE.** According to FCC Chairman Michael Powell, June 2 is the likely date for a decision on revised ownership rules for radio, television and print. Powell says he thinks the existing rules will be relaxed, but not before a revamping of rules that have been rejected by the courts. “The noisemakers must join us in a commitment to finding solutions,” said Powell in a recent speech. “We need compelling proposals, not rhetoric; and defense of those proposals, not the usual alarmist political attacks designed just to prevent change.” On the other side of the regulation fence is Commissioner Michael Copps, who said, “We have differences of opinion.” [www.fcc.gov](http://www.fcc.gov)

**PRODUCT PLACEMENT DISCUSSIONS DOMINATE TV-LAND.** The issue of product placement is hotly debated among television players, both in terms of effectiveness and consumer acceptance. On the one side are those who believe that viewers are feeling duped by it, while on the other are those who think it’s the best way to circumvent the growing technology-driven trend toward avoidance of regular commercials. According to Horizon Media CEO Bill Koenigsberg, quoted in *MediaPost*, “I’ve seen research that says consumers feel they’re being tricked by product placements.” But Court TV marketing VP Evan Shapiro says, “I don’t disagree that the consumer may be feeling duped. There’s a way to do it right. It has to be organic.”

**NEW AP CEO NAMED.** Tom Curley, Publisher of *USA Today* (and younger brother of former Gannett CEO John Curley), will succeed retiring Louis Boccardi as President/CEO of the Associated Press. According to AP Board Chair Burl Osborne, “Tom Curley is an experienced journalist and news and business executive uniquely qualified to lead The AP. His broad experience in news, finance and management make him an ideal choice for an AP already well positioned for future growth.” *Editor’s \$0.02: In my travels I encounter no other broadcast vendor that we most love to hate. The product is good, and most news directors enjoy the fellowship; but most radio managers and owners quickly tire of the organization’s unrealistic, high-handed, head-in-the-sand customer relations. As far as I can tell, they are losing radio stations left and right. It is only fitting that their new CEO is another newspaper guy.*

## All for Mom

According to the *SMRN Promotions Guide* (available to subscribers at [www.smallmarketradio.com/subonly/promo\\_2003.htm](http://www.smallmarketradio.com/subonly/promo_2003.htm), Mothers Day is Sunday, May 11, 2003.

**WORDS TO MOM.** Give listeners a chance to go on air and say "I love you" to their mother. You can give the caller a small prize, as a gift for Mom, or a local sponsor.

**LISTEN FOR YOUR SONG.** As a one-week lunch time feature, have listeners call in and dedicate a song to their Mother. When the song is played, the listener wins a prize. Or, if the Mother hears the song, she can call in and win a prize. (You might want to feature a different restaurant every day.)

**QUEEN FOR A DAY.** Have listeners write or call in a 25-word essay on why their mom should be "Queen for a Day." The winner's mother receives a prize package: a \$500 shopping spree, dinner out, a housekeeper for a week, etc.

**BABY DERBY.** Have expectant mothers register at a particular time. The first baby born at or after 12 a.m. on Mothers Day wins a package: a year's supply of Similac, a three-month fitness club membership, etc.

**MOTHERS DAY GETAWAY.** This is a simple sponsor-registration contest, awarding prizes to randomly-selected winners. The prizes can include accommodation for two at a nice hotel, a spa arrangement from a local spa, and dinner for two (which can usually be tied into the sponsorship - aggressive, moderate and conservative. Base the value-added will be the increased store traffic and participation announcements. As you sell the promotion, you may run across sponsors that want to be involved with prizes. They would still be charged the full (agency) program rate; the prize value is offset in the fact that they and their prize will be mentioned in every promotional announcement, not just rotated with the other sponsors.

**THROW MAMA ON THE PLANE.** Work with a local travel agent to provide \$500 in airfare for a randomly-selected winner to wherever Mom wants to go to visit family for Mothers Day. Sponsorship is billed entirely in advance.

**THE MOTHER OF ALL CONTESTS.** For Mothers Day, have listeners call in to say why their mother is the best. The chosen winner receives a catered gourmet meal for Mom, along with flower bouquets and a relaxing day at the spa, etc. *Variation 1:* Award winners of your "Best Mother" contest, including massage, manicure, pedicure and facial. *Variation 2:* Award winners of your "Best Mother" contest, including a beauty make-over at a local salon—the works.

at [www.smallmarketradio.com](http://www.smallmarketradio.com) is year. Here are some ideas:

their mother the best on her local sponsor.

listeners call in and dedicate a song for two at a local restaurant. (You might want to feature a different restaurant every day.)

25-word essay on why their prize package: breakfast in bed, flowers, perfume, etc.

sponsor. The first one to give a prize package: a case of baby formula, a three-month fitness club membership, etc.

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of taking her out to dinner, the chosen winner receives a catered gourmet meal for Mom, along with flower bouquets and a relaxing day at the spa, etc. *Variation 1:* Award winners of your "Best Mother" contest, including massage, manicure, pedicure and facial. *Variation 2:* Award winners of your "Best Mother" contest, including a beauty make-over at a local salon—the works.

**CALL MOM FOR FREE.** Set this up with a local restaurant so that for a two- or three-hour period on Mothers Day, patrons can place a three-minute call to Mom, on the house. (This sounds bigger than it is: at 7¢ a minute, three hours of calling is only \$12.60.) This is of course supported by a massive radio campaign.

**MOM SPILLS THE BEANS.** Here's a cute Mothers Day promotion from One to One: Have your air personalities get their mothers to tape little anecdotes about their son or daughter, but without mentioning his/her name. Play the pieces on the air, inviting listeners to try to identify whose mother is being played. This would work just as well with sponsors or with local business or civic "personalities."

**MYSTERY PARENT CONTEST.** Contact the mother (for Mothers Day) or father (for Father's Day) of someone who is well-known in the community. Interview the mom or dad and get all kinds of juicy information about the person. Then run sound-bites from the interview on the air as clues and ask your listeners to guess who the person is. First correct guess wins a prize.

**PARENT FLY-IN.** Bring in your jocks' Moms or Dads to do part of their air shifts on the Friday before the parent's day. (This works better with Moms.) The parent should come armed with spicy stories about the son or daughter, which can be shared on the air. Then, on Saturday, have a Moms (Dads) Dinner, inviting listener Moms to join the jock Moms.

**POSTCARDS FOR MOM.** Distribute postcards three weeks before Mothers Day, with a space to say why your Mom is special. Then, the two weeks before Mothers day, read a postcard on the air and give the family ten minutes to phone in to win a small prize and to get Mom qualified for the grand prize drawing: one year of free housecleaning, \$500 in furniture, a two-night stay at a resort, free candlelight dinner for two, a day at the spa, and a dozen roses. Trade all the prizes out, sell a bunch of sponsors, and watch the postcards roll in!

—Brian Bissonette, KKBJ FM-AM/WBJI-FM, Bemidji, MN, [wbi@mail.paulbunyan.net](mailto:wbi@mail.paulbunyan.net)

**DECK YOUR MOM.** On Mothers Day a local lumber dealer gives away a deck—lumber & labor included—to a deserving mother. Get submissions from sons, dads, whomever, as to why they would like to "deck their Mom." The winner is judged on the most creative and imaginative response received. Responses can be written, but it's more fun live on the air. This can be a one-month long promotion; both the audience and the air talent can have a lot of fun with it.

**OTHER MOTHER'S DAY IDEAS.** Have station personalities perform routine household chores for the winning Mom. . . have a local restaurant cater breakfast in bed on Mother's Day. . . have a special contest just for first-time Moms. . . hold a "Diaper Derby" where registered mothers throw wet diapers into a pail (most accurate pitching arm wins). . . expectant mothers can register in a "Baby Derby," with the winner being the one who gives birth after but closest to 12:00 a.m. on Mother's Day. . . or try a "Mom-A-Thon," where qualifying moms compete for prizes in various events: baby diapering, laundry folding, toy pick-up, mall scavenger hunt.

**HERE ARE SOME GOOD ALL-PURPOSE PRIZES** for your Mothers Day events: a year of diaper service, household cleaning, fitness club membership.

## Sales Bites

**UPDATE ON BIG ONE EYE.** A study by Public Agenda reveals that almost everybody (99%) have at least one TV set, and 93% of parents say it's fine for their children to watch "the right" TV shows in moderation. But 22% say they have seriously considered getting rid of their TV at some point.

At the same time, however, 85% believe that there's too much sex and crude language on TV today, and 90% agree at least somewhat that "when it comes to bad language and adult themes, it seems like TV programs are getting worse every year."

Seventy-one percent say that they themselves have been shocked or offended by something they've seen on TV in the past year, and 65% during early prime time often feature themes inappropriate for children.

According to the RAB, "Advertisers should be aware of the perception their customers have of the media they choose to deliver their advertising message. If your station enjoys a more family-friendly reputation than the networks, this research is a perfect way to drive the point home with your clients and prospects."


**INTERNET SIPHONS TV.** At the DoubleClick Insight conference held in New York last month, a cross-media study was revealed showing that traditional brands could benefit from increasing their online presence as a percentage of their overall media budget. According to the results, dividing the campaign target audience into online and offline segments, the online portion of the target tends to watch less television, be younger, more affluent, more educated and more likely to be a professional, therefore more desirable to marketers.

—Masha Geller, *MediaPost*, 3/5/03, [masha@mediapost.com](mailto:masha@mediapost.com)

**MENARDS SCHOOL OF BUSINESS.** From former *SMRN* Managing Editor Jill Watson comes this observation:

Have you ever seen the acronym used by Menards Home Centers?

Teach  
Reinforce  
Assist  
Inspire  
Notice

Whenever you walk into a Menards, you see it posted several places in public view.  
 [www.menards.com](http://www.menards.com)

## Do the Math

How many salespeople do you know who actually know what their business is doing? For that matter, do *you*?

My old friend, the redoubtable Steve Bellinger, was the first to alert me to the fact that most of us keep track of our business using historical data: What did we bill last month? What did we add to the billing this week?

A far more important metric is *pacing*, the daily activity and production that will result in the billing you want to achieve. When applied properly, your pacing numbers become an accurate predictor of the future, enabling you and your salespeople to understand exactly what is required to achieve your objectives.

Let's say that your annual goal is \$1.2 million. (I'm using a round number because I'm not a math genius; feel free to plug in your own figures.) That means you should bill around \$100,000 per month, more or less. (I know some months are great and some months suck, but stay with me here.) Actually, *billing* is something over which we don't really have control; we can, however, control what we *write*. Since there's always some leakage between written sales and billing, let's add, say, 10% to make our *written* sales goal \$110,000 per month.

Now, to get a daily pacing number, divide your monthly written goal by the number of business days in the average month, 22; your daily written sales goal is \$5,000. I know some days are great and some days suck, but on average, if you're not writing \$5,000 a day in business, you are simply not going to make your annual goal, no matter how much you fool yourself.

Use this approach to give each of your salespeople their own daily pacing number. If a salesperson's billing goal is \$120,000 for the year, his/her daily written goal is \$500— $\$120,000$  (annual billing)  $\times$  110% (billing to written)  $\div$  12 months  $\div$  22 days = \$500. Week by week, month by month, for a salesperson to hit his or her annual goal, he or she must bring in orders averaging \$500 a day.

But wait! There's more. By keeping track of the average number of qualified sales calls made per day (qualified = in person, talking to the decision-maker, asking for a specific order), and dividing that number into the daily written sales goal, the salesperson will know just how many qualified sales calls he or she needs to make to make the goal.

For example, if a salesperson averages \$100 per call, he or she has to make five qualified calls a day to achieve his or her billing goal— $\$120,000$  (annual billing)  $\times$  110% (billing to written)  $\div$  \$100  $\div$  12 months  $\div$  22 days = 5. This computation also shows that the salesperson can improve his or her billing in two ways: make more calls; and become more proficient at closing, which drives up the dollars-per-call average.

Knowledge is power! Use the math to empower your salespeople and *you*.

## Lessons from the School of Hard Knocks

John Sperling, the billionaire entrepreneur who pioneered for-profit higher education, has one piece of advice when it comes to lessons on business: Ignore them.

Sperling, who holds a PhD from Cambridge University, says that he has learned far more about how to conduct his business affairs from such novels as *Tom Jones* and *The Great Gatsby* than he has from business books.

More to the point, he believes that the strategies that worked for him probably won't work for others. With that caveat, here are four lessons from Sperling's school of hard knocks. He urges you to strenuously avoid them.

### IGNORE YOUR DETRACTORS

"It doesn't make a goddamn bit of difference what people think of me," says Sperling. "If I weren't immune to criticism, it would have been impossible to create and protect the University of Phoenix from hostility and legal assaults. But that's a unique characteristic that was positive for me. If someone in an organization is indifferent to the feelings of others, he won't function well."

### TAKE BET-THE-FARM RISKS

"I drove my company to near bankruptcy on a couple of occasions. That kind of bet-the-farm risk taking helped build the Apollo Group. But I had nowhere to go but up. I had nothing to lose."

### CHALLENGE AUTHORITY

"If you challenge authority, but you're not tough enough or shrewd enough to carry it off, you'll be ill served by this advice. The same can be said for a number of characteristics that have served me best: opportunism, joy in conflict, a thrill from taking risks. None of them is a safe ride."

### NEVER SET A GOAL

"An English historian once observed, 'He goes farthest who knows not whence he goes.' There's much truth in this. If you have a goal, you're constrained by the goal. Organizations must have a coherent philosophy, a clear direction, and the strategies to make the journey successful."

For more about John Sperling's company, visit  [www.apollogrp.edu](http://www.apollogrp.edu)

—Bill Breen, *Fast Company*, [bbreen@fastcompany.com](mailto:bbreen@fastcompany.com)

# Big Talk

As we gear up for NAB2003 (you *are* going, aren't you?), I think about encountering all my fellow broadcasters; despite the joy of such encounters, there is one teensy weensy downside:

Swapping whoppers about How Things Are Going.

In the midst of those conversations—invariably conducted late at night in the lounge at the Hilton—it's easy to start comparing ourselves and our stations to How Things Are Going with all our radio friends: This one is doing a billion in a town of 3,000. That one is giving BMWs to all his sales people. The other one is making a million on his web site.

With all respect to the "ones" cited here, there is always another side to the story. (I'm sure there's another side to *your* story, too.)

I'm not doing a billion in my town. The closest we get to a BMW is when one passes us on I-80. And I'm sorry, but *nobody* is making a million on his or her web site.

Sure, we can all be doing better, and the big talk should do nothing other than drive us to figure out how we can do the best we can with what we have—and then a little better.



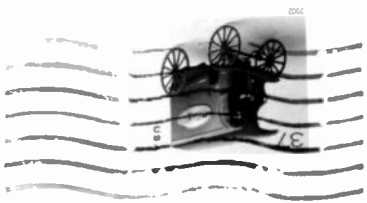
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BILL TAYLOR  
KQSS  
P. O. BOX 292  
MIAMI AZ 85539

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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jay@mitchell.com](mailto:jay@mitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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The Voice of Small Market Radio

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**HEARD AT NAB: COMMERCE PANEL TO REEXAMINE OWNERSHIP RULES.** A Senate Commerce Committee staff member has said that a panel is likely to hold another hearing on ownership caps sometime before June 2, when the Commission will issue its new regulations. The new regs are likely to change multiple-station, newspaper-broadcast and radio-TV ownership rules.

COMPLETE NAB2003  
COVERAGE  
NEXT WEEK

**RADIO BOOZE AD CONSUMPTION UP.** According to a report from the Georgetown University Center on Alcohol Marketing and Youth, underage people were exposed to more alcohol advertising in 2002 than those of legal drinking age. According to the report, the alcohol industry consistently overexposed young people to its radio advertising by scheduling ads when and where they were more likely to hear them; 20 of 160 brands of beer and distilled spirits delivered more radio advertising to those under 21 than to those 21-34. The Center's Executive Director, Jim O'Hara, commented, "The fact that kids under 21 hear more beer and distilled spirits ads than people 21 and older should concern everyone who cares about our children." <http://cfdev.georgetown.edu/>

**NEW XM COLLABORATION DELIVERS THE WEATHER.** XM Satellite Radio has partnered with Weather Works to provide real-time weather data to subscribers in marine, aviation and emergency-management situations. The weather data will include detailed, graphical information from the National Weather Service and other providers. [www.xmradio.com](http://www.xmradio.com)

**GIVING "TUNE-OUT" NEW MEANING,** a Racine, WI father apparently dealt with his son's too-loud radio by walking into the kid's room and shooting the radio with his .20-gauge Remington. Daniel Singstock was arrested and charged with reckless endangerment and violent disorderly conduct.

**DIXIE CHICKS TAKE THE HIT.** As a result of the well-known anti-war comments by lead Chick Natalie Maines, the group reports a number of personal threats and property vandalism. According to second Chick Martie Maquire, the group has received "a lot of threatening hate mail. [Third Chick] Emily [Robison] had the front gate of her ranch smashed. We need security when we get back to the States. It puts my well-being in jeopardy. Either I want to speak out more or I'm scared to say anything." Maines maintains her comments have been blown out of proportion, saying, "What's wrong with the world when what the Dixie Chicks say is more important than the war? Why does anyone care what we think?"

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57 South Court Street  
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Phone ..... 641-472-4087  
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Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor ..... Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
Editor Emeritus ..... Bob Doll  
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## TOP OF THE WEEK


**AOL PARTNERS WITH RADIO** to deliver streaming audio via its new AOL for Broadband service. The first announced venture is with Infinity Radio; the stations will get real-time updates from AOL, they'll run AOL for Broadband promos, and they'll be streamed over the AOL Radio@Network.

**JOCKS THREATEN STRIKE** at five New York radio stations owned by Clear Channel. At issue is the fact that CC wants a clause in the new AFTRA contract permitting voice tracking. The personalities work for WAXQ (Classic Rock), WKTU (Rhythmic CHR), WLTW (AC) and WPPR (Urban); they plan to draw attention to their fight with a rally at a Manhattan park later this month.

**NEW POLL BOLSTERS RADIO.** According to Zogby International, in a study of over 1,200 adults conducted for the NAB, 85% of all Americans say their local radio stations play an important role in providing news and information, and 81% say they are satisfied with the job local radio stations do in providing listeners with news, information, and entertainment. Over half say they are happy with the music they hear on their favorite station; 19% say their station "always" plays the kind of music they like. Forty percent say they hear their favorite music "most of the time," and 19% say they "sometimes" hear their favorite music on their favorite station.

When it comes to news, 56% say they get news, weather, traffic information, sports news, and information about community activities on a daily basis; 19% listen several times a week; and 25% listen on a weekly basis or less.

When asked to compare today's radio programming to that of five years ago, 34% say there is more variety today, while 40% say they feel it is about the same. Seventeen percent feel there is less variety in programming than five years ago.

To counter the impression that younger people are less satisfied with their radio choices, the Zogby survey found that more than 80% of 18-29 year-olds are either "satisfied" or "very satisfied" with the performance of local radio.  [www.zogby.com](http://www.zogby.com)

**RAB-BMI AWARDS FASTSTART PROGRAM SCHOLARSHIPS.** For the second year, the RAB and BMI are teaming up for the FastStart to Radio Sales Success Minority Scholarship Program, in which 25 minority radio salespeople are given full tuition to a five-day RAB training program in Dallas. The FastStart Scholarship Selection Committee, consisting of 13 industry professionals, bases their selection decisions on criteria like ethnicity, overall need, enthusiasm toward a career in radio sales and recommendations from professional associates. According to RAB President/CEO Gary Fries, "BMI's generous and continued support of the minority scholarship program will provide some of radio's most promising individuals with an invaluable learning experience at the [RAB] Training Academy." *Editor's Comment: Is the lack of small market recipients a function of (1) the paucity of minority salespeople in small markets, (2) the lack of applications from small market radio stations, or (3) something else? This is a terrific program, and small market radio should be a part of it.*

## **Facing the Future**

**NEAT NURSING DISCOVERY.** Here's a neat discovery: Check out <http://www.nursingworld.org/pressrel/nnw/nnwrel.htm>. It's a sample press release for National Nurses Week, May 6-12.

I came across it while looking for copy ideas for a nursing agency client. With this in hand, our AEs have now gone to health care and nursing facilities in our area and are opening some doors for radio with people who've never considered us before. It should be generating some new revenue for us! May it work for others as well!

—Chuck Thornton, Prettyman Broadcasting, Martinsburg, WV, [cthorton@wkmz.com](mailto:cthorton@wkmz.com)

**100,000 POUND CHALLENGE.** This time of year lots of your listeners are weight-conscious as they try to fit into last Summer's clothing and bathing suits. In keeping with the season, run the "100,000 Pound Challenge": challenge your listeners to lose 100,000 pounds; tie in tips and ad schedules from area merchants.

The advertising potential is unlimited: either businesses that are directly related to weight loss and fitness (diet centers, gyms and spas—don't forget your local community rec center); businesses that are concerned with appearance in general (local department stores, beauty salons—don't forget the independent cosmetics consultants); and businesses that will support a worthy community wellness activity (don't forget city government).

**GRADUATION PROMOTION.** Try this twist to spark interest in graduations this year: have the graduating seniors tape brief comments on what they plan for the future. This can be tied into a contest (call in and win when you hear yourself or your son/daughter on the air) and can certainly become a participating sponsorship opportunity.

**TAX DAY REBATES.** Listeners register at participating sponsors; winners are announced during a live remote broadcast from the main post office on April 15. During the broadcast, the station provides free postage for people mailing in their tax returns.

**OTHER TAX DAY IDEAS.** Since the IRS has taken the shirt off your back, give away station tee shirts to make up for it. ■ Give away memberships in the Procrastinator's Club of America, P. O. Box 712, Bryn Athyn, PA 19009. ■ Let your listeners know where the latest mail pickups are made in your coverage area. ■ Set up a coffee-and-donuts wagon near the main post office. ■ Do a contest calling for the most original excuse for filing an extension, awarding as the prize a gift certificate good at a local tax accountant's office.

**MIXED-UP TOWN.** This is a good one if your market contains smaller outlying communities that you want to tie in with. Mix up the letters of a town name to form a new (usually nonsense) word that you give, and spell, on the air. Listeners try to unscramble the word, identify the town and win a prize. Could be an excellent door-opener in those towns, or a way of getting some add-on business.

## The Value of Referrals

Are you making the most of the opportunity to use your present customers to find new ones? Here are some tips on getting more, and better qualified, referrals from marketing consultant and author Pete Silver:

1. Are you letting enough people know you appreciate referrals? Make a list of everyone who could be providing you referrals. The longer the list, the better.
2. Identify your centers of influence—the people who can and could refer business to you. Find out what prompts them to make referrals.
3. Seek referrals from your vendors. To get more referrals from them, refer more people to them.
4. Do your referral sources know what conditions cause people to need your product or service? To be sure, write a “plain English” list of what you offer, and describe the conditions under which people need you, so your referral sources can be on the lookout.
5. Follow up with both the person who made the referral and the person referred. Failing to do so sends the message that you don’t appreciate their help. Create a system to ensure prompt follow-ups.
6. Reward referrals. It is not always necessary or appropriate to use money; give a creative “thank-you”—like flowers, a magazine subscription, a dinner gift certificate—or at the very least send a handwritten note of thanks.
7. Ask satisfied clients for letters of recommendation—then use them, in presentations, as stuffers, on the walls, etc. Or bind them into a “success book” to show prospects.
8. Your banker, lawyer and accountant and other professionals can be invaluable sources of referrals.
9. Ask your clients and prospects what other services and products they are seeking. If possible, introduce them to a good source for a “win-win-win” situation: the buyer gets a good vendor; the vendor gets a good customer; and you get the appreciation from both.

Remember, referrals lead to more and better sales—with higher price tags. That’s why referrals are so important to good marketers.

—153 Ideas for Totally No-Cost Marketing, Pete Silver, [www.petesilver.com](http://www.petesilver.com)

## **Bring Back Jingles, All Is Forgiven**

*Why Innovation Shouldn't Make Us Forget Those Catchy Tunes*

**By Keith Styron**

How often have you found an advertising tune buzzing relentlessly round your brain? “I want my baby back, baby back, baby back ribs” or “McDonald’s: We love to see you smile.” Love ‘em or hate ‘em, you remember ‘em.

But in these days of fragmented marketing, ambient/street media and new kinds of ads that try to not look like ads (Nike’s naked man running at the soccer game, for instance), it seems ad writers have forgotten about the good old jingle.

Between the 1950s and the 1980s no self-respecting television or radio ad was complete without its signature jingle or mnemonic (spoken, rather than sung, phrase about a brand). Jingles were part of the advertising conspiracy: ad agencies and marketers planting brands in your mind so deeply and subconsciously that you didn’t even notice them going in.

But it worked.

“Concepts delivered in jingles are processed in a different way than straightforward claims made in an advertisement,” explains advertising guru Dr. Max Sutherland (a psychologist and professor of the Australian Graduate School of Entrepreneurship, now consultant for Australian and Californian corporations) in his book, *Advertising and the Mind of the Consumer*.

Traditional ad claims (“Better Ingredients, Better Pizza” for example) are processed in our “true-false” processing capacity, he says, whereas musically delivered brand statements tend to slip past our critical analysis capacity and go straight into our emotional/entertainment mind. We recall and feel attached to music in a way we are not attached to news items.

Take giant U.S. biscuit-maker Nabisco. While Sutherland was tracking the impact of Nabisco’s advertising, a simple change was made to the jingle that traditionally sung the brand name at the end of the ad. A “ping” at the end of the “Na-bis-co” was removed to make way for a temporary promotional tag. Sutherland’s tracking revealed “an amazing thing. . .the ads did not cut through as much. They lost a lot of their ability to link the execution in people’s minds with the Nabisco brand.”

Sutherland’s findings are reinforced by another study, “Music as a Recognition Cue in Advertising-tracking Studies,” reported in the *Journal of Advertising Research* (1990). This study looked at the responses of 3,000 consumers to advertising campaigns—split into those with traditionally spoken cues and those with musical cues such as jingles. The study showed 62% of

the consumers correctly recalled seeing an ad and associated it with the advertised product when given a verbal cue. For the musical cue ads, the correct recall level was 83%.

Taylor Nelson Sofres, one of the largest market research companies in Europe, ran another comparison between musical and visual brand cues in 2000. Participants who were exposed to visual advertising cues achieved only 49% correct recall of the ads and associated brands. The group that was exposed to advertising musical cues (with the words removed) achieved 70% correct recall.

Convinced? Here are five key rules from U.S. advertising testing firm The Pretesting Company:

1. Develop a unique brand-identifying tune or accent (“The Touch, The Feel Of Cotton” or “Always Coca-Cola”).
2. Incorporate the brand name into the jingle or mnemonic phrase—it’s about imprinting your brand into the primal part of the consumers’ brains.
3. Incorporate your brand essence into the jingle (“Red Bull Gives You Wings” or “McDonald’s, We Love To See You Smile”).
4. Stick with the jingle over a long period of time—years—and ensure it gets enough airplay to really “get in” (“Like A Good Neighbor, State Farm Is There”).

Make it short and sweet—it’s a brand identifier at the end of an ad, not the heart of the commercial.

Using famous preexisting tunes (like Microsoft’s use of the Rolling Stones’ “Start Me Up” for its launch of Windows 95) is also highly effective, for similar but slightly different reasons. Another power example: Bob Seeger’s “Like A Rock” for Chevy.

—Keith Styron, Venture Research, [www.idg.net](http://www.idg.net)

**RADIO TIE-DOWN.** The foregoing article should inspire all of us to revive one of the oldest radio tricks in the book: the jingle package. Find a suitable (and reputable) jingle company, invite the rep into your market, line up a bunch of appointments, and pitch a client jingle in conjunction with a long-term advertising campaign. Many readers have used John Hagerman, the self-styled “Worlds Oldest Living Jingle Gypsy,” now working with OnTrack Music, Omaha, NE ([www.ontrack.com](http://www.ontrack.com)). (You can reach John by e-mailing [jhagerman@sio.midco.net](mailto:jhagerman@sio.midco.net).)

When you sign up a local client for a jingle, not only do you nail down a long-term ad contract, but your client is likely to buy even more ads—he wants to hear his jingle on the radio more often. Sure, the client will want to use the jingle on all his radio (and TV) outlets, but if you approach it correctly you are positioned as the client’s advertising expert; as long as you continue to build the relationship and earn the trust, he or she will give you the lion’s share of the budget.

## About Local Radio News

A lot of responsible small market broadcasters are very concerned about local news. They are hearing the NAB's clarion call that what distinguishes us from the satellite radio guys is *localism*, and nothing conveys localism better than a strong local news department.

In the era of consolidation and downsizing, local news departments have suffered. Staffs have been reduced; some stations have even eliminated their news departments, either dropping local information altogether or joint-venturing with another local medium (the paper or television station).

But our reading of the tea leaves indicates that local radio news is making a comeback. We'll probably never see big newsrooms in small markets again, but efficiencies can produce an economical but effective information effort.

Most broadcasters understand that the survival of free commercial radio service depends on our ability to deliver localism. . .and the survival of our individual radio stations depends on our ability to deliver that localism on a budget.

One thing that has driven some small market broadcasters out of the local news business is the expense of their wire service. For most of us, "wire service" means the Associated Press. There's no doubt about it, AP offers a terrific product, but two factors are driving customers away: one is the high cost, and the other is the Jekyll-Hyde personality of the organization itself.

To take the latter first, AP has become the provider small market radio people love to hate. While the people actually cranking out the news are great, and most of the affiliate-relations people are great, the home office is a bunch of newspaper people and the billing department is a bunch of thugs. I feel bad for the news and sales people, because they have to contend with high-handed attitudes and "the customer is always wrong" behavior. (And they're often incompetent, to boot: when I bought our Ottumwa stations I asked AP for a copy of the contract; after weeks of no response, I told them that since we had no contract we would get our service elsewhere. . .and the contract miraculously appeared on my fax machine that day.)

As for price, AP is living in the past (or an alternate universe, I'm not sure which). There are good alternative services in many states, and most of them cost less than half of what AP charges. Alternatively, many radio stations have banded together to share stories on a cooperative basis, bypassing the need for a wire service altogether.

*Memo to AP:* You say your international coverage is the justification for your sky-high prices, but most of us get that from our audio nets. *Memo to small market broadcasters:* All you need from your wire is state news, weather and features, but you need it 24/7. Don't fall for AP's morning-drive-only plan; you can get the full service you need if you look around.

## Early Reports

As I write this, in the SARS-free safety and convenience of my hotel room on Monday night, NAB2003 has been in full swing for two days. The feeling here is positive and upbeat. As usual, however, radio people seem few and far between—perhaps because however many of us there are (NAB doesn't break attendance down), we're bound to get lost among the estimated 90,000 or so that have flocked to Las Vegas for the big annual show. (The actual number may be down from initial estimates, though, because in addition to heightened airport security, we now have a scary new disease to contend with.)

Television dominates, as usual. Interactive media have come on strong, especially considering there was no such thing five years ago. Radio has its sessions, but many are actually radio-TV sessions. We do have the Radio Luncheon tomorrow, and we have the always-excellent RAB sessions. (By the way, kudos to Eddie Fritts with reviving the tradition of opening the show with a bang; last year we enjoyed Jay Leno—much better in concert than on his TV show, in my opinion—and this year we laughed to the contemporary story-telling master Bill Cosby.)

All in all, though, this is hardly a radio conference, and that underscores our need for one. Let's hope that the RAB and NAB will come up with a viable, general radio show that all of us can—and will—support.

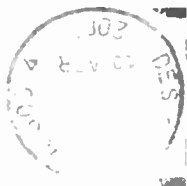


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**Small Market Radio Newsletter**



# Small Market Radio Newsletter

The Voice of Small Market Radio

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**RADIO CONTINUES UPTRENDING.** February 2003 was 7% better for radio than February 2002, according to the ongoing RAB-Miller, Kaplan study, making the 12th straight month of gains. Local led the way for a change, with an 8% hike, trailed by national at 5%. Year to date, the industry was up 6% local, 11% national, 7% combined. [www.rab.com](http://www.rab.com)

**XM SHOWS ITS CARDS; INDUSTRY RESPONDS.** Within a week of when the satellite radio provider announced an alliance with Weather Works to “launch breakthrough real-time weather data” on a market-by-market basis (*SMRN* 4/10/03), the NAB filed an “Ex Parte Communication” to the FCC, citing a *Communications Weekly* article saying, “There is nothing to prevent eventually making [XM’s localized weather service] available to XM’s primary automobile audience.”

**NAB**  
THE WORLD'S LARGEST  
ELECTRONIC MEDIA SHOW  
Coverage—Page 2

The NAB communication says, “The Commission should require XM to make full disclosure of any plans to provide locally differentiated services or to include technology in its repeaters or consumer receivers that would facilitate the provision of locally differentiated services. Should XM fail to provide that disclosure, the Commission should cancel the STAs [special temporary authorities] under which XM is operating its network of repeaters. In any event, XM’s latest announcement reinforces the need for the Commission to include a condition in any final license for SDARS [satellite digital audio radio] repeaters that bars the use of the SDARS networks to deliver programming to consumers in one market that is different from that delivered to consumers in another market.” [www.nab.org](http://www.nab.org), [www.xmsatellite.com](http://www.xmsatellite.com) (See Last Word, Page 8)

**CRYSTAL WINNERS FETED** at the Radio Luncheon during NAB2003. The winners are KFME, Overland, Park, KS; KNOM, Nome, AK; KOIT, San, Francisco, CA; KOZT, Fort, Bragg, CA; KPRS, Kansas, City, MO; KVAK-AM, Valdez, AK; WGMS, Washington, DC; WIBC, Indianapolis, IN; WJJY, Brainerd, MN; and WUGO, Grayson, KY. Congratulations to all! *We’ll feature profiles of the small market winners in upcoming issues of SMRN.*

**ABC DROPS “SPEAKING.”** ABC Radio is abandoning its “Speaking of Sports” and “Speaking of Everything” franchises effective May 1, due to host Keith Olberman’s increased presence on MSNBC. By doing so, the net stops a radio tradition: these shows were pioneered by Howard Cosell in the Sixties.

**DODSON HONORED.** The RAB’s Roger Dodson has been honored as an Outstanding Alumnus of the University of Nebraska’s College of Journalism. Roger has been in the industry for 38 years and joined the RAB eight years ago as SVP/Training. Congratulations, Roger!

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Publisher & Editor ..... Jay Mitchell ([jay@jymitchell.com](mailto:jay@jymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
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IN OUR 20TH YEAR

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## **At NAB2003**

Between 85,000 and 90,000 broadcasters converged in Las Vegas last week for the latest version of the big NAB annual convention. As often happens, radio was edged out by the television and interactive media folks, but there was still plenty for us to chew on.



**SOME RANDOM OBSERVATIONS.** The radio vendors are shrinking in the exhibit hall. This year the aisles were wider, there were more impromptu lounges, and quite a bit of space was simply blocked off. Several longtime participants, including traffic and automation provider SMARTS Systems and equipment dealer BSW, chose not to buy booth space at NAB2003. Meanwhile, as I said last week, reviving the tradition of starting the convention with a headliner is a good idea. The RAB sessions were great; unfortunately, a small handful of radio people took advantage of the free two-day sales seminar just before the opening of the NAB. The Radio Luncheon seemed better paced than in the past, but somewhat sparsely attended. And Bob Shieffer's rambling discourse was a disappointment—surely we could have found a good *radio* guy to keynote, couldn't we?

**FRITTS OPENER STRESSES SERVICE.** In his opening address to the convention, NAB President/CEO Eddie Fritts made a big point of *localism*, starting with coverage of the Iraqi war: "Of those 600 reporters embedded with our troops in Iraq, many are from local stations." Fritts noted that "the public-private partnership that broadcasters struck with government to serve the public interest is alive and well" and told us that "FCC Chairman Michael Powell recently called us an 'important public interest.'"

As for radio, Fritts said, "Some have sounded radio's death knell for 50 years, and yet local radio remains as vibrant today as it has ever been." Later in his speech, he mentioned, "We're excited about the launch of HD Digital Radio, which will provide better quality service for consumers and new business opportunities for broadcasters."

Fritts advocated further relaxation of restrictive ownership rules, quoting FCC Chairman Michael Powell saying that it's hard to "assert that an ownership restraint is essential in promoting diverse viewpoints, where so many outlets and owners thrive." Fritts noted, "Over the last four decades, the number of media outlets has increased nearly 200%, and the number of media outlet owners is up nearly 140%. And we have greater diversity of programming than ever before."

To drive home how local broadcasters continue to serve the public interest, in addition to praising the broadcaster-originated AMBER Plan, Fritts said this: "A couple of months ago, Tom Ridge, the Secretary of Homeland Security, put out a list of essential items needed in case of terrorist attack. On that list among all those necessities was a battery-operated radio or television. In case of emergency, Secretary Ridge did not say to take your XM or Sirius satellite radio out of your car and into your safe room. He did not say to take your HBO program guide."

*More NAB2003 coverage next week*

## Exchanging Ideas

More from our *Small Market Idea Exchange* at RAB2003. . .

**MAINTAINING A STATION WEB SITE.** Make no mistake about it, keeping a web site fresh requires effort and attention. You probably have a computer geek working for you—it might be anyone, it might be a part-timer. Tap that person! He or she will keep your web site going mostly for the love of it. I personally use *Dreamweaver*, but if you're just starting out, I recommend *FrontPage* from Microsoft. It's under \$100 and the learning curve is not steep at all. With its WYSIWYG (what you see is what you get) interface you can construct a good-looking site quickly and easily, and as your skills improve you can do more. *Your Editor*

FormSite.com ([www.formsite.com](http://www.formsite.com)) is good for quick surveys; it's free and it works great.

[*Editor's Note:* The free service has limitations on the number of surveys and responses you can have, but FormSite also has reasonable prices for its "Professional" plans.] *Unidentified participant*

The problem with using sites like this is that you are taking your own users off your site and subjecting them to advertising and advertising policies over which you have no control. So make sure you're comfortable with what they're doing before you plug them into your site. For example, Weather Underground ([www.wunderground.com](http://www.wunderground.com)) is probably the best weather service for small markets; Weather Underground will actually give the weather for Fairfield, IA, while others, like Weather.com ([www.weather.com](http://www.weather.com)) only get as close as, say, Burlington. But Weather Underground does subject users to pop-ups, pop-unders and other annoying forms of advertising, so be advised. *Editor*

I actually learned *Dreamweaver*, but the manual was *that* thick. On the other hand, Print Shop Deluxe ([www.broderbund.com](http://www.broderbund.com)) doesn't even come with a book; it's more for proposals—cool graphics are included—but the latest version has a web wizard. You just compose your page in Print Shop and then upload it—it's beyond easy. And it's cheap—\$40. *Michelle Regal Chester, Results Radio, Santa Rosa, CA, [mrc@q105.com](mailto:mrc@q105.com)*

**GROCERY STORE PROMOTION.** We did a promotion with a grocer where we tied in a couple of vendors; we called it "Cleanup in Aisle Ten." We went to an insurance company and for \$600-700 we insured a 60-foot putt down an aisle in the supermarket; if somebody got the putt in they'd win a year's worth of groceries. People had a month to register at the store; we drew finalists and had a big remote at the store where we rolled out a long green carpet. Finalists would get a small prize, provided by the vendors, for showing up; they'd take a short qualifying putt and if they got it they'd win a bigger prize. Then we moved everybody back to the 60-foot range and had them take putts. It was pretty exciting and we got a good bit of revenue out of it. *Rich DeLancey, Susquehanna Radio, York, PA, [rdelance@suscom.com](mailto:rdelance@suscom.com)*

## Yin and Yang

Being a successful sales professional involves a balance of left-brain and right-brain activity. On the left side—which governs the “scientist” in you—we have. . .

- Setting goals
- Research
- Call preparation
- Training
- Monitoring and analyzing your progress
- Time management

On the right side—which governs the “artist”—we have. . .

- Promotions
- Copywriting
- Innovative approaches to client presentations
- Solving a client’s business problems through marketing
- Answering the “Why radio?” and “Why your station?” questions
- Connecting the dots between features and benefits

Note that in my first sentence I used the term *sales professional*. I did so purposely. There are lots of good *sellers* in our business, who have natural talent and use it, undisciplined, to get only so far. The sales professional, on the other hand, understands that success depends on a number of things, many of which must be learned, applied, practiced and reviewed.

It has been my experience that the right-brainers can make it farther without cultivating the other side of the brain than the left-brainers. Clients (and staff) tend to get caught up in the flurry of emotion and creativity that right-brainers create; only later does the house of cards come fluttering down because of lack of attention and follow-through. Left-brainers don’t get that far, because very few people get excited about numbers and logic. (You’re probably a right-brainer; that’s the type that usually gravitates to a creative business like ours.)

There are two things that you have to keep in mind as you seek to balance these two types of thought and activity:

1. You are by nature better at one than the other; you are either more of an artist or more of a scientist. If you are equally and truly adept at both, you sit at the right hand of God and you need not read further.
2. No matter which is more naturally *you*, you will not be successful in the long run unless you force yourself to spend time on the other.

Sorry to be the one to tell you, but you can’t make it very far on half a brain.

## **The Class of '83**

By Bob Doll

1983 was the year *SMRN* was founded. Interest rates were at 16% plus. Small businesses, from which small town radio stations derived the majority of their revenue, were failing in record numbers. Two small town radio operators entered the business at the same time. For this article we visited with each of them.



Bob Doll

John Hoscheidt had attended the broadcast school at Southern Illinois University at Carbondale. Upon graduation he spent three years playing minor league baseball in the South. Deciding he was not going to the Majors, he embarked on the career for which he'd prepared himself—he joined Roger Coleman's station at Monmouth, Illinois as a newscaster. After he was there six months, Coleman offered him a job doing sales, news and sports at a station he was building at Aledo, Illinois. John was the first voice heard on WRMJ.

After John was there five years, Coleman told him he wanted to sell the station. John liked Aledo and says, "I wanted to stay here." When he set out to get financing, he could not see how he could borrow the money, or more important, pay it back at the high interest rates that were being asked by financial institutions. He found a good job in the sales department at a Fort Wayne, Indiana station. His next door neighbor, an Aledo banker, told him he should stay in Aledo. When John told him of his banking situation, the banker told him, "Come by the bank at Noon tomorrow. We'll see what we can do."

When he arrived, the banker told him, "I've found you 15 investors. Get in there and run the station. The investors want a return on their money and ultimately will want to sell out. They're not as interested in the radio business as they are in having you stay and the station be in local hands." John bought them out over the next twelve years, until, in the mid-1990s, he became the sole owner.

During his 25 years at WRMJ, John has handled the majority of the station's sales. He's also been central to the station's local news and play-by-play sports efforts. He has also been active in many civic activities, often taking a leadership role.

In addition to serving his home county of 17,000, John's station has been active in five others. He's kept the station local. He has not gone satellite, preferring to rely on hard disk automation with voice tracking done by station staff members. The Country format is on compact disc. In addition to currents and recurrents, Country classics occupy about 20% of the mix.

The station runs live 6 to 10 a.m., during the Noon hour and 5 to 6 p.m. It carries a heavy schedule of local and area news, play by play sports and agriculture service programs.

Station promotion activity is generally tied to events in Aledo and the small towns within and across the county line. The station conducts two radio auctions, one in February and the other in March.

Each year, the station sponsors a Christmas tree decorating contest in the downtown city park. The trees are decorated by local businesses and civic groups. The judges pick the three best for prizes of \$100, \$75 and \$50.

One continuing promotion has run for more than ten years: The managers of local businesses tape clues to their identities. Random phone calls are made to listeners asking them to identify the "mystery voices."

John tried being an absentee owner of an AM-FM combo about 40 miles away. He says, "I found myself resenting the time I had to spend on those stations. After three years I sold them to the owner of a group of small stations. He'll do well and I can return to running my own station and being active in my community. That's my thing."

Another of the Class of '83 is Bill Willis. His station was a start-up. He had wanted to own a radio station for some 30 years. He had served several hitches in the army and was by 1983 winding up a tour of duty. When he filed for WFLQ in French Lick, it was the last facility in Indiana on the allotment table. It had been passed over because the town had a population of only about 2,000. It was not the seat of the 18,850-population county; the seat had its own AM-FM combination.

When Willis filed, a competing application appeared. It took four years to reach a settlement. When Willis received the postcard from the FCC notifying him that he had been granted a construction permit, Willis says, "After all that waiting, getting that grant was not the euphoric experience I had thought it would be. I was doing well in the service, having risen to the rank of colonel. [My wife] Catherine was doing well as a registered nurse. We were giving up good incomes and a lot of security for the chancy future of becoming entrepreneurs. We had some reservations, but we did it."

When they arrived in Southern Indiana to launch their radio station, the first very unpleasant surprise came at the bank. "We had the money to meet our construction costs," Willis said, "but the \$50,000 line of credit I had gotten from a bank for startup operating capital had evaporated. The bank president told me that his board had established a new policy against any loans to start up businesses because so many had failed during the hard times of the late 1970s and early 1980s. I was forced to rework my plan."

He devised a strategy whereby he would ask the advertisers who signed up before he went on the air to pay the first month in advance. "I had been a life insurance salesman for several years between hitches in the service, and in that business it was customary for new customers to pay their first month premium in advance. When he proposed the arrangement to his radio customers, only a handful balked. (Twenty years later, Willis's station still asks new customers for the first month in advance. He smiles as he says that those who complain are usually the slowest payers.)

The prepayments and money from Bill and his wife's personal savings were enough to operate for 90 days. "We started having a positive cash flow about 75 days into the venture and we've cash-flowed positively ever since."

Bill decided when he put his station on the air that it had to attract audience in his immediate area, but also in the other counties his signal reached. He believed his air sound had to be professional, like the stations that came in from Louisville and Indianapolis. His was the first station in the state to affiliate with Satellite Music Network (in SMN's first year of existence.) WFLQ has consistently attracted ten or more times the population of its city of license in its weekly audience in the Arbitron County-by-County Surveys.

Bill's wife handles the station traffic, bookkeeping, billing and, as he says, "the administration of the station." He continues, "Believe it or not, I really had not thought much about sales as I was planning my station. When I introduced myself to Paul Kneis, owner of a station in Jasper, he told me, 'As an owner-operator, you're going to have to be your own best salesman.' Catherine's handling of the things inside the station made that possible."

Bill has grown his revenues and operating profits for 17 of his 20 years in business. He says, "We have no big customers. Businesses here and in the other small towns are small businesses. In Bedford to the north and Jasper to the south we compete with very good local stations. We are a supplementary buy in those two towns." He says the length of his account list is the secret—over 200 accounts use WFLQ every month.

Bill has two other staff members working with him on sales. "I've backed off some, but I still write about half the business. Working with the customers on taking advantage of opportunities and solving problems is what I enjoy most about operating the station."

The long hours and hard work he's put into WFLQ have not overshadowed his civic and religious activities. In addition to serving in just about every local post, he has been active in his state broadcasters association, the Lions Clubs, the Methodist Church, and the Gideon Bible Society. He has also served on the small market committees of both the NAB and RAB.

When others complain about being burned out, Willis smiles, saying, "Catherine and I are too busy for that." He also says, "We attend both the national NAB and RAB conventions. We never attend a convention that doesn't give us new ideas for running our station better. And, we've made a lot of wonderful friends."

At 65, he sees no reason to make retirement plans. "I think Catherine likes the radio business and our radio friends even more than I do. We're open to buying another station, if it fits with what we have here."

Bill says, "We've made a good living here and gave our son a good education—a good start in life." (Their son is a successful high-tech sound engineer outside the radio business.) Even though Bill's background is military and very disciplined, he says, "The thing I like most about being a small town radio man is that I call my own shots."

# Oops

There's an old expression, "It is easier to beg forgiveness than to ask permission." Apparently our friends at XM like this expression a lot.

Our country has a long tradition of not wanting to put the genie back in the lantern, and XM is relying on that tradition in its inexorable march toward doing whatever it wants to do, making a mockery of the FCC rules under which we terrestrial broadcasters have operated all these years.

Consider the situation of undocumented aliens in my new home state of California: sure, they're here illegally, but the state still feels compelled to provide them with social services. I don't want to debate the human rights issues here. . . I just want to point out that the attitude of "They're not supposed to be here, but as long as they're here, we'd better take care of them" translates very well to the reaction XM is counting on from the FCC: "They're not supposed to do that, but since they have, we'd better take care of them."

What would happen if any radio operator tried to pull stuff like XM is pulling? Licenses get yanked for less. Why are these disingenuous weenies being allowed to go one more day getting away with this? They are insulting the FCC and they are insulting commercial broadcasters. Not only should they be stopped from this localism play of theirs; they should be stopped, period.



85539+0292 03

BILL TAYLOR  
KQSS  
P. O. BOX 292  
MIAMI AZ 85539

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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jay@jaymitchell.com](mailto:jay@jaymitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 45 • APRIL 24, 2003

**DEREG NEWS I: FCC PRESSURED TO RELAX.** Twelve members of the Senate Commerce Committee is pushing to have the FCC delay its Powell-mandated June 2 deadline on regulation revamping to allow the public more time to review the Commission's proposed rules. According to comments released by the group, "Given the gravity of this proceeding, we're puzzled as to why the FCC would not insist on having a thorough discussion about any proposed changes before these would take effect." Meanwhile, six members of the committee, including Sen. John McCain, want the FCC to move ahead without getting further comments.

**DEREG NEWS II: POWELL STANDS FIRM.** Despite the urging of the majority of the Senate Commerce Committee (see above story), the FCC chairman says there's no reason to delay the upcoming regulation review vote. In a letter to Congress people, Powell said, "Further and more specific notice is unwarranted in light of the full record before us and weighed against the pitfalls of further delay."

**DEREG NEWS III: FCC NOT ON THE CASE BY CASE.** One aspect of the overhaul of the media ownership rules that won't be implemented, it would seem, is the controversial case-by-case review of mergers with no clearly-defined parameters. Bowing to intense criticism, the Commission will work out specific limits that are "similar to but more lenient than today's blanket rules," according to government insiders.

**SPECTRUM TAX BULLET DODGED. FOR NOW.** Congress has released the final House and Senate Budget Resolutions for 2004, and thanks to the NAB and member stations, the report does not include either the proposed television spectrum fees or the unauctioned spectrum fees, which would affect radio broadcasters. The NAB "would like to thank all broadcasters [who] weighed in with their Members of Congress to eliminate these two onerous provisions," but cautions, "This perennial issue will return. With the budget deficit expanding and with the FY 2004 budget including additional tax cuts, legislators next year will face even greater political pressure to find new sources of funding. . . As such, we recommend that all broadcasters explain the perils of these taxes early and often in their regular meeting[s] with legislators."

**BROADCAST PIONEER SUCCUMBS.** Lifelong Washington state broadcaster Adrian DeVries died recently at the age of 83. DeVries began his career at KFPY, Spokane, WA in 1944, and later owned KCLX, Colfax, WA for 30 years. Later DeVries produced radio and TV programs for the Washington State and the National Grange. DeVries won the first Broadcaster of the Year from the Washington State Association of Broadcasters; about a week before his death he was honored for being the longest continuous broadcast voice in the state.

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Phone ..... 641-472-4087  
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Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor . . . . . Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
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**THE MICHAEL & SAM SHOW.** The third annual breakfast chat between ABC News Correspondent Sam Donaldson and FCC Chairman Michael Powell drew the largest crowd yet at NAB2003. Powell was his usual thoughtful, articulate (if somewhat over-analytical) self when he fielded radio and television questions asked by Donaldson. Powell noted, "The FCC historically has done an extremely poor job in explaining the rationale for keeping the rules, but do not look for an elimination of all the rules. To do that would be irresponsible of the Commission."



A big concern among small market operators is the impending revamping of the market-definition rules. Longtime small market owner (and *SMRN* reader) Jerry Papenfuss, Winona Radio, Winona, MN, expressed his concerns that any such revision might negatively impact on the values of properties bought in good faith using the old market definitions: "We built our business model on the [current] rules. If you change those rules for our size markets, you'll destroy our business." Powell replied, "The argument, 'They're working fine, don't look at them,' won't work. It is a dominant consideration what the impact will be on smaller markets; we hear your voice; you have a seat at our deliberations as we try to figure it out."

**MEANWHILE, WITH THE SHOWS** **IER COMMISSIONERS.** . . During the Regulatory Face-Off, the four commissioners didn't the chairman sparred over a number of issues, most notably the revamping of the ownership rules. Commissioners Kathleen Abernathy, Jonathan Adelstein, Michael Copps and Kevin Martin showed their political orientations (Abernathy and Martin are Democrats, Adelstein and Copps are Republicans) when it comes to opinions on the effects of ownership limits: Abernathy and Martin indicated that the restrictions have benefited the public as intended and that lifting them would cause harm. To counter, Adelstein dragged out the old saw about what has happened in the unregulated print industry: in the Twenties, 500 cities in the U.S. had two or more daily papers, while just 34 cities do today.

Another disagreement among the Commissioners concerned the \$27,500 fine imposed on WKRK-FM, Detroit, MI for indecency. Abernathy and Martin said the Commission did its job by enforcing the statute with a fine, but Copps would have gone farther, saying that the station merited a hearing on revocation of its license.

**THE COPYRIGHT PANDORA'S BOX.** NAB Senior Associate General Counsel Ben Ivins moderated a panel on various copyright issues. While much of the session was devoted to television issues, panelist Bruce Joseph, Esq., of Wiley, Rein & Fielding, discussed Internet streaming, including a review of the still-pending Bonneville appeal, which asked if a simulcast stream was exempt from liability to a record company. Joseph detailed the Copyright Arbitration Royalty Panel (CARP) rules, and noted that The Small Webcasters Settlement Act (SWSA), passed last November, authorizes the RIAA to make private deals with broadcasters. He also mentioned that a new Recording Industry Association of America (RIAA)/Digital Media Association (DiMA) agreement for Internet-only streaming has been submitted to the Copyright Office for publication.

## **June Sales Opportunities**

The following businesses report above-average sales in the month of June:

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

—RAB's *Top 40 Business Survey*

## **June Promotional Opportunities**

### **Months**

Adopt A Shelter Cat Month	National Aphasia Awareness Month
Cancer from the Sun Month	National Candy Month
Child Vision Awareness Month	National Family Month (5/11-6/15)
Children's Awareness Month	National Iced Tea Month
Dairy Month	National Rose Month
Entrepreneurs "Do It Yourself" Marketing Month	National Safety Month
Fireworks Eye Safety Month	National Scleroderma Awareness Month
Fireworks Safety Months (6/1-7/31)	Rebuild Your Life Month
Gay and Lesbian Pride Month	Perennial Gardening Month
International Men's Month	Sports America Kids Month
International People Skills Month	Student Safety Month
National Accordion Awareness Month	Turkey Lover's Month
	Vision Research Month

### **Weeks**

Jun 1-7—International Volunteers Week	Jun 9-13—Families in Business Week
Jun 1-7—National Headache Awareness Week	Jun 9-15—National Credit Awareness Week
June 1-7—Step-Parents Week	Jun 9-15—National Little League Awareness Week
Jun 8-14—Meet A Mate Week	Jun 9-15—National Men's Health Week
Jun 8-14—National Flag Week	Jun 12-19—Nursing Assistants Week
Jun 8-14—National Youth Sport Coaches Week	Jun 13-20—National Hermit Week

Jun 15-21—Universal Father's Week  
Jun 22-29—Amateur Radio Week  
Jun 22-28—Helen Keller Deaf-Blindness  
Awareness Week  
Jun 22-28—National Cheese Week

Jun 23-27—Take Your Pet to Work Week  
Jun 28-Jul 5—National Prevention of Eye  
Injuries Awareness Week  
Jun 30-Jul 6—Special Recreation Week

### Days

Jun 1—Children's Awareness Memorial Day  
Jun 1—National Cancer Survivors Day  
Jun 1—Stand for Children Day  
Jun 4—National Hunger Awareness Day  
Jun 4—National Tailors Day  
Jun 6-8—Take a Kid Fishing Weekend  
Jun 7—Belmont Stakes  
Jun 7—Cheer Coach Day  
Jun 7—National Trails Day  
Jun 8—Multicultural American Child  
Awareness Day  
Jun 8—Pentecost  
Jun 8—Race Unity Day  
Jun 10—Alcoholics Anonymous Founding,  
1935  
Jun 12—National Automotive Service  
Professionals Day  
Jun 12—Nursing Assistants Day  
Jun 13—Friday the 13th  
Jun 13—International Skeptics' Day  
Jun 13—Work@Home Father's Day

Jun 14—Family History Day  
Jun 14—Flag Day  
Jun 15—Family Awareness Day  
Jun 15—Father's Day  
Jun 15—Native American Citizenship Day  
Jun 18—National Splurge Day  
Jun 20—Take Your Dog to Work Day  
Jun 21—Baby Boomers Recognition Day  
Jun 21—Join Hands Day  
Jun 21—Pick Up Some Litter Day  
Jun 21—Summer Begins  
Jun 21—Vegan World Day  
Jun 22—America's Kids Day  
Jun 24—National Columnist's Day  
Jun 27—National HIV Testing Day  
Jun 28—Descendant's Day  
Jun 28—National Celebrate Your Marriage  
Day  
Jun 30—Special Recreation for the Disabled  
Day

—Chase's 2003 Calendar of Events

**THE FIRST DAY OF SUMMER** is the time to get lots of things cranked up. A good promotion for that day might be "[Market]'s Largest Outdoor Barbecue." This is a food-fest held in the parking lot of a local grocery store. Through the participating grocer, you can arrange to offer free samples of various products sold in the store to listeners/customers who show up. The store and their vendors commit to advertising schedules and everybody receives promotional mentions on the air.

**GOLF COURSE WAITING TIMES.** If you have one or more golf courses in your area, you can get new listeners and make new friends by broadcasting the waiting times during key playing hours. Make arrangements with the course pros or managers.

**TREASURE HUNT.** Each day during a week-long outdoor festival, 30 merchants post a clue sheet (using a different color paper each day). Listeners use the clues to find the treasure chest on the festival grounds, which contains wooden nickels redeemable for prizes at merchants' stores. The merchants each buy \$75 in advertising and donate a prize.

## **Get the Budget Increases You Deserve!**

**By Dave Gifford**

Here are 30 reasons why local businesses increase their advertising budgets:

1. Position or reposition their business
2. Compete against a shopping center or mall that is coming or has recently opened
3. Fight off stiff, new, stand-alone competition ( "category killer" or warehouse merchandise club) that is coming or has recently opened
4. Pace their advertising with the market's growth rate (even more competition is coming!)
5. Keep pace with certain price-driven competitors who have increased their advertising
6. Keep pace with fashion-driven competitors when fashions seem to change almost overnight
7. Defend and/or maintain market share by countering competitive initiatives
8. Compete in a marketplace where they are constantly outspent and out-promoted
9. Promote more in order to stay ahead of their promotion-driven competitors
10. Add to their promotional calendar (to promote their web site, a new business, a relatively unknown business, new location, new department, new lines, new brands, a special purchase or promotion, back orders of merchandise that come in unexpectedly, more leads or listings, trial purchases, mail and/or phone orders, a new service, new hours, new pricing policy, new credit policy, et cetera)
11. Expand their customer base by adding customers who buy from somebody else
12. Educate consumers about their products and services
13. Expand into special markets (college/ethnic/military)
14. Upgrade their customer base
15. Exploit a competitive advantage
16. Take advantage of a vulnerable competitor
17. Stop peak & valley sales with consistent advertising
18. Add radio to their media mix
19. Add your stations to their radio mix
20. Earn top-of-the-mind awareness by increasing their Effective Frequency
21. Maximize vendor money opportunities
22. Maximize co-op opportunities
23. Meet new franchise, dealer, and lease agreements regarding their advertising
24. Expand their trade area beyond the city limits where the daily newspaper's circulation drops dead
25. Address a location policy
26. Increase their average ticket sale by focusing on higher margin goods
27. Increase big ticket sales
28. Correct a wrong assumption about their business or about what they sell
29. Become more proactive in the community
30. Impress the business and financial community



Giff

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## Magic Pronouns

“You’re traveling through another dimension—a dimension not only of sight and sound, but of mind—a journey into a wondrous land whose boundaries are that of imagination. That’s the signpost up ahead. Your next stop—the Twilight Zone.”



Jeffrey Hedquist

Remember those words? It wasn’t just Rod Serling’s distinctive delivery or the music that made it so compelling, but the fact that it was about us, the audience. Try reading it in the first or third person. It just doesn’t have the same impact. The same is true of narrative commercials. Using the second person perspective allows the listener to make the commercial theirs. Try replacing the “I, he, she, and they” pronouns with “you” in a few of your spots. It will force you to rewrite them and might make them more interesting. As you do, be careful not to tell people what to do, but suggest, intrigue, let them find themselves in the stories.

If your storyteller is a representative of the demographic or psychographic group you’re trying to reach, then first person can be very effective, so there are no hard and fast rules here. Third person can be used effectively to denote those who are “not like us,” who didn’t have the foresight to visit the advertiser, or buy the product.

**THE STRAW MAN COMETH.** Create a straw man. Invent a competitor; create a fanatic, a lunatic, an eccentric, a devil’s advocate, an overblown skeptic, or an out-of-control situation to position the advertiser as hero. Don’t make the examples so unbelievable that the audience discounts the point you’re trying to make. Example; if your client owns a car wash, don’t create someone who sandblasts his car whenever it gets dirty. Maybe have a conversation with someone who collects a year’s worth of dirt on his car and views it as art, or a great procrastinator, who waits for a rainstorm to wash of the accumulated dirt.

Instead of creating cartoon characters, go for almost normal, with unexpected quirks. This distinction is a judgement call, a fine line, and examples may not explain it adequately. Think loveable, quirky, believable. Exaggerate but don’t go so far out of the realm of the listener’s experience, that he doesn’t believe the claims of the advertiser.

Ask yourself: Who do I know who has bought this item, used this service, had this problem (that can be solved by the advertiser)? Now, what personality traits do they have? Which of those traits would be most entertaining if they were exaggerated? Which of those exaggerated traits would best demonstrate the benefits to the listener? What kind of situation can I create that would make the best, most compelling story?

Your straw person could be someone who hangs out at a car dealer’s showroom because the sales people understand him better than his family does; a guy who brings his know-it-all brother-in-law into the hardware store to meet Hank, the owner, who really *does* know it all when it comes to DIY projects; or the woman who calls the advertiser with major complaints, only to have each one explained as a misunderstanding—giving you lots of opportunities to describe benefits. Your opportunities for creating straw men is limited only by your imagination—so start baling.

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## Good Stories

By Bob Doll

This month we came across a couple of good small market stories—the first from a most unlikely place.

**THE COVER STORY** in the Sunday magazine of the *Houston Chronicle* was about a 250 watt daytime station in a town of 2,977, two hundred miles from Houston. The station, on the air for 55 years, is KCLW, Hamilton, TX.



Bob Doll

The four-page article detailed the relationship that the station's disc jockeys and management have with the town. It says that KCLW plays a "critical role in enriching its area." It goes on to say, "The station remains an iconoclast in an era when radio purists lament the growing corporate ownership and increasing blandness of radio. . . Big city radio can't match the down home style of KCLW."

The station's format is Traditional Country music, served up by local folks who believe in the music and the Hamilton area. Air personality Carroll Parham says, "The music that's played on most stations today has completely destroyed what we know as Country music. The original Country music had a lot of meaning, a lot of values."

Another KCLW mainstay, Casey Parnham, is also a fan of original Country music. Casey, a longtime country singer, appears regularly all over the KCLW listening area. She is proficient on a dozen or more musical instruments and owns her own Country music venue, the Opera House in Stephenville, TX. She says, "The new female country singers don't have to have a voice. They just have to know how to wiggle right and have enough to wiggle with."

KCLW morning man Shawn Horner, a local boy, says, "My job, playing real country music and talking about things that are important to Hamilton, is a dream come true. Being on the airwaves is the only thing I ever wanted to do." Horner is proud of the fact that he's won a national award: he has been chosen "America's Best Country DeeJay" by the Academy of Western Artists.

Meredith Beal, who also owns two other small town stations, KTXJ and KWYX, Jasper, TX, says, "Broadcasting in small towns gives us an opportunity to see the effects of what we do in real people's lives."

**AN ITEM** from the Oklahoma Broadcasters Association says that Will Payne and Barry Diamond of KITX, Hugo, OK won the association's "Non Metro Personalities" award for the second year in a row. Their wives accepted the award for them; a previous commitment (to emcee a community event at a motor speedway in Paris, TX) kept them from being on hand to receive their prize.

During the past year, the pair took part in fund-raisers that took in over \$100,000 for various local and area causes. Will says, "Getting out and helping people is what we're all about on the KITX Morning Circus."

Last year, Will and Barry were finalists in the NAB Marconi Awards and the Academy of Country Music Awards.

When Will's father, longtime Oklahoma broadcaster Bill Payne, bought KITX, he installed the then 20-year-old as manager, sales manager and chief engineer. The elder Payne says, "That's a lot of hats for anyone, let alone a 20-year-old, to wear. But he's worn them all well. He developed KITX into an audience and sales success in both southern Oklahoma and nearby Paris, TX [where a group owner owns all five local commercial stations, two AMs and three FMs]."

At the Marconi awards last fall, Bill told me, "In the early days I was concerned that Will was putting too much into his programming—maybe not enough into sales. When I told him that, he said, 'We're going to do such a good programming job that doing very good business will not be a problem.'" Will has done that: in the seven years he's been there, the billing has tripled.

*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@sbcglobal.net](mailto:bobar@sbcglobal.net) (note new e-mail address).*



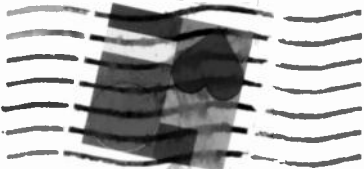
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BILL TAYLOR  
KQSS  
P. O. BOX 292  
MIAMI AZ 85539

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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jay@mitchell.com](mailto:jay@mitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**




# Small Market Radio Newsletter

The Voice of Small Market Radio

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**ECONOMY ON THE RISE**, according to Wachovia Securities analyst Jim Boyle, who says that America's gross domestic production should rise 5% in the second half of the year, for an overall increase in 2003 of a bit over 4%. According to Boyle, this is good news for radio: "If general advertising is 5-7 percent, radio should be in the 7-9 percent range."

**BUSH ADMINISTRATION URGES NO DELAYS** in the FCC review of cross-ownership rules. The administration position, voiced by Commerce Secretary Donald Evans, is that the Commission should adhere to its June 2 deadline. According to Evans, in a letter to FCC Chairman Powell, "This proceeding presents an important opportunity for the commission to update its rules to reflect the realities of the modern media marketplace, with its unprecedented proliferation of outlets for news and information."

**NAB SURVEYS BROADCASTERS** in their "Bringing Home Community Service" Survey; according to the organization, "Every two years we ask broadcasters to take stock of their accomplishments and the community service they've provided in the past 12 months. You just can't underestimate the value of this computation and what it means to your station, your community and broadcasting as a whole. In 2001, local broadcasters generated \$9.9 billion through community service efforts. Now's the time to begin tracking 2003 contributions; we'll be sending out survey requests to stations in January 2004."  <http://www.broadcastpublicservice.org>

**IT'S A JUNGLE IN HERE.** Floyd Donald, owner of WMGF, Gadsden, AL, was attacked by a former employee while doing his morning show a couple of weeks ago. With about 30 minutes left in Donald's "Wake Up Everybody" show, James Hill barged past the station receptionist and into the studio, where he inflicted scratches on Donald, who was otherwise unharmed.

**NO MORE INDIES.** Clear Channel President/COO Mark Mays has announced the end of all relationships between their radio stations and independent record promoters. The stations will work directly with record companies. According to Mays, "Our company has zero tolerance for pay-for-play, but we want to avoid even the suggestion that such a practice takes place within our company." RIAA Chairman/CEO Hilary Rosen commented, "This issue has been a sore spot for artists and record labels for quite some time. It's great to see that Clear Channel is exercising leadership in a positive direction and that they recognize there's a better formula for industry partnerships that deliver new music to fans." Cox President Bob Neil has announced that his company would follow CC's lead.

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Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor ..... Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
Editor Emeritus ..... Bob Doll  
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## TOP OF THE WEEK

**CC-AFTRA NYC STRIKE AVERTED** as the two parties reach an agreement to keep air personalities at four Clear Channel stations in New York City. The details weren't made public, but in a joint statement, AFTRA and CC said they felt "the terms were in the best interest of AFTRA members, the stations and the market's radio listeners."

**RAB2004 ANNOUNCED.** Next year's version of the valuable, venerable RAB Sales, Management and Leadership Conference will be in Dallas February 5-8, 2004, at the Adams Mark Hotel. The best news is that the registration rates will remain the same as this year; according to the RAB, "The decision to maintain the current registration rate of \$425 for members and \$825 for non-members was determined to be of benefit to Radio stations and companies operating in the current unpredictable political and economic climate."

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

**RADIO-MERCURY CREATIVE WORKSHOP A HIT.** The third such gathering, sponsored by the Radio Creative Fund (RCF—producer of the Radio-Mercury Awards), drew over 70 advertising-agency writers and producers from top agencies all over the country. According to RAB President/CEO and RCF Co-Chairman Gary Fries, "What we've learned from the workshops is that creatives, particularly junior writers and producers, are hungry for radio knowledge. They are often assigned the radio portion of a creative account, but lack the tools to maximize radio's strengths as an advertising medium. These workshops provide young creatives the opportunity to listen, interact and learn from well-respected agency writers and producers. The result is better radio commercials, which means better results for clients."  <http://www.radiomercuryawards.com>

**RAB PRESENTS CUSTOMIZED TRAINING.** The Radio Advertising Bureau is introducing a new program that takes the RAB Radio Training Academy to the next level. Rather than sending sellers to Dallas for a five-day in-residence course, managers of stations, clusters or groups can choose the time and place of the training, and can determine the topics that will most benefit their salespeople. For more information, contact Director of RAB Educational Services Mark Levy at (972) 753-6756.

**NAB'S FRITTS URGES OWNERSHIP BILL SUPPORT.** Last week Eddie Fritts sent a letter to all 50 U. S. Senators endorsing the John McCain-authored measure designed to make it easier for minorities to get into broadcasting. Fritts wrote, "In an era when Congress and the FCC are examining ownership rules for broadcast and other media, this proposal would institute market-based, voluntary measures to foster diversity in broadcast ownership."

**APOLOGIES TO OUR READERS** are in order for a word in our 4/3/03 issue, in the article about John Sperling, "Lessons from the School of Hard Knocks." The word in question was used by Mr. Sperling, but we should have "bleeped" it. Unfortunately, it slipped past both me and our ace editor Karen Wetherill. We regret the error.

## **Father's Day**

June 15 is Father's Day this year, and while the promotional ideas are less plentiful for Dad than for Mom, there are a few good ideas out there. For some thought-starters—and to dramatize the value of membership in your Radio Advertising Bureau, we surfed to [www.rab.com](http://www.rab.com) and used the "Find It Fast" drop-down list to navigate to Father's Day. (Don't try this at home unless you are an RAB member with a username and password for the site—but you've intended to join RAB for some time now, haven't you?)

**WACKY FATHER'S DAY WEEKEND.** Here is a variation on the old outrageous stunt promotion, only this time you design the exploits, and the big winner is someone's dad. Invite listeners to participate in a Saturday event at which contestants will all be required to execute the same series of wacky feats. Perhaps being totally immersed in hot fudge or kissing a pig. Stage the competition at a high traffic site like a mall. Everyone who completes all of the required preliminary achievements is registered for a drawing, the winner of which receives a fabulous prize for his or her dad. And by fabulous we mean something really worth a lot of humiliation, plus likely elimination through the random drawing.

**CALL DAD FOR FREE.** Here's an idea that was originally used for Mother's Day but can easily be adapted for Father's Day. Set this up with a local restaurant so that for a 2-3 hour period on Father's Day, patrons can place a big three-minute call to Dad, on the house. This sounds bigger than it is. At 25 cents a minute, three hours of calling is only \$45. Either have the restaurant pick this up, or work with a local long-distance supplier to cover it. This should, of course, be supported by a massive Radio campaign. (*SMRN*)

**DAD'S A REAL SPORT.** The week prior to Father's Day, have a local store set up a hole-in-one golf game on location. Each day fathers come in to try for the hole-in-one. Each father that actually sinks one will win a gift certificate good for store merchandise, and is also automatically registered for the grand prize drawing to be held at the store on Father's Day. It works well to have the grand prize be something Dad couldn't get on his own. For example, a round of golf with a local sports celebrity, center court tickets to a pro-basketball game, a chance to meet his favorite player, etc.

**LIKE FATHER, LIKE SON.** This promotion celebrates dads and their sons in a fun way. Have a sporting goods chain sponsor a father-son lookalike contest. Contestants drop off a photo of the father and son together, along with name, address, phone, etc., at the sponsor's locations. They are then registered to win prizes and a chance at the grand prize, for the fathers and sons who look the most alike. Place the pictures up in the store and let customers vote on who they believe look most alike. Have all of the fathers and sons on hand for the announcement and award the grand prize. You might want to tie in a travel agency to give away a fishing or outdoors-y type trip, and give away all of the gear to go along. You can also do this same promotion at a shopping mall, and have the different retailers give away prizes.

## What Kind of Salesperson Are You?

There are three kinds of salespeople in the world: the poor, the average and the superstars. The superstars usually started out as “poor,” but over time they improved their skills and their work habits to become “average,” and then *super*.

On the other hand, there are myriad salespeople who are mired in the “poor” or “average” category, often because they haven’t been shown the path to get to the next level.

Let’s review the key traits of each kind of salesperson. Not only will you be able to identify where you are now, but you’ll be able to see what’s required of you to reach the next level.

**POOR.** Some in this category are just starting out and will move up (or out), but it’s alarming how many people are “career” poor salespeople.

- Do not set goals
- Do not plan work
- Do not work very hard or consistently
- Have minimal product knowledge
- Have minimal customer knowledge
- Have poor customer relations skills

**AVERAGE.** This category comprises most of the world’s salespeople. They get along and they make a livable wage, but they are sadly unaware of how relatively easy it would be to refine their habits to move up to *super*.

- Have mental (but not written) goals
- Plan their work, but do not work their plan consistently
- Work hard, in spurts, but don’t work smart
- Have some product knowledge
- Could know a lot more about their customers’ businesses
- Have good customer relations skills but rely on them far too much

**SUPERSTAR.** These people have it all together. They are consistently top earners, and guess what? They don’t have to work all that hard.

- Have clear written goals which they review constantly
- Plan their work well in advance, and work their plan
- Work smart
- Know their product backwards and forwards
- Know a lot about their customers’ businesses, and know that is way more important than knowing their own product
- Have excellent customer relations skills which they use to build solid, mutually beneficial business relationships

## **Your 2003 NAB Crystal Award Winners**

At this year's NAB convention in Las Vegas, ten outstanding radio stations were recognized for their extraordinary contributions to their communities. They were chosen from 40 finalists, and every one of the finalists deserves our thanks for showing the power of local radio. Here are profiles of the five small-market NAB Crystal Award recipients for this year:

**KNOM, NOME, AK.** KNOM's signal covers 150,000+ square miles of remote Northwest Alaska. Public service is a 28-year tradition and KNOM's #1 priority. KNOM radio listeners are unique. The average family income is below \$12,000. There are horrifying rates of poverty, suicide and sickness. Tuberculosis and hepatitis are household words. Flush toilets—a distant dream. Village Alaska easily meets most criteria of a Third World country. In 2002, KNOM broadcast an amazing range of news (24%), weather (9%), public service (11%), educational (10%) and cultural (6%) programs, reaching into remote Eskimo villages. Last year KNOM aired over 35,000 PSAs, valued at \$525,000, and over 500 hours of educational and public service programs, valued at \$100,000. The topics ranged from village health care to employment opportunities. We enthusiastically served the community with timely reports, bulletins, informational programs, call-in shows and hundreds of volunteer hours. Our response was immediate and measurable. Listener lives were saved and changed. KNOM made a positive difference every day. Our listeners will tell you that KNOM is their radio station. No survey has ever given KNOM less than a 90% share of listeners. To them, KNOM is a valuable source of information and a longtime trusted friend.

**KOZT, FORT BRAGG, CA.** NAB Marconi Radio Award winner KOZT, "The Coast," co-sponsored events benefitting 39 local non-profits, raising over \$7 million in 2002. Successes ranged from maintaining music programs in two school districts to funding salmon restoration and enabling purchase and preservation of the 7,334-acre Big River estuary in the public trust. Additionally, KOZT provided free public service equal to nearly 47% of gross sales. On The Coast, event sponsorships, remote broadcasts and public service are never sold—they are only done at no charge. The Coast serves a large geographic area with a small, scattered population. Having no local television and no countywide newspaper makes radio critical. Of all stations on the Mendocino coast, only KOZT provides daily local news and maintains equipment necessary to stay on at all times, through Winter storms that annually produce floods, road closures and widespread power outages. Interactively, the public utilized The Coast's website ([www.kozt.com](http://www.kozt.com)) over 251,000 times. Those without Internet (or power) used our interactive 800-39-COAST nearly 27,000 times. Three-time NAB Crystal Radio Award finalist and three-time NAB Marconi Radio Award finalist KOZT's 2002 nomination "for excellence in radio" resulted in the coveted "Rock Station of the Year" Marconi award. The Coast celebrates 12 years of all-local programming and unwavering commitment to public service.

**KVAK-FM, VALDEZ, AK.** KVAK-FM Radio's slogan is, "If it's happening in Valdez, you'll hear about it on KVAK Radio." And if it benefits the community, you can be certain that KVAK

is involved. This coastal town, surrounded by the towering Chugach Mountains, boasts incredible fishing, extreme skiing and the unmatched scenic beauty of waterfalls, glaciers and wildlife. The residents in this rugged town turn to radio for entertainment as well as important information in the absence of movie theaters, daily newspapers and local TV. With a population of only 4,300 and the nearest town 120 miles away, everything KVAK does is community-oriented. Locals and visitors depend on KVAK for local and marine forecasts, road closures and travel conditions. KVAK initiates children's involvement in the community with elementary, junior and senior high school programs. When it comes to community events, KVAK is involved in all of them. Valdez is also the terminus of the Trans-Alaska Pipeline. With port security heightened in 2002, KVAK reported updates from the Coast Guard and authorities. When the Chamber of Commerce closed its doors, the business community looked to KVAK. Hosting events like the award-winning "Frosty Fever" promotion helped KVAK foster pride in the business community.

**WJYY, BRAINERD, MN.** With a voice as powerful as the legendary Paul Bunyan and the determined hard work of his "Babe, the Blue Ox," WJYY-FM defines community service broadcasting for five counties in Minnesota's woods and lakes vacationland. Thanks to our dedicated staff of 15, Adult Contemporary-formatted WJYY leads all area media in a concerted program of community service and education. WJYY set a community record in 2002 assisting charities in raising \$940,500, and helping to collect 7,500 pounds of food for the Salvation Army and 1,300 Winter clothing items for needy families. The on-air commercial support for these appeals exceeded \$75,000. Additionally, over 7,350 PSAs valued at \$117,600 were broadcast. WJYY weekday primetime public affairs program, "Community Focus," examined issues of community concern. The program featured 273 guests from over 150 organizations. In addition, WJYY aired more than 24,000 minutes of local news and weather. WJYY's most comprehensive public service campaign is its annual 24-hour "Radiothon to End Child Abuse," which raised a record-setting \$66,520 in 2002. WJYY received the NAB Educational Foundation's first-ever Service to America Radio Partnership Award in 1999 and was honored with an NAB Crystal Award in 2001.

**WUGO, GRAYSON, KY.** In Grayson, population 4,000, WUGO is the source of help, information and involvement. WUGO featured 220 minutes of news daily; aired 44 live broadcasts, promoting every local event; and carried 60 local ball games. "The Country Conversations" show featured key local issues, including all candidates in local elections. WUGO logged 13,000 PSAs, including "We Care, We Serve" promotions featuring 38 local agencies. The varied community efforts included raising, through radio auctions, \$4,200 for the GED Education Center; \$4,400 for kids' glasses; staging a Christmas party for 30 foster kids; and collecting over 1,000 storybooks for Christmas distribution. WUGO, "GO Radio," sponsored two record-breaking blood drives, distributed 8,000 school calendars, saluted the senior class and sponsored Senior Citizens Month, Relay for Life and the girls basketball tournament. The annual clean-up saw 490 tons of trash collected with 296 people participating. The station's "Nice Going" grants donated over \$6,800 to worthy causes, and a radiothon, after a boy's death, raised \$6,000. The staff, all local folks, averages 30 years of experience at GO Radio, enabling WUGO to be the full-service station, involved in every fabric of community life.

## Greetings from French Lick, IN

I always enjoy running into my old friend Bill Willis, WFLQ, French Lick, IN (“boyhood home of Larry Bird,” Bill proudly proclaims). And usually when I do, Bill presents me with some saved-up clippings about advertising and societal trends that he thinks would make good content for the newsletter. He’s rarely wrong. Herewith, excerpts from what Bill gave me in New Orleans. (By the way, congratulations to Bill on two counts: the recent Bob Doll profile appearing in these very pages, and his recent birthday.)

**ADVERTISING ON THE RISE.** An article in *Investors Business Daily* proclaims, “Advertising spending is on the rebound. And that’s a good sign for a strengthening economy. While analysts expect only modest growth in ad spending this year, on top of similar growth last year, the recovery is broad enough to give hope that the economic turnaround has taken hold. Ad spending is a lagging indicator of economic growth, so it tends to validate earlier signs.”

The article asks, “What’s driving ad spending now? Automobile ads rose 10% in the first nine months of 2002. Among other major product categories, toiletries and cosmetics climbed 9%, followed by movies and restaurants at 6% each, according to a December report from global media buyer Universal McCann.

“Wireless communications firms have been another big source of ad revenue. Competition among the six national cell phone services for new customers has been fierce. Cell phone companies have had to increase their advertising to cut through the clutter.”

According to Universal McCann Senior VP Bob Coen, overall, U.S. ad spending rose 2.6% in 2002.

**DETROIT LEANS ON GEN Y.** From the *Indianapolis Star* comes an article about car makers going after the so-called “Generation Y,” the 70 million people born from 1977 to 1994—described in the article as “the largest generational shift since hippies and bell-bottoms.”

To capture this market segment, the automobile industry is shifting its emphasis; Toyota has introduced “a boxy subcompact called the Scion” which the company is targeting to Gen Y, including promoting it at Los Angeles hip-hop concerts.

Foote Cone & Belding Worldwide Senior VP Julie Davis says, “Boomers weren’t raised on the luxury brands that now pervade every aspect of Generation Y’s life.” The article says that researchers have noted, “These young buyers seem willing to consider established brands, even brands their parents dismissed long ago.”

Toyota Market Manager Jim Farley is quoted as saying, “Up to 3,000 daily marketing impressions bombard the typical teen, and they ignore most, especially the over-pitched brands.”

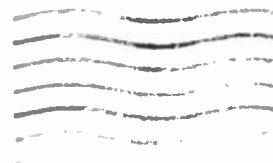
## The Kinder, Gentler Industry

The fear and loathing has passed. After nearly seven years, we lifelong broadcasters are becoming used to, if not outright embracing, the new order in radio.

The first few years of the consolidation era were like those in the Wild West, a sprawling, lawless era where the cowboys came to the fore, riding roughshod over the industry as we knew it. But now things have settled down. The operators are operating; they are minding their manners with their peers, and they are representing radio well to the outside world.

I was talking to my good friend Roger Dodson of the RAB the other day, who told me about the research director for a major broadcast group who could pull up statistics tying consumer behavior to his stations in ways we could only dream of a decade ago. This level of expertise and professionalism legitimizes radio as an advertising investment and allows us to take our seat at the big kids' table. We lifelong broadcasters have long dreamed of this kind of respectability, and now, thanks to consolidation, we're getting it.

And the death knell for small independent broadcasters has turned out to be premature. In the main, the big boys are playing fair, and as long as they do, there's always room for the smaller guys to thrive. I for one am glad that we're back to business, and the radio future is bright.



MIAMI AZ 85539  
P. O. BOX 292  
KQSS  
BILL TAYLOR

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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jay@mitchell.com](mailto:jay@mitchell.com), [greg@radiomillage.com](mailto:greg@radiomillage.com)  
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# Small Market Radio Newsletter

The Voice of Small Market Radio

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**SATELLITE RADIO *SI*.** From the May/June issue of *Westways*: “If you find the mind-numbing sameness on your AM and FM dials too much to bear, chances are you’ll love satellite radio.” The article mentions both XM and Sirius, noting that their respective receivers are incompatible with one another.  <http://www.aaa-calif.com/westways/index.asp>

**SATELLITE RADIO *PC*.** XM has announced a new satellite radio receiver for the personal computer. Selling for \$69.95 (suggested retail), the unit is available through PC Connection. XM President/CEO Hugh Panero boasted, “The XM radio revolution is a mouse-click away for the millions of Americans who daily spend hours at their computers. It’s well known that Internet streaming places a terrible burden on a computer’s connections and resources. The beauty of XM PCR is that it makes no such demands. It delivers all the music with none of the frustration.”  [www.xmsatelliteradio.com](http://www.xmsatelliteradio.com), [www.pcconnection.com](http://www.pcconnection.com)

**RAB BOARD ENDORSES INDUSTRY ACCOUNTABILITY.** At their meeting in Jacksonville, FL last week, the RAB Board of Directors issued a statement saying, “The RAB Board of Directors recognizes the importance of full accountability and delivery of information.”  [www.rab.com](http://www.rab.com) See complete story, Page 6

**SPECTRUM TAXES REMOVED.** Following a strong and concerted lobbying effort by NAB, the spectrum tax provisions proposed in the president’s budget have been removed. The spectrum provisions were removed after ten hours of debate in conference and voted out in both the House and Senate. President Bush is expected to sign it into law. Although spectrum fees are dead for this budget cycle, look for this perennial issue to return as the deficit grows and Congress flees even greater political pressure to find new sources of funding. *IBA newsletter*

**COMMISSION CRACKS DOWN.** The FCC has announced harsher penalties for broadcast indecency, including assessing multiple fines for individual portions of a single broadcast. The FCC has warned they will pull the licenses of radio and TV stations that go too far over the line. “This should not be taken lightly,” said GOP Commissioner Abernathy during a panel session at last week’s NAB convention. Kevin Martin, another FCC Republican added that, “All broadcasters should be on notice.”

**E-MEDIA KING HOSTS MARCONIS.** Radio and television personality Steve Harvey has been tapped to host the NAB Marconi Awards Dinner and Show, which, in the NAB’s words, “recognizes radio’s outstanding personalities and stations.” The event takes place during the NAB Radio Show, October 1-3, 2003 in Philadelphia, PA.

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Jay Mitchell Associates, Inc.  
57 South Court Street  
P. O. Box 1285  
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Phone ..... 641-472-4087  
Fax—Editorial ..... 208-730-4363  
Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor ..... Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
Editor Emeritus ..... Bob Doll  
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## **Small Market Idea Exchange**

Here's some more from the jam-packed session we conducted at RAB2003 in New Orleans:

**DISCOVER [SUPERMARKET].** This is one step beyond the typical consumer registration form. It's a 5x7 card with four blank boxes. When a consumer goes into the supermarket during the week (not Saturday), they fill in the card with the items and prices of four specially-marked products in four different aisles of the store. When they find and record all the items, they submit the card for a drawing for a large food prize from the supermarket. The beauty is, the supermarket goes to its vendors and charges them a slotting fee, and merchandise prizes, to participate in the promotion. The vendors and the supermarket love it, because you're forcing the consumer to go to specific aisles in the store and then pick up and look at specific products.

This will also work with any big box store, but instead of asking the consumer to fill out items and prices, you select four departments and give each of them a rubber stamp which they use to stamp the consumers' cards. Call the card a "passport" and call the promotion "Passport to [Store]"—"Get your passport validated in each of these four sections of the store. . ."

Or do it with a mall, where four (or more) participating stores have stamps to "validate the passport." Or do it at a home show or other booth-type event, where consumers get their cards stamped at four (or more) booths and bring their completed cards back to the radio station booth for entry in the contest.

**THE MOBILE STUDIO.** Don't worry, the "studio" is nothing more than a recorder and a microphone. This works for any of the holidays. On the Friday before the Friday before the holiday (e.g., a week and two days in advance)—let's use Mother's Day as an example—invite your listeners to come out and record their Mother's Day wishes: "Listen for the wishes all Mother's Day weekend long. Today the WXXX Mobile Studio will be at [sponsor location]." All you need is a gregarious air personality with the equipment, asking folks to record their wishes: "Hi this is Joe Doe, and I want to wish a happy Mother's Day to my mom, Eileen. . ."

Collect all these, and you'll end up with 50 or 60 short (three- to five-second) snippets. Edit them into a series of 30- or 60-second promos which you play all weekend. You have a tune-in factor for your radio station, and a traffic-builder for your participating sponsors.

—Doug Harris, *Creative Animal, Houston, TX, [dough@creativeanimal.com](mailto:dough@creativeanimal.com)*

**PEPSI PARTNERING.** We hook up with Pepsi to do live broadcast cookouts. We have a Pepsi trailer and a grill. We use three people—a deejay and a couple of people to cook up the grub. We serve burgers, hot dogs and Pepsi. It draws a lot of traffic. You want to make it an event. We also do "Customer Appreciation Day." Clients really like that, where they register for prizes and have a meal on us.

—Rich Shelby, *Hometown Radio, Danville, KY, [hometown@kih.net](mailto:hometown@kih.net)*

## Selling By the Numbers

In recent issues we've been focusing a lot on how a committed salesperson can move from the beginner stage ("Hey, got some spots, want some?") through the intermediate stage ("Hey, tell me about your business") to the advanced stage ("Here are some marketing ideas to make your business stronger").

In my experience the single most important factor in making those transitions is *planning*. We experienced a great metaphor unfolding before our very ears during the recent conflict in the Mideast: do you think for one minute that things would have gone so smoothly and would have been concluded so swiftly without a plan?

Since the beginning of radio time, well-intentioned sales managers have encouraged or required salespeople to fill out call reports of one sort or another. And since the beginning of radio time, beleaguered salespeople have dutifully given their bosses what they want to see, which often involves more than a little creative writing.

That's because those sales managers have failed to employ with their own people the most basic sales technique of all—*selling the benefits*. Once committed salespeople understand the benefits to themselves and their own businesses of tracking their business, they never turn back.

Like Gen. Tommy Franks and like any Fortune 500 CEO and like my friends the Hendersons, who run a small framing ("*and more*") shop in Fairfield, IA, any businessperson needs to make a plan and work that plan. (My friends the Hendersons take a week every year at Lake of the Ozarks to plan their next year.)

The first step is for individual salespeople to understand that when all is said and done, it's *their business*. They can fail and face the consequences. They can succeed a little and keep their jobs and make an okay income. Or they can choose to succeed a lot and enjoy a good life. *Just like in any business*.

Once the salesperson understands this essential truth, then he or she needs to understand what goes into a workable plan for succeeding at radio sales. In past issues we've discussed *good calls* ("Star" calls or whatever you want to call them), *dollars per call* and *pacing number*. This is the kind of information that serves as a measure of progress and a predictor of future results based on activity.

But the key ingredient in a successful plan is also the most gut-wrenching: *forward projections*. About 60 days out, the salesperson should do an account-by-account projection for the month (e.g., do this in early May for July): what's already on the books? What is a sure bet? What is anticipated? Hoped for? Put in specific dollar amounts and specific offers you intend to make. (Oops, the station has to have its promotional calendar locked in that far in advance, too!)

Here's a sample planning form:

Account	Last Year	Booked	Sure Bet	Anticipate	Hopeful	Comments
[accounts]						
<b>Totals</b>						

As you might imagine, a number in the "Hopeful" column carries less weight than one in the "Booked" column, so the next step is to apply a percentage to the totals in each column:

- Multiply "Booked" by 90%
- Multiply "Sure Bet" by 90%
- Multiply "Anticipate" by 40%
- Multiply "Hopeful" by 10%

Add the adjusted totals to arrive at your projection for the month.

By the way, you can make the paperwork easier by exporting the client list and booked activity from this year and last from your traffic software directly into a spreadsheet program. Add formulas to the spreadsheet to make the totals and percentages happen automatically.

There is a great temptation to fudge this form, usually by putting numbers in the wrong columns—a lot of "Hopeful" numbers end up in "Anticipate," and a lot of "Anticipate" numbers end up in "Sure Bet." If the salesperson understands the value of this process to his/her own business, he or she will understand the importance of being honest and even conservative with the numbers.

The planning process forces you to think *from the client in* rather than *from the station out*. It's not a question of, "What is the station doing that I can sell to my clients?" but rather, "What is the client doing, or wanting to do, that is an opportunity for us both?" On a client by client basis, you need to think deeply about what you'll offer to hit the number you've projected for each.

On the first pass, you should come up short. (If you don't, you have probably been lying to yourself.) That's when the fun begins—figuring out how to make up the difference. There are two ways to do this: *sign up new clients* and *upsell existing clients*.

Your planning form is not a report to management. *It is a dynamic planning tool for you.* As you go through the process, you'll see opportunities crop up and others vanish. You adjust. The first couple of times you do this, it is a grueling process. *Planning always is. That's why not everybody does it.*

The good news is, it gets easier the more you do it. You learn from your mistakes. You get better at estimating what each client will do. After a few months this becomes easy, quick—and even fun.

## Clusters Under the Gun?

On June 2, the FCC is scheduled to make new rulings on a number of very important radio and TV matters. As small market broadcasters we need to be concerned about three areas. If you do not own several stations in the same market you may not be affected. On the other hand, if you own an AM and an FM in a market that has no other stations the new rules might say you can't own both.

- **MARKET DEFINITION.** The present rules take into consideration all of the signals that come into a market. You draw a lot of circles on coverage maps to determine the number of signals in your market plan.
- **GRANDFATHERING.** It is expected that any rule changes would allow the present owner to keep his/her cluster—which I define as three or more stations owned by the same owner in a community—together. In other words, no breakup would be required.
- **TRANSFERABILITY.** This is critical. Will the FCC allow a cluster to be sold in the future if the cluster does not meet the revised rules?

The problem with market definition is the proposal that Arbitron numbers be used to set the standards, even in unrated markets. Most people I know agree that this won't work.

If you own a cluster and you cannot sell it as a cluster, then the value of the stations could easily be cut in half. We all know we can operate a cluster of four or five stations much more efficiently than we can operate two. We should not consider ourselves to be self-serving if we point out the loss of value because we built our business models on the rules the FCC made.

On the other hand, we can make a strong case that a cluster can do a much better job of serving the community than can individual stations. As a cluster we have more resources, we can hire better people and retain them longer, and we can generally provide more services to the community.

I have spoken to Eddie Fritts and Jeff Baumann and I believe NAB is tuned into the needs of small market broadcasters. I was able to express my concerns to Chairman Powell, the four other FCC Commissioners and Commission staff members at the NAB convention.

I truly believe the Commission hears our concerns. But I am concerned that the commission is not fully tuned in to very small markets and don't fully realize all of the competition we have.

At this point, I don't believe there is a whole lot we can do. We may be offered an opportunity to go to Washington before June 2nd, but I doubt it. I don't know if the FCC will make final decisions or make decisions and then have a comment period. I don't think there is much our Congressmen and Senators can do at this point. But I do believe if you operate a cluster, you should be talking to your Senators and Congressman on a regular basis and explain to them why you are better able to serve your community as a cluster operator.

—Jerry Papenfuss, Winona Radio, Winona, MN, [winonara@hbc.com](mailto:winonara@hbc.com)

## **Accountability: More than Just a Buzzword**

### ***Notes From the Spring 2003 RAB Board of Directors Meeting***

The Radio Advertising Bureau (RAB) Board of Directors issued the following statement at the conclusion of last week's Board meeting in support of accountability in the radio industry:

“The RAB Board of Directors recognizes the importance of full accountability and delivery of information. The radio industry is committed to providing technical resources and ongoing discussions to meet the information needs of our client relationships.”

While the statement is the first issued by the full RAB Board, it follows increasingly detailed discussions with the agency and advertiser communities focused on various aspects of accountability.

In his State of the Industry address at the RAB Conference in New Orleans earlier this year, RAB President/CEO Gary Fries concluded his speech by cautioning the industry to focus on the issue of accountability, a topic that has become increasingly significant within the advertising community. Gary informed the audience that radio needs to look at all facets of its business operation—how we conduct the sales process, what we sell, and what we deliver to the advertiser.

Fries's comments likely came as no surprise to readers of RAB's *National Marketing Update*. For well over a year, we've reported to the radio industry the increased focus and concern being expressed by advertisers and agencies regarding issues like the following:

- Whether the spots run as ordered and invoiced
- Whether schedules are being logged and billed properly
- Whether, in essence, the advertisers are getting what they ordered

A year ago, following an address by the American Association of Advertising Agencies (AAAA) Local TV and Radio Committee, RAB and AAAA formed a joint Task Force to address “Buying and Selling Guidelines”—an acknowledgment that as technology and terminology have evolved, our methods of conducting business have stagnated, at a price to our medium.

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

**PEOPLE METERS CATCH DOUBLE PLAY.** People are listening to a lot more radio stations in the evening than diary rating measurements pick up, according to Arbitron.

The ratings service's analysis of its own People Meter trial in Philadelphia shows people are being exposed to up to twice as many stations each day as they were reporting with diaries. While figures in morning drive are nearly identical, with the People Meter picking up 1.6 stations against 1.7 with the diary, users on the People Meter reported listening to an average of 2.8 stations between 10 AM-7 PM, including evening drive, and 3.1 stations after 7 PM.

The previous figures, using the diary system, were 1.8 stations between 10 AM-7 PM, and 1.5 stations after 7.

Arbitron said members of its panel were very loyal in "undocking" their People Meters on weekends and reporting good numbers. These had the same pattern as the weekday numbers, although less dramatic. The People Meter caught people listening to 2.0 stations, on average, from 3-7 PM, and 1.9 stations at night, against the 1.3 stations caught with the diary.

The Portable People Meter clips to a belt, and users are awarded points for the time spent wearing it. A base station in users' home recharges the battery. It links with encoders at broadcasters. National ratings are not yet available, because the People Meters are still undergoing a market trial.

—Dana Blankenhorn, *MediaPost*, 4/29/03

**THE NEW LOOK OF THE FSI.** Kmart is taking the free-standing newspaper insert to a new level. The financially troubled mass retailer is publishing *Urban Direct*, an entertainment and lifestyle newspaper supplement that contains interviews, articles and "product offerings that resonate within urban communities." It has also increased the frequency of its Hispanic marketing venture, *La Vida*, to 52 times a year.

That means that content and "catalog style" ads exist side-by-side. LL Cool J wants his CDs to sell at Kmart so he's on the cover and the lead feature. Nokia and Conair sell a ton of product at Kmart, so they are prominently featured in the advertising. Kmart spokesperson Susan Dennis wouldn't comment on the exact financial arrangement. But the costs of publishing two million copies of an FSI are substantial, especially for a retailer looking to escape Chapter 11. Judging by its commitment to *Urban Direct*, the concept is working on a financial level.

—John Gaffney, *MediaPost*, 2/4/03

**NAVIGATION LESSONS.** *WebSideStory* has reported that the majority of Internet sites worldwide are reached through direct navigation—typing a URL in the browser address bar or using a bookmark—rather than through search engines and Web links. And the phenomenon is growing: As of February 3, 2003, over 64% of Internet users arrived at sites by direct navigation, compared to about 53% only a year ago. "The days of Web users randomly 'surfing' to sites is ending. Now, more than ever, people know exactly where they want to go on the Web," said Geoff Johnston, vice president of product marketing for StatMarket.

## Pondering the Chairman

This is the third year I've seen the "Michael and Sam Show" at the NAB, and over that time I've refined my impression of the urbane, intelligent FCC chairman. He is clearly one of the brightest guys in government service today, and extremely thoughtful and articulate. Putting aside my own natural broadcaster bias, he seems to be a fair-minded fellow, sincerely attempting to balance all the interests before him.

But as we compare his mutterings to what the Commission has actually accomplished in the past couple or three years, I would have to say that Chairman Powell suffers from a syndrome known as "analysis paralysis." So eager is he to please everyone—or more properly, to annoy everyone equally and without favor—that his Commission is marked by rather meandering, focus-challenged mixed messages.

The chairman seems to articulate a clear set of intentions, but when you listen carefully and repeatedly, the lawyer's mission seems to be rather doctorly: "First, do no harm."

And a politician he's not. The cat-wrangling that comes with the job seems both above and beneath the chairman, but without it, we get what we have: every commissioner for her- or himself, most of them, mostly, running their own side-shows.

In short, Michael Powell's drive to Make A Difference is ultimately undone by the very fair-mindedness that under other, non-governmental circumstances would be admirable.



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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
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**Small Market Radio Newsletter**





# Small Market Radio Newsletter

The Voice of Small Market Radio


VOLUME XX • NUMBER 48 • MAY 15, 2003

**FCC WANTS TO EASE UP** on cross-ownership rules, according to the proposal submitted to the five commissioners by Commission staff. According to the proposal, companies could own combinations of newspapers, TV and radio in the same city. The proposal also liberalizes television ownership so that one company could control TV stations reaching 45% of the homes in the country. However, according to FCC insiders leaking information to the Associated Press, small market operators would face restrictions or outright bans on cross-ownership.

**FREE AIRTIME BILL IS BACK** thanks to our good friend Sen. John McCain (R-AZ), along with *his* good friends Russ Feingold (D-WI) and Dick Durbin (D-IL). According to free airtime advocacy the Alliance for Better Campaigns, the trio will “soon introduce a bill to require TV and radio stations to provide free airtime before elections.” The NAB anticipates that this legislation will be similar to last year’s attempt, and will impose a 1% gross revenue tax on all radio and television broadcasters spectrum, monies from which would fund vouchers for political candidates to “purchase” advertising time; mandate that stations provide two hours a week of “candidate or issue centered” coverage in the period before an election; and modify the Lowest Unit Charge to provide politicians with deep discounts on the advertising time they do purchase, similar to the Torricelli amendment from the previous Congress.  <http://mccain.senate.gov>

**REVENUES WOBBLED IN MARCH** according to the monthly RAB report. National was up 4% over the previous year, local revenue was down 3% and the combined was a negative 2%. Year to date, however, showed national up 8%, local up 2% and combined up 4%. *See our Last Word, Page 8.*  [www.rab.com](http://www.rab.com)

**RAB2004 CHAIR SEATED.** The Radio Advertising Bureau announces the appointment of Nancy Vaeth-Dubroff, Susquehanna Radio, as chairperson of RAB2004. Vaeth-Dubroff will lead the RAB2004 Planning Committee to draft a blueprint for the conference that perpetuates the established theme of “you come, you learn, you make money.”

**FRITTS COMMENDS BROADCASTERS** for their seasonal local service efforts, saying, “We salute local radio and television stations throughout the Midwest for their life-saving storm and tornado warnings in recent days. Hundreds of lives may have been saved as a result of broadcast weather alerts, and stations are already organizing relief efforts to aid storm victims. Once again, broadcasters are demonstrating that local stations are a trusted lifeline to communities in crisis.”  [www.nab.org](http://www.nab.org)

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Phone ..... 641-472-4087  
Fax—Editorial ..... 208-730-4363  
Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor ..... Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
Editor Emeritus ..... Bob Doll  
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## **Small Market Idea Exchange**

Continuing our series, here are more musings from our RAB2003 session. . .

**LOW PRICED GAS.** Go to a local service station or convenience store and have them lower their gas prices—*drastically*—for three hours. Promote the event on the air. Bring your camera and get lots of pictures of the crowd that shows up!

—Rich Shelby, *Hometown Radio, Danville, KY, [hometown@kih.net](mailto:hometown@kih.net)*

**TAKE OVER ANOTHER STATION.** This is a variation on the low-priced gas event, but you go on the air with a special announcement (from your general manager or owner to give it more weight) that “WXXX is taking over another station, stay tuned for details.” Then, on the day of the event, announce the details of when and where you’ll be “taking over” a *gas* station. We had lines stretching for blocks, which we captured with our cameras.

In addition, we made a deal with our local pizza shop and with a soft drink bottler, and our staff, in station tee shirts, handed out Pepsi and slices to the motorists waiting in line. Talk about street talk! We even had competitors and their employees frantically calling us to find out if we were taking over *their* station.

—Your editor

**VENDOR PARTICIPATION.** One e tell all our clients is, “Don’t ask your vendors for help, *tell* them.” It really works!

—Rich Shelby, *Hometown Radio, Danville, KY, [hometown@kih.net](mailto:hometown@kih.net)*

**KNOW THE TERRITORY.** As different audience members related their good promotions, and as some of the experts in attendance related their tips, they tended to use industry jargon—not of *our* industry, but of the industry they’re talking to. Do you know what “slotting” means? “Floor plan?” You should. Make it a practice to get to know all you can about the businesses you serve, and their terminology. It will give you much more credibility!

—Your editor

**RETAIL JINGLES.** We subscribe to TM Century’s Jingle Bank; they send us a CD with retail jingles every month. I don’t think the generic jingles are very good, but you can customize those for \$1,000. We’ve taken them to various clients, asking them to buy an annual plan; the cost of the jingle is built in. Over the past two years we’ve signed up maybe a dozen advertisers with this plan, so it’s not a high-volume thing. We’ve also found a local guy—just one guy with a synthesizer—who actually does a pretty good job, so we’ve used him for three or four jingles—he charges the same amount—using the same concept with our advertisers. We’re using him more, since he seems to understand the local market better.

—Mike Peterson, *Crossroads Media Group, Terre Haute, IN, [mpeter@wsdm.com](mailto:mpeter@wsdm.com)*

## **Electronic Invoicing: Why Radio Can't Wait**

Three years ago at the RAB Spring Board meeting, radio industry executives were presented with a compelling presentation from the radio vendor and agency communities regarding the status of EDI and electronic invoicing for radio. In brief, the radio industry was trailing other electronic media in developing EI capabilities, and as the percentage of TV stations and cable systems that were EI-capable increased, the attention of agencies was shifting to radio to deliver as well.

Since that time, the RAB Board formed an EDI Task Force to address the issues first of invoicing, then of full EDI for the contracting and avail process as well. While the work of that committee continues—now focusing on the standards and schema for full EDI transactions—the accessibility to the invoicing process currently exists in most of the major traffic-vendor systems but is being underutilized by the radio industry.

There are myriad reasons given for this at the station and traffic-vendor level, the major one being, that the “client” is not requesting electronic invoicing. (In the case of the traffic vendors, the client is the station(s); in the case of the stations, the client is the ad agency.) The perspective of the RAB task force is vastly different.

At a recent EDI/XML symposium sponsored by the American Association of Advertising Agencies, agency software vendors pointed out that despite the hard work of the RAB task force, the agency systems currently are receiving electronic invoices from possibly a hundred radio stations, while 100 percent of cable systems and 80 percent of TV stations now are EI-capable.

RAB receives frequent calls and emails from agencies requesting information on the industry's progress in this area, and recently began receiving copies of national buys where electronic invoicing is being requested as a term or condition of the buy. These are not necessarily top-ten market buys, either. We believe you can count on seeing more of these types of requests or terms from agencies. But don't just take RAB's word for it. In a recent meeting with Diann Secor, SVP/Director of Local Broadcast Operations at LCI—the spot-buying agency for General Motors—Diann informed RAB National Marketing:

Effective April 28, we “pulled the switch” for electronic invoicing for GM. Dual invoicing—paper and electronic—will be required for a 90-day test period. After that, no more paper invoices. Radio has always been a very targeted medium, but cable has made tremendous inroads in that area. However, when the cable industry realized that their cumbersome transaction process (including invoicing) was going to cost them billing, it took the industry about a year to address the situation. They developed technology to vastly improve their efficiencies, and began electronic processing of orders and invoicing for GM before television. Cable is now easier to buy as well as account for after the buy has run.

This is not intended to suggest radio is being eliminated from LCI/GM's media strategy. It's simply a heads-up to our industry that as the bar is raised, and met, by our media competitors, the expectations for radio are raised as well. Radio should be as persistent as the cable industry has been in proving the need for our medium and the speed of our responsiveness to clients.

Ask your management and your vendors: “Where are we with electronic invoicing?” You'll be hearing and seeing more as radio catches up with our electronic media brethren in this category.

—Mary Bennett, EVP/Marketing, Radio Advertising Bureau, [mbennett@rab.com](mailto:mbennett@rab.com)

See our special report, “*Why Radio Needs Electronic Invoicing*” at [www.smallmarketradio.com](http://www.smallmarketradio.com)

## **Reason**

**By Jeffrey Hedquist**

Reason has power. I don't mean to say that reaching your audience with logic is better than touching their emotions. No, you have to do that, but making an unsubstantiated claim won't be as effective as telling the story behind the claim.



Jeffrey Hedquist

When you make a claim and describe the benefit, explain why you can do it. If something's on sale, tell the audience why. Did you buy a large volume and are passing on the discount? Did you make a mistake, overbuy and are stuck with left over merchandise? Are you just willing to earn less in profit to move the merchandise and give customers a good deal?

If your computer store offers free help before and after the sale from a software consultant, tell those skeptics out there why. You know they can go anywhere to get a good price, but you want to build a relationship so they'll come to you as their computer needs grow, so you've decided to invest in each customer. Sure, it's costing you money, but you remember when you bought something and needed help, and it wasn't available or it was too expensive.

Whatever your position, offer, claim, benefit, give them the true reasons for what you're doing. By doing that your commercial will sound less like advertising and more like a story, a friend explaining why they can help. *Reason is the servant of emotion.*

You know that you'll win the hearts of your listeners by touching their emotions. A reasonable explanation will give their mind ammunition to justify their decision to buy from you.

**OLD DOGS/NEW TRICKS.** As creators in the most powerful communications medium, we sometimes dig ourselves too deep into the radio commercial niche. After a while, our commercials start sounding like *commercials*. Developing skills in other kinds of writing can add breadth to your radio.

Expand your writing horizons. The time you spend honing your craft should be fun and profitable. Here are some possible writing avenues to explore:

- **Poetry.** You'll develop more colorful, non-linear, metaphorical, ways of expression.
- **Screenwriting.** A radio commercial is a mini screenplay, so learn the techniques that make writing for the big screen work and apply them to writing for the Really Big Screen— the human imagination.

- **Storytelling.** Some of the best commercials are stories. Got kids? Don't read them a story tonight; make one up and follow it with new episodes from time to time. They won't hesitate to let you know when you're succeeding or falling on your face.
- **Comedy.** The most challenging writing to do well. Study with the masters.
- **Improvisation.** One of the best ways to train for brainstorming and lateral thinking. It's the best training for radio writers.
- **Songwriting.** Even if you think you don't have musical talent, practice writing to a tune, then give the lyrics you've written to a songwriter and/or musician (without saying what song you used) and have them put music to it.
- **Audio theater.** Explore the resources of the National Audio Theater Festival

Your learning can be in the form of workshops, classes, seminars, books, audio or video, online courses or informal groups. Check out the resources available in your area or go online to your favorite search engine and search by topic.

Each of these different writing disciplines will stretch your abilities and contribute to making you a better radio commercial creator.

*Jeffrey Hedquist can be reached at Hedquist Productions, Inc., P. O. Box 1475, Fairfield, IA 52556; phone 641-472-6708; fax 641-472-7400; email [jeffrey@hedquist.com](mailto:jeffrey@hedquist.com). © 2003 Hedquist Productions, Inc.*

## **FEEDBACK**

**FCC INPUT.** I really appreciated your articulate analysis of FCC Chairman Michael Powell in your "Last Word" (*SMRN*, 5/8/03), and your comments elsewhere in *SMRN* about the possibilities, both good and bad, as the Commissioners review ownership rules in June. I am hopeful that some or all of them will look for and receive some input concerning the economic realities in small markets today. It would just take a phone call, and I'm sure any of us would be more than happy to answer their questions and provide real-world information.

—Hal Widsten, KWED, Seguin, TX, [hwidsten@kwed1580.com](mailto:hwidsten@kwed1580.com)

*Editor's Note:* At this point it looks like the concerns of small market broadcasters are being heard. We'll see what the final order looks like.

## **We're It!**

**By Bob Doll**

When the ten finalists were announced for this year's NAB Crystal Awards, they included some of the biggest and best radio stations in the biggest markets. Also included was an AM-FM combination in the little Alaskan town of Valdez, population 4,300, 300 miles from Anchorage, 120 miles from the nearest other town.



Bob Doll

KVAK has rolled up a remarkable public service record, although it had just one full-time person until two years ago, when co-owner/manager Laurie Prax hired a second full-timer to share the burden of operating two 24 hour stations—KVAK (AM), which programs Country from Westwood One; and KVAK-FM, which programs ABC formats Hot AC from 7 a.m. to 8 p.m. and Classic Rock from 8 p.m. to 7 a.m. The FM went on the air three years ago; the split format is the result of extensive research that Laurie commissioned shortly before she put the station on the air.

She said the Hot AC programmed during the day was to give listeners a choice from the Country carried on the AM. The Classic Rock was to serve the shift workers at the Alaska Pipeline Service Company, operating at the terminus of the Trans Alaska Pipeline. Laurie's use of market research is the result of her college background; that's what caused her to buy KVAK in 1996.

She and her husband, Joe, met at California State University at Chico, best known for its journalism, broadcasting and marketing courses. When the couple finished college, they chose to live in Alaska, where Joe's family had operated a bakery in Fairbanks for more than 20 years. Joe did not go to the family business, but rather into a retail sporting goods business with locations in Fairbanks and Valdez. While they could have lived in either town, the couple chose Valdez, home of incredible skiing and fishing and breathtaking scenery. The coastal town is surrounded by the ocean and the towering Chugach Mountains. Laurie says, "Valdez would not suit everybody with its annual 330 inches of snow and a lot of rain. The high temperature in the summer is about 85. The coldest day in the winter is about 20 above zero. If you like snow and rain, it's great."

Laurie helped Joe with his sporting goods business during their first years in Valdez. Like thousands of other business people in Alaska, Joe pilots his own plane, which makes it possible for him to be a presence in both of his stores.

When the local newspaper man decided to sell the radio station, Joe encouraged Laurie to buy it. He said, "You'd be a natural for a business like that." Joe was so enthusiastic about his wife getting into the radio business, he found her a financial partner to undertake the venture. Elton Welke is a retired Microsoft executive and an early Microsoft stockholder. He often engaged Joe as a guide when he came to Alaska to hunt big game.

Welke was enthusiastic about making the investment in KVAK, and equally enthusiastic about putting the FM station on the air three years ago. He agreed that the new station would give the community a choice of radio fare and would enhance the operation's long term value. The FM station was constructed out of the cash flow of the AM radio station.

The local programming on the station is driven by the civic and social organizations and the local schools. The station sponsors three organizations for the community's youth. One is made up of Kindergarten through sixth-graders, another of junior high students, and the third, high school students.

The station carries the full schedule of high school football and both boys and girls high school basketball. The play-by-play announcer is the wife of the high school basketball coach. When illness or other circumstances keep her away from the microphone, Laurie steps in to call the games.

When the local Chamber of Commerce disbanded, Laurie stepped into the void. She conducts advertising and marketing seminars once a quarter for the local business folks. Additionally, she has taken over two major town events:

- "Frosty Fever" takes place in February. Townspeople pick up buttons with numbers on them; twenty prizes, donated by merchants, are awarded during the promotion. The grand prize, awarded at the end of the promotion, is a trip for two to Hawaii.
- The Fishing Derby is held during the summer. Participants pay a registration fee to vie for cash and merchandise prizes.

The station also sponsors a home show with exhibitors as far away as Anchorage.

Monday night is meeting night on KVAK-AM. The city council meetings are paid for by the city government. (Thanks to the income from the oil activity, the city of 4,300 has an annual budget of \$24 million and 100 employees.) On alternate Monday nights, the school board meetings are broadcast, sponsored by the pipeline company.

In Laurie's words, "There is no local television here, no movie theater, no daily newspaper. KVAK is it when it comes to local entertainment and information."

Remarkably, in addition to her activities at her community involved stations, Laurie has found time to have two children, now aged 2 and 10 months.

*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@sbcglobal.net](mailto:bobar@sbcglobal.net) (note new e-mail address).*

## White Knuckle Ride

I have a new way of gauging how well our industry is doing: the always-late-but-always-there "Holiday Humor" tapes from our good friend and killer communications attorney Irwin Krasnow. This year's tape arrived recently; from my vast experience with Borsht Belt comedy, I must say the humor was a bit threadbare, and the voices of the humorists—Irwin's friends in the legal profession and the telecom industry—sounded tired. (I forgive Irwin for the fact that Bill Kennard is one of those friends; apparently they were classmates or something, and it's hard to overcome that crimson thread.)

The newly-dubbed "Krasnow Index" mirrors the RAB Index (see Page 1) and the sentiments expressed by readers, clients and friends: *it's tough out there*.

To their credit, my successful friends never complain about the economy or the terrorist/wartime environment. They take responsibility for their fate, so they know right now we have to fight a little harder, be a little more resourceful. Understanding why that's so is useful, but only to make our game plan better.

The last time I looked, my bank, employees and vendors do not accept Tough Times Chits in payment. And the last time I looked, our resources are far from unlimited. *Time to get busy*.



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57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
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**Small Market Radio Newsletter**







# Small Market Radio Newsletter


The Voice of Small Market Radio


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**DEREG VOTE ON SCHEDULE.** Although 100 U. S. House Democrats and two of the five FCC commissioners (Democrats Jonathan Adelstein and Michael Copps) have attempted to postpone the final vote on easing cross-ownership regulations, Chairman Michael Powell, joined by his Republican teammates Kathleen Abernathy and Kevin Martin, says, "There's no reason to delay the vote." Martin adds, "It's past time for the Commission to act." Abernathy says if the Commission doesn't do its job, "the courts may step in themselves." The vote is scheduled for June 2.

**TOUGH TALK.** FCC Commissioner Kathleen Abernathy has set her sights on radio giant Clear Channel, stopping just short of saying that the company might be compelled to divest some stations, because, she says, "They clearly have acquired more power in some markets than we would have liked."  <http://www.fcc.gov>

**ON TOP OF OLD SMUDGY I.** The *New York Sun*, aglow from surging circulation figures, has borrowed a trick from the magazine trade and has introduced a rate base guarantee; they say that if their average Audit Bureau of Circulation (ABC) circulation base falls below 33,000, they'll adjust the rates for any advertiser who places six or more ads in the paper before the end of June. (This seems to be an industry first; the usual practice among newspapers is to base rates on ABC numbers.) This doesn't affect small market papers, but it bears watching. (*For more print news, see Page 5.*)  [http://www.nysun.com/press\\_releases.html](http://www.nysun.com/press_releases.html)

**WHAT MOST INFLUENCES PURCHASES?** Not radio, according to a telephone survey conducted by Marshall Marketing & Communication. Twenty-two percent said television influenced what they buy; 22% said it was advertising inserts. Radio tied with direct mail for last place. *Editor's Note:* In my consulting business I routinely evaluate the accuracy of surveys, and it always starts with the methodology. To put it bluntly, this Marshall survey stinks. You can't get a true reading on *behavior* using an *attitudinal* methodology; you can't just ask people what influences their buying decisions! I'd also love to see the "instrument" (questionnaire) used, too; it's got to be a doozy.  <http://www.mm-c.com>

**FCC, NAB CHIEFS HONORED.** Michael Powell and Eddie Fritts were joined by Oklahoma Association of Broadcasters President Carl Smith in receiving Hope Awards from the National Center for Missing & Exploited Children and the International Centre for Missing & Exploited Children. The three were honored for "their unyielding efforts to secure the implementation, integrity and success of the AMBER Plan."  <http://www.missingkids.com>

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• 26 Weeks ..... \$74  
International (\$US):  
• One Year ..... \$184  
• 26 Weeks ..... \$104  
E-Mail-Only Edition (\$US):  
• One Year ..... \$89  
• 26 Weeks ..... \$49

## TOP OF THE WEEK

**THE MARCONI PROCESS BEGINS.** The NAB has mailed all member radio stations the 2003 Marconi Radio Awards nomination kits. To be considered for a 2003 NAB Marconi Radio Award, general managers nominate stations in the following categories: "Station of the Year by Market Size," "Station of the Year by Format," "Personality of the Year by Market Size," "Legendary Station" and "Network/Syndicated Personality of the Year." All nominations must be received no later than June 4 to be eligible. Finalists will be announced in July. New this year, nominations can be submitted online from the members only section of the NAB Web site. Twenty-two winners will be announced during the NAB Marconi Radio Awards Dinner & Show October 2 at The NAB Radio Show in Philadelphia, emceed by comedian and radio morning guy Steve Harvey. Winners are chosen by the NAB Marconi Radio Awards Selection Academy, composed of general managers, program directors, regional radio executives, owners, consultants and former radio executives. <http://www.nab.org/conventions/radioshow/2003>

**SERVICE TO AMERICA AWARDS AWARDED.** The National Association of Broadcasters Education Foundation (NABEF) has announced this year's awards, recognizing outstanding local broadcast community service. The radio recipients are

- KDWB-FM Minneapolis, MN—Partnership Award, to recognize broadcasters and corporate or community partners for exemplary public service in conjunction with University Pediatrics Foundation
- WWZZ-FM and WWVZ-FM Arlington, VA—Friend in Need Award, recognizing outstanding service in the face of natural disasters and other potentially life-threatening situations

Winners will be honored at the Service to America Celebration in Washington, DC June 9 at the Ronald Reagan Building and International Trade Center. "This year's winners have gone above and beyond the call of duty," said NAB President/CEO Eddie Fritts. "It is for their tireless efforts at supporting and serving their communities that we honor them."

*Editor's Gripe:* While there is a Service to America Television Award given to one television station ("recognizing a television station for the totality of its efforts and its commitment to excellence in serving its community"), there is no such radio award. What's up with that?

**SIRIUS SURGES.** The lower-key #2 satellite radio provider is quietly growing. The company announced that it more than doubled its subscriber base in the first quarter of this year, to nearly 68,000. They also said that their research shows that awareness of the Sirius brand has more than doubled since the launch of their branding advertising campaign in February. "These excellent subscriber results indicate that we are beginning to see some traction in the marketplace," said Sirius Satellite Radio President/CEO Joseph P. Clayton. "With the introduction of our transportable 'Plug & Play' products from Kenwood and Audiovox hitting retail shelves this summer, we fully expect to exceed 100,000 subscribers this quarter and reach our goal of over 300,000 subscribers by the end of the year."

## July Business Opportunities

The following businesses report above-average sales in the month of July:

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

—RAB's Top 40 Business Survey

## July Promotional Opportunities

### Months

Air Conditioning Appreciation Days (7/3-8/15)	National Bison Month
Anti-Boredom Month	National Culinary Arts Month
Cell Phone Courtesy Month	National Hot Dog Month
Dog Days (7/3-8/11)	National July Belongs to Blueberries Month
Hemochromatosis Screening Awareness Month	National Purposeful Parenting Month
Herbal/Prescription Awareness Month	National Recreation and Parks Month
National Baked Bean Month	

### Weeks

Jul 1-7—National Unassisted Homebirth Week	Jul 13-19—National Therapeutic Recreation Week
Jul 4-10—Freedom Week	Jul 20-26—Captive Nations Week
Jul 6-12—National Laundry Workers Week	Jul 21-27—National Independent Retailers Week
Jul 6-12—Take Charge of Change Week	Jul 25-31—National Salad Week
Jul 7-12—Copious Compliments Week	
Jul 7-13—National Farrier's Week	

### Days

Jul 3—Stay Out of the Sun Day	Jul 21—National Get Out of the Doghouse Day
Jul 4—Independence Day	Jul 22—Health and Happiness with Hypnosis Day
Jul 4—Independence from Meat Day	Jul 22—Rat-Catchers Day
Jul 5—Pepsi 400 NASCAR Winston Cup Series Race	Jul 24—Cousins Day
Jul 6—Take Your Webmaster to Lunch Day	Jul 27—National Korean War Veterans Armistice Day
Jul 7—Father-Daughter Take A Walk Together Day	Jul 27—Parents' Day
Jul 18-19—National Zippo Day	Jul 28—National Drive-Thru Day
Jul 20—National Ice Cream Day	Jul 28—World War I Begins, 1914
Jul 20—Special Olympics Day	Jul 31—Mutt's Day

—Chase's 2003 Calendar of Events

## Niche Marketing

*Niche marketing* is described by Ashley Page Herweg and Godfrey Herweg, authors of *FutureSell*, as “the process of finding goods and services that absolutely delight specifically defined customers in markets that are increasingly fragmented.” In other words, it’s how radio should work—helping our customers every day.

An emphasis on niche marketing, along with the “farming rather than hunting” paradigm (so described by RAB’s Gary Fries), compels us to change our ways when it comes to selling and servicing our clients.

**THE “9:30-4:30” RULE.** In old school selling, street time was king: “Get out of the station by 9:30 a.m. and don’t come back before 4:30 p.m.” The make-as-many-calls-as-you-can thinking has to be replaced by thoughtful, research-based, strategy-driven approaches to our clients.

**FICTION AND WISH LISTS.** Call reports have long been required by sales managers and long resented by salespeople. They have long been called “creative writing” and “fiction” by all concerned, because they are rendered under duress; there has been a disconnect between the doing and the reasoning behind the doing. As we’ve pointed out in these pages, the individual salesperson, to be successful, must know what’s going on in his or her business. For that, there is no substitute for written records of leading indicators like number of “good” calls made, daily written sales and so on. Whether such reports are required by management is irrelevant; *you need to know*. Look at yourself as a business partner with your management and watch good things happen.

**SERVICE, NOT CLOSING.** In old school selling, the closer was king. The colorful characters who have populated radio sales are great fodder for stories at convention cocktail lounges, but nowadays *teamwork* and *service orientation* are the qualities that get the job done. We’ve all come to realize that walking away with an order is the beginning, not the end, of the process.

When I’m with clients or conducting seminars, I often ask the question, “When is a sale completed?” Answers generally range from “When I submit the order” to “When the commercials start running,” but the real answer is, *When we get the renewal*. Renewals only happen when we’ve done a good job of customer service and we’ve built a solid marketing partnership relationship with the client.

**KNOWLEDGE IS POWER.** Recently I was asked by a new salesperson, “Where can I go to get a crash course in radio?” Wrong question. The right question: “Where can I go to get a crash course in *my client’s business*?” Nobody you call on cares about radio, just like nobody goes to a hardware store to buy a drill: clients want *more business* from their radio investment, just like people want *a hole* from their drill investment. You have to show them how to get it!

—Inspired by *FutureSell*, available at [www.amazon.com](http://www.amazon.com)

## **On Top of Old Smudgy II: NAA Senses Good Vibe**

In the wake of the Newspaper Association of America's annual convention in Seattle last week, a hint of optimism—the first in many a moon—seems to have pervaded the newspaper business.

Noting the “positive feelings” shared by attendees after the conclusion of the conference, NAA president and CEO John Sturm said most newspaper professionals believe the turnaround will begin in earnest in the second half of 2003. “Everybody feels better that we don't have the unsettling cloud of war or conflict over our heads,” he noted. “Terrorism, knock on wood, hasn't been a serious concern over the last couple of months. We're sensing that we're making headway on our long-term goal, which is to build readership back up.”

Sturm wasn't the only voice of cautious optimism. In his final address as NAA chairman, MediaNews Group vice chairman and CEO William Dean Singleton told attendees, “I really believe this industry is more vibrant, more vital [and] more forward-thinking. . .than I've seen at any time in my career.” He also pointed to recent comments by Credit Suisse First Boston managing director Bill Drewery, who anticipates a strong next five years. The implied message: if the analysts think the industry is in good shape, the industry is probably in pretty good shape.

Outside of big-picture pronouncements about the immediate and distant future of the business, the convention's sessions surveyed a host of issues. Most important to many in attendance was the speech by Federal Communications Commission chairman Michael Powell, who discussed cross-ownership rules. Sturm left the conference feeling optimistic about the possibility that such rules will be eliminated, thus allowing newspapers to buy radio and TV stations in markets in which they publish: “It looks like [the FCC] is going to make a decision that will be largely favorable on or around June 2. Defenders of the status quo have supplied no cogent reasons for retaining the rule.”

The NAA also released its 2003 Capital Equipment Expenditures Survey, which revealed that the 260 respondents plan to increase their overall spending on technology and equipment by nearly 10% this year. Total spending should reach \$513 million, up from \$467 million in 2002.

Finally, the conference was not without the requisite sideshow. On the second day of the convention, news broke that The Hearst Corp., owner of the Seattle *Post-Intelligencer*, was suing *Seattle Times* parent company The Seattle Times Co. to prevent it from terminating the 20-year-old joint operating agreement between the two papers. “There was a lot to read about newspapers in the newspapers,” Sturm quipped.

—Larry Dobrow, *MediaPost*, 5/7/03, [www.mediapost.com](http://www.mediapost.com)

## **Regulating Deregulation**

**By John Rook**

FCC Commissioner Michael J. Copps sounds the alarm, "No issue pending before the Federal Communications Commission matches in importance the decision that we're going to make this spring."

Chairman Michael Powell is a dichotomy. His father, the secretary of state, is known for his lengthy diplomatic dances at the UN. The son actually cuts off public comment and admonishes a growing chorus eager to tell how his initial stab at deregulating the media has affected their lives.

Powell with two republican rubber stamps wants to operate behind closed doors, sadly ignoring a public deserving the courtesy of being heard. The chairman has been preaching a doctrine of deregulation since his days at the Department of Justice where he protected us from some of the same companies he now seeks to reward.

Now as in 1996, the media barons are practicing the golden rule, with a deafening silence on such an issue of importance. The lack of attention this "land grab" is receiving from the stages of today's media, demonstrates our future if the media controls what we see and hear. If we are to award additional licenses to a broadcast company, let it be to someone who has demonstrated responsible stewardship of the licenses they already have.

Charles Lewis, executive director of the Center for Public Integrity, pointed out the relationship between the media industry, lobbyists, lawmakers and regulatory organizations. Lewis says media industry interests have a "stranglehold" over the regulators and at no surprise to the image of our elected officials, congress, lawmakers and regulatory bodies often rubber-stamp the wishes of an industry. Mr. Lewis states from 1997 to 2000, media companies took 118 members of Congress and their senior staff on 315 trips to meet with lobbyists and company executives to talk about legislation. Lewis also said that from 1993 to June 2000, media companies gave \$75 million in campaign contributions to candidates for federal office and to the two major political parties.

"There is no FCC, there is no DOJ," came the threats of an arrogant media baron high on the stench of Telecommunication's 1996. Greed soon spawned a cutback in services and price increases for the consumer. Deregulation feeds monopolization and greed, usually at the expense of the consumer. The greed of big business cruises a highway of deregulation with no speed limit, no stop signs and a get out of jail card. We must have rules and regulations, and penalties for those who over reach in a variety of ways. If any favoritism be noted, be it for the public.

Commissioners Copps and Adelstein ask more scrutiny before the fixes of Powell become law. Certainly, an issue so important deserves all the public awareness possible. Let's make certain our citizens are heard, above those who eat from the media table. Our regulatory agencies have become safe houses for media employees moving back and forth. The revolving door of the FCC recently returned Chairman Powell's chief of staff from a tour of duty with Disney. A mixture of republican and democrat members of congress have requested a delay in his deadline of June 2nd. Not surprising but certainly disturbing is the White House muscle of influence supporting Powell's clear channeling of deregulation. Those same bedfellows of 1996 are quietly hurrying to control what our society will see and hear.

FCC chairman Michael Powell and the White House should recuse themselves citing conflicts of interest. We have learned from Telecommunications 1996, it's time to regulate deregulation.

*Longtime friend of SMRN John Rook is a former small market station owner and large market programmer. Visit his web site at [www.johnrook.com](http://www.johnrook.com).*

## **Cutting 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 review 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)

BILL TAYLOR  
KQSS  
P. O. BOX 292  
MIAMI AZ 85539

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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jaymitchell.com](mailto:jaymitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**







# Small Market Radio Newsletter

The Voice of Small Market Radio


VOLUME XX • NUMBER 50 • MAY 29, 2003


**WATCHDOG BITES COMMISSION.** The Center for Public Integrity (CPI) notes that since 1995, FCC staff members have taken more than 2,500 trips paid for—to the tune of \$2.8 million—wholly or in part by industries regulated by . . .the FCC. The trips included conventions, conferences and other events, all over the world. According to CPI Executive Director Charles Lewis, this makes for an “incestuous relationship” between the Commission and its regulated industries: “The idea that the FCC can render an objective, independent judgment about media ownership is laughable.” Commission representative David Fiske responded that each trip was vetted by their Office of General Counsel, and that such jaunts permit staffers to gather feedback from people who might not be able to make it to Washington.  [www.publicintegrity.org](http://www.publicintegrity.org)

**RADIO-MERCURY FINALISTS ANNOUNCED.** San Francisco shop Goodby, Silverstein & Partners leads the way with six entries, followed by New Yorkers Cliff Freeman & Partners; Copper of Kalamazoo, MI; Clarity Coverdale Fury, Minneapolis, MN; and DeVito/Verdi, NY. The award recipients will be announced at a toney luncheon ceremony at the Starlight Roof Room in the Waldorf Astoria Hotel in New York City on June 19.  [www.radiomercuryawards.com](http://www.radiomercuryawards.com) for finalists and more information

**MONDAY'S THE DAY** when, despite urgings to the contrary, FCC Chairman Michael Powell will call the vote on sweeping regulation changes that could mean an end to or curtailment of restrictions on television ownership and broadcast-newspaper cross-ownership.

**BUT ADELSTEIN IS STILL SWINGING.** The Democratic FCC Commissioner told attendees at a Washington luncheon that after the expected approval of the new rules on Monday (June 2), beware “an unprecedented wave of consolidation.” He underscored his feelings by saying that this was “one of the most potentially destructive courses” ever taken by the Commission.

**POWELL SEEKS ADVISORY COMMITTEE.** The FCC Chairman says he wants to form a so-called Diversity Committee to assist the Commission in finding new ways to create opportunities for minorities and women in the communications industry. According to Mr. Chairman, “The communications sector needs to tap the strength and vibrancy that flows from the diversity of the American people.”  [www.fcc.gov](http://www.fcc.gov)

**MRS. BUSH FETED.** Laura Bush will receive the Leadership Award from the National Association of Broadcasters Education Foundation at the June 9 Service to America Summit.  [www.nabef.org](http://www.nabef.org)

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Publisher & Editor . . . . . Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant . . . . . Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
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## **Small Market Idea Exchange**

*More from our session at RAB2003. . .*

**RETAIL JINGLES.** Signing up clients for their own custom or semi-custom jingles helps your bottom line in two ways: First, you tie an ad package to the jingle in the first place. Second, the client likes to hear the jingle, so he/she is more likely to use more radio—and what better radio than the station that arranged the jingle in the first place?

Some resources for jingles:

- TM Century ([www.tmcentury.com](http://www.tmcentury.com))
- OnMedia ([www.ontrack.com](http://www.ontrack.com))
- Don Brunz of Lima, OH

—Mike Peterson, Crossroads Media Group, Terre Haute, IN, [mpeter@wsdm.com](mailto:mpeter@wsdm.com)

**AUDIO SUCCESS LETTERS.** The salespeople should all have portable recorders with them. When they encounter a success story, when the client is foaming at the mouth, get him or her on tape. Don't wait until later—do it right then! Back at the studio, edit the client down to 2-3 minutes and produce a wrap-around for it.

Then, when the salespeople go out on calls, rather than saying something like, “Hey, just dropped by to find out if you're spending any money,” say, “Hey, I know you don't have but just a minute, but I wanted you to hear something; here's a CD [cassette] we made just for you. . .” You don't need that many—just one or two a month. If you get 15-20 a year of these things—a couple from a car dealer, from a bank, furniture store, and so on—so when you're calling on someone in a certain product category, you can play the pertinent testimonials.

Should these be used on the air? Personally I prefer the stealth method. This has worked for me, keeping them off the air, but it's up to you. Those “Hey, Mr. Businessman” spots can sound really creepy if you're not careful.

—Doug Harris, Creative Animal, [dough@creativeanimal.com](mailto:dough@creativeanimal.com)

**WELL, SHOULD THEY?** I used to be against running such ads, but I've kind of flipped. After all, if we don't run “use radio” ads on the radio, we're avoiding what we know is the most effective advertising medium of all.

It's got to be in good taste, though, and very well produced. I think the RAB “Radio Gets Results” campaign is a good model to use.

—Your Editor

## Tips from Taz

From time to time we tap our old friend Jim Taszarek (who, despite his big-market credentials, is really one of us at heart) for some sales ideas. . .

**WE'RE HOLDING OFF.** If you hear, "We'll be holding off for awhile, to see what happens with this economy," here's some stuff to do:

- *Remember, sometimes when people make that kind of a remark, it's a cliché—an unthinking response.* While you wouldn't actually do it, one might ask if they're also holding off eating. The phone bill, rent and electricity must still be paid if they want to keep the doors to the business open. Life must go on. (But we must be careful and not come off as wisecracs.)
- *They'll spend first on what they perceive is important and necessary.* This is key. What we present to them must have easily seen economic value. That's why sales promotions work so well.
- *Another question to the client that works:* "What will it take for you (in numbers) to say that 'things are coming back'?" Then the question: "As things get better, what will be the first spending you do? Will it be advertising? If so, let's get planning now so you can pull the trigger fast and be in front of your competition."

**SALESDOG TIPS.** From a wonderful free newsletter, *Monday Morning Motivator* from [www.salesdog.com](http://www.salesdog.com):

- *Don't Interrogate Customers.* Remember the old RAB Client Needs Analysis. "Are you open on Sunday? Do you take MasterCard and Visa? Do you have free parking?" All that did was make us feel good filling out that form. It made the client nuts. The best interrogation is, "What are you guys trying to get done this year? Where are you trying to go? Let's see if we can help you get there."
- *Breaking the Ice.* Starting an appointment-seeking phone call with "How are you this morning." Instead, why not just scream, "I'm a salesman!" The best opener is one that gives a quick benefit. "We do creative customer promotions for businesses like yours. Can we show you a couple ideas that are working now?"
- *Don't answer a question with a question.* Used to be thought of as "cute." Now it lowers your credibility. If they say, "What's it cost?", rather than saying "What's your budget?" (or something similar), answer with a range. When they say, "What's it cost?", they're usually not talking about unit rate. That's *our* gauge. What they're usually asking is, "How much will it cost totally—and how long will it take to achieve my sales goals?" The answer is something like, "Generally, most of our advertisers trying to accomplish a goal like yours can do it for between \$5,000 and \$7,000 over eight to ten weeks." Answer with a range of time and money. But be quick to say, "If the creative and the offer is great—it'll take less time and money. Each situation is customized. Can we create a customized package for you, to see if it could fit?"

## **SOUND BITES**

**PBS RUNS 30S.** The Public Broadcasting System has announced it will start running 30-second ads for its “most generous underwriters.” One commentator, Masha Geller of *MediaPost*, commented, “The need for PBS as a content source and as an ad vehicle has never been greater. For content, all signs show that broadcast and cable TV networks are going to expand the reality drama until they start following Courtney Love on plane trips. PBS needs to have the money to staff and produce educational reality programming. That’s called history. It also needs to focus on giving TV audience access to inspired creativity and the people who make it. That’s called art.” *Editor’s \$0.02: While the restrictions on underwriting announcements on public radio stations are much stricter, is there a possibility that the cries for “more diversity” in the wake of consolidation might prompt pressure to change the rules to permit the under-92.1 crowd to compete directly with us?*

**ONE WAY TO COMPENSATE SALESPEOPLE.** From a regional manager comes this small market comp plan:

- Salary: \$1,100 per month *plus*. . .
- Commission:
  - Collections of \$0-5,000 - no commission
  - Collections of \$5,001-10,000 - 11%
  - Collections of \$10,001+ - 15%

**RADIO LISTENERS PREFER “REAL” ADS.** The proliferation of reality TV shows has altered the way people respond to radio advertising, with “real”-sounding ads proving the most effective, according to research by radio ad agency Eardrum cited by UK publication *The Guardian*. The most popular ads on the radio are those in which the dialogue, characters, and humor seem authentic, while old-style ads that rely on jokes and stereotypes lose listeners’ attention within seconds, Eardrum’s research shows.

**RADIO MAY DRIVE WOMEN AWAY.** According to a study by Arbitron and Joint Communications, outrageous jocks and contests may be driving female listeners aged 18-54 away from certain stations to others that play more music and fewer commercials. The quality of the announcers figured into four of the top five reasons that women tuned out a given Radio station; almost three-quarters will tune out of the jock is rude and over three-fifths will bail if the programming is inappropriate for kids.

**WORD OF MOUTH MARKETING KING.** RoperASW has released a report that shows that consumers are relying more and more on peer word of mouth, and less and less on advertising and authority figures. The report says that most people make decisions on things like investments, cars, travel, home improvement, movies, dining, clothing and cooking based on family, friends and “other people”—and the percentage has grown 150% in the last 28 years (1997–2001). At the same time, traditional advertising sources have lost ground, declining 5%. But according to Roper, traditional media have an important role to play. *Radio benefit: Since our medium is “enhanced word of mouth,” we are uniquely positioned to take advantage of this shift—as long as we keep it real.*

## Hole in the Bucket

Is your unsold airtime losing you more money than it is costing you? As an owner or general manager, unsold inventory is something that needs addressing for small stations to survive in these highly competitive and uncertain times. It represents the proverbial "hole in the bucket." It is an unnecessary waste, not only during prime time but all unsold time slots. However, just because airtime has gone unsold doesn't mean it has lost its cash-generating potential.

Even the most successful stations have an excess of unsold advertising availabilities. Per Inquiry (PI) and Per Sale (PS) are not new. They work in both short and long-form advertising, including host endorsement and talk show formats, or some combination. Contrary to popular belief, PI and PS are not dead. Traditionally, they happen to be the least favorite form of income stream, primarily because of the lack of reporting from marketer to station management. After all, who wants to wait until month's end to realize that a program didn't generate any income?

However, savvy stations are taking a second look and discovering that new systems and technologies are bridging this gap, and that preemptible unsold inventory can become an easy source of revenue from companies with unlimited budgets. Direct marketers, who would never consider radio as productive for their product/service, or at least consistently profitable, are now able to afford payment easily for each response lead or sale generated.

For example, one particularly successful long form campaign in a talk show format has spent over \$30,000,000 on national radio advertising over the past two years. During the second year, this particular program increased product sales from \$400,000 per month to \$12,000,000 per month as a result of sustained radio presence and repeat business.

What did the radio stations get? Under the traditional arrangement, they sold some airtime. Salespersons and media brokers made their commissions. Unfortunately, most radio stations left money on the table, while the real potential for stations still remains untapped!

Although worthwhile programs exist and can easily be tested with little risk, there are ten important questions to consider before launching this type of program:

- First and foremost, is there an accurate way to account for all inquiries or sales?
- How quickly will payment be made following results?
- What is the return rate? Is there a 100% "no-questions asked" money-back guarantee?
- Can you generate a bonus for repeat business?
- Does the product/service(s) and pricing appeal to a large enough audience?
- How long has the company been in business?
- Is there a toll-free hotline (preferably live) to handle customer questions and upsell?
- Are there credible endorsements for the product/service(s)?
- Can product/service(s) be delivered within 3-5 business days?
- Would you consider using the product/service(s), if you personally had a need?

As the small market radio station arena changes and competition mounts, it is becoming a matter of economic survival to explore potential opportunities with unsold airtime, which may have been previously ignored or not taken seriously.

*John Blatnick is a marketing consultant for small to medium size businesses. He can be reached at 801-491-4161; cell phone at 801-808-4588, or email at [jfb@quik.com](mailto:jfb@quik.com).*

## Which Price is Right?

Airline tickets cost 40% less than they did 25 years ago. A two-liter bottle of Diet Coke often has the same price tag as it did in 1985. Light-bulbs, laptops, heck, even the “cost” of a mortgage—all are at historic lows. It’s been a good 20 years to be a consumer.

But for companies, the pressure is on. Most companies are desperate to raise prices. And virtually every company has the same lament: We can’t. Customers won’t stand for it. Competitors will undercut us. And technology will disrupt us—again. Jack Welch saw it back in 1996, when he famously complained, “There is no pricing power at all.” The environment is even tougher today.

Anyone who sells anything knows that price is the pivot of business, the ultimate leverage. If you can raise prices—even a bit—you can increase profits dramatically. If you can’t raise prices, you feel like your business is struggling, regardless of what is happening with cost, quality, or service.

Meanwhile, anyone who buys anything knows that almost nothing has a single price anymore. Want to know the price of something? Well, you get back a series of questions: Who are you? How long have you been a customer? How much are you buying? How good are you at unblinking negotiation? Did you bring your frequent-shopper card?

So I set out on a mission: to enter the hidden world of prices and pricers. I wanted to talk candidly with the smartest experts, the savviest executives, and the most nimble tacticians about the most urgent subject in business today: pricing. I sensed trouble when the first person I called to interview said after a few minutes, “Wait. I hear typing. I always get nervous when I hear typing.” Next came a woman from American Airlines. She kept repeating the official position: “Absolutely not. We just don’t discuss prices.” Finally, she pleaded, “If I talk about prices, I could go to jail.” The spokeswoman for a telecom company said, “We’re not going to talk about prices, and the fact that we’re not going to talk about it is off the record. You can’t use the fact that we won’t talk about prices in a story.”

But it was not until I traveled to Chicago, to a Professional Pricing Society conference, that I got a full picture of how sensitive the subject is. On my first day, I was asked to leave the trade-show exhibits—the place where vendors beg for attention. On my second day, I was approached by a man who was large enough to play nose tackle for the Chicago Bears. He was extremely polite, and he told me that I would be leaving the hotel. Immediately.

So there I was, standing in a biting breeze on Michigan Avenue, wondering what it is about prices that makes otherwise reasonable businesspeople so paranoid. One factor is strategic secrecy: Prices are so important to business that most executives don’t want to disclose what they know. But the bigger factor, I came to appreciate, is fear of embarrassment: Most executives are surprisingly in the dark when it comes to setting prices. They guess; they say a prayer; they cross their fingers. They are afraid to disclose what they don’t know.

—Charles Fishman, *Fast Company*, [cnfish@mindspring.com](mailto:cnfish@mindspring.com) (to be continued)

## **Inflation at the FCC**

**Commentary By Bob Doll**

Even though the country is experiencing very low inflation, and in some financial quarters there is fear of deflation of the kind Japan is experiencing, the FCC is raising the cost of its regulatory fees by up to 23%.



Bob Doll

- Owners of 3kW to 25kW (ERP) FM stations serving populations of 25,000 or less will see their annual fees go from \$375 to \$475.
- The lowest power AM stations serving populations of 25,000 or less will see their annual fees rise from \$325 to \$400.
- The new fee schedule for the highest power stations serving populations of 3 million or more (FMs or 50,000 or 100,000 watts) will pay \$8,100.
- 50,000 AM stations will pay \$7,200.

When the new fees become due, the FCC will not send bills. Instead, owners will have to go to the FCC web site to calculate their fees. A station which remits its fee late will be subject to a 25% penalty. Late payers will also be subject to extra assessments for administrative costs which the Commission would incur in collecting delinquent bills. Failure to pay regulatory fees can result in a proceeding to revoke a station license.

**MINDING THE STORE.** Communications lawyer Lauren Colby is telling his clients this month that the FCC is getting tough with stations not keeping up their quarterly issues and programs list.

He advises that there is no perfect agreement as to how many issues need to be on the lists, but he says the “authoritative FCC opinions” say between five and ten.

There is also no general agreement on how precise the lists need to be or what constitutes a “community issue.” If you carry a program like Rush Limbaugh or Michael Reagan, where a wide variety of issues are dealt with, you *may* be able to rely solely on one program to satisfy all the issue you identify.

Lauren says the broadcaster has complete discretion to decide what issues are important to his or her community so long as there is a reasonable basis for the decision. The Rule requires that you identify the issue, the date and title of the program and its duration (e.g., 1 hour).

If you have not been keeping quarterly issues and programs lists, you need to reconstruct them *now* and place them in your public file. Any list that is reconstructed must be marked "RECONSTRUCTED." Failure to mark the RECONSTRUCTED lists will get you into a whole lot of trouble.

**THE JUNE 2 FCC OWNER LIMITS RULES UPDATE** has generated a lot of high-pitched rhetoric, mainly from broadcast critics. We expect someone will take the FCC to court, no matter what its June 2 rules update looks like. Interestingly, newspapers are reportedly looking to buy radio and TV stations if the rules rewrite allows, but the major radio group owners say they're not interested in going into the newspaper business.

**A BIG THANK YOU!** When the next *SMRN* comes out it will be the beginning of our 21st year. A generation of service is a real landmark for a small trade publication like this one (or any small business). It is the subscribers who make such a milestone possible. Your support and feedback inspire Jay and I and all of the *SMRN* team to focus on what's important and helpful to small market people. **WE LOVE YOU ALL!**

*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@sbcglobal.net](mailto:bobar@sbcglobal.net) (note new e-mail address).*



MIAMI AZ 85539  
P. O. BOX 292  
KOSS  
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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jay@mitchell.com](mailto:jay@mitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**



# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 51 • JUNE 5, 2003

**HISTORIC FCC VOTE** gives television the power to double up and own papers, but radio people aren't as happy with the outcome. The 3-2 vote ratified the present limits on radio ownership, but did say that "the previous methodology for defining a radio market did not serve the public interest." *Complete story, Page 4; reaction to the rules, Page 5; Last Word, Page 8.*

**AVIS TEAMS WITH XM.** Starting this month, Avis will be offering XM Satellite Radio in its rental cars—7,000 GM vehicles deployed in 30 major markets. The cost to renters will be \$2.99 a day. The rental company plans to add another 20,000 XM-equipped GM vehicles through the year.

**QUASS: "WE HAD BETTER BE READY."** Veteran broadcaster and NRG CEO Mary Quass, quoted in *Radio Ink*:

"This is the first technology to mean that anybody can have a radio station as good as, if not better, than what's out there today—and it has nothing to do with a license. I want to be in and out of the business by then. . .

"When I go to the gym to work out, you know what I do? I listen to MP3s on my Rio. If I grew up with radio and I'm listening to MP3s, why should we expect young people to listen to radio when their lives are so packed with other things? That's why, when the Internet becomes wireless, I want to be there. . .

"Radio has taken for granted that we will always have 96 percent of the adult population listening to this medium in a week. But we know that response rates and that kind of stuff are declining—not so much because Arbitron's methodology necessarily is flawed or archaic, as much as it is that people want what they want when they want it. . .

"It's all about the product. If you have a great product and it's in demand, people will use that product. If we don't differentiate our product when the Internet becomes wireless, it will be a whole new ball game for all of us. We had better be ready, or the frustration we feel will only grow."

*Editor's Comment: Mary's comments have created a firestorm among radio people, which is unfortunate. Why do we always want to shoot the messenger? Mary speaks the truth, and I appreciate her willingness to do it. Our future depends on understanding the challenges we face.*

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Jay Mitchell Associates, Inc.  
57 South Court Street  
P. O. Box 1285  
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Phone ..... 641-472-4087  
Fax—Editorial ..... 208-730-4363  
Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor . . . . . Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
Editor Emeritus ..... Bob Doll  
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## **Summer Sounds**

*From our SMRN archives. . .*

**CASTLE OF CANS.** Your listeners build structures out of empty soda cans and compete for prizes (the biggest, best-looking, ugliest, most creative, tallest, etc.). Hold the event in a park, at a shopping mall or in the parking lot of a retail store. Target soft-drink bottlers, supermarkets, convenience stores, etc. as advertisers. Tie into a charity like Special Olympics, MS, etc., where sponsors donate a certain amount of money for each can used in the structures. Or tie into your community's recycling efforts, sponsored by local government.

**SOUNDS LIKE SUMMER.** Produce a series of 60-second highlights on various summertime activities around your town, making liberal use of sound effects to set the mood. Sell the series to one or more advertisers (this one is great for institutional and non-traditional advertisers). Use the catch-phrase, "It sounds like summer on WXXX, brought to you by. . ." *Twist:* Turn the sound effects in the highlights into a contest.

**SUMMER SOUND GAME.** Another way to use summer sounds in a contest is to play a recorded sound effect and ask listeners to call and guess the sound. The winner receives a prize provided by one of your participating sponsors.

**SUMMER JOB LINE.** Help local businesses get part-time help for the season by running 60-second help-wanted announcements containing a number of opportunities (paid for by the businesses, of course). Prospects include restaurants, factories, car washes, garden stores and other seasonal businesses.

**PENNIES FROM HEAVEN.** Encourage your listeners to take all the pennies they've been saving (for whatever) and take them to your participating sponsor's location(s), where all the "good cents" are donated to a designated charity.

**MADE IN AMERICA MUSIC MONTAGE.** KDAO, Marshalltown, IA ran a montage of ten songs featuring patriotic words like "America," "USA," etc. Listeners identify the songs to win prizes. KDAO used sponsor locations for entries, but phone-ins would work, too.

**MUSIC MENU.** In conjunction with your favorite local drive-through fast food restaurant, put together the WXXX-Arby's Music Menu Giveaway. A printed menu insert, picked up at the restaurant or stuffed in every bag of food over a two-week period, contains a list of the special songs that will air each of the selected hours for the next month. The first caller after you play "the song of the day from the WXXX-Arby's Music Menu" wins a prize.

**FARM FIELD DAYS.** Stage this one day event with your local County Agent's Office. The event takes place on a farm where modern farming techniques are in use. Serve lunch. The station broadcasts from the farm throughout the day. Farmers and farm experts are interviewed along with agri-business people who sponsor the broadcast.

## **Dodging the Book**

As the “new” Arbitron County Studies are released, many stations end up defending themselves against competitors who are running around saying, “We’re Number One.”

Here are some responses that other broadcasters use to answer your prospects’ numbers-oriented objections. Maybe they’ll help you get the prospect’s attention back on what is really important — helping him or her do more business.

- “It says here that they sampled 73 people [or 124, or 32, or whatever] to get these results. Don’t you suppose we have 73 people listening to us? What would have happened if all of them were asked?”
- “You think we could get 73 people in the door for you, don’t you?”
- “We have our own ratings. They’re called ‘customers through the door and money in the drawer.’”

These responses are best delivered in a good-natured manner. The most important thing to do, when faced with this situation, is not to fight fire with fire. In whatever way is comfortable for you, demonstrate to the prospect that *rating numbers have nothing whatsoever to do with how your station can help achieve results.*

## **Sales Rules To Live By**

1. Buyers are liars.
2. You can’t sell them what they don’t want to buy.
3. Sell by this thought: *How can my client’s business improve?*
4. Assume the sale!
5. Be quiet! Don’t talk yourself out of the sale.
6. Be patient. Sometimes it takes 5 calls to make the sale.
7. Remember: businesses have extra cash for special deals.
8. When the prospect is late for an appointment, wait 15 minutes, then leave a note and move on. They’ll respect you and won’t put you off again.
9. Don’t play all your cards on the first call. Leave yourself something to come back with.
10. Be sure you’re talking to the ultimate decision-maker.
11. Get the client to nod or say “Yes” often during your pitch.
12. Don’t clutter your call with facts. People buy on emotion.

—Steve Steinmetz

## The FCC Rules Change

This week the Commission voted 3-2 to change the way television and radio stations can be combined, and to pave the way for the resumption of broadcast-print cross-ownership.

The radio ownership limits remain:

- In markets with 45 or more radio stations, a company may own 8 stations, only 5 of which may be in one class, AM or FM.
- In markets with 30-44 radio stations, a company may own 7 stations, only 4 of which may be in one class, AM or FM.
- In markets with 15-29 radio stations, a company may own 6 stations, only 4 of which may be in one class, AM or FM.
- In markets with 14 or fewer radio stations, a company may own 5 stations, only 3 of which may be in one class, AM or FM.

As for market definitions, signal contours have been replaced by an Arbitron-defined geographic definition. The FCC said that its signal contour method “created anomalies in ownership of local radio stations that Congress could not have intended when it established the local radio ownership limits in 1996. The FCC closed that loophole by applying a more rational market definition than radio signal contours.”

Commenting on the radio ownership limits, the Commission said, “[They] continue to be needed to promote competition among local radio stations. Competitive radio markets ensure that local stations are responsive to local listener needs and tastes. By guaranteeing a substantial number of independent radio voices, this rule will also promote viewpoint diversity among local radio owners.”

- All radio stations licensed to communities in an Arbitron market are counted in the market as well as stations licensed to other markets but considered “home” to the market.
- Both commercial and noncommercial stations are counted in the market. The FCC determined that the current rule improperly ignores the impact that noncommercial stations can have on competition for listeners in radio markets.
- For non-Arbitron markets, the FCC will conduct a short-term rulemaking to define markets comparable to Arbitron markets. These new markets will be specifically designed to prevent any unreasonable aggregation of station ownership by any one company.
- As an interim procedure for non-Arbitron markets, the FCC will apply a modified contour method for counting the number of stations in the market. This modified contour approach minimizes the potential for additional anomalies to occur during this transition period, while providing the public a clear rule for determining the relevant radio markets.
- In using the contour-overlap market definition on an interim basis, the FCC made certain adjustments to minimize the more notorious anomalies of that system. Specifically, the FCC will exclude from the market any radio station whose transmitter site is more than 58 miles from the perimeter of the mutual overlap area.

## **Reaction to the FCC Decision**

Especially considering the hue and cry before this Tuesday, it is natural that the response to the Commission's new media ownership rules has been diverse to say the least.

**MICHAEL POWELL, FCC.** "I must punctuate one irreducible point: Keeping the rules exactly as they are, as some so stridently suggest, was not a viable option. Without today's surgery, the rules would assuredly meet a swift death. As the only member of this Commission here during the last biennial review, I watched first hand as we bent to political pressure and left many rules unchanged. Nearly all were rejected by the court because of our failure to apply the statute faithfully. I have been committed to not repeating that error, for I believe the stakes are perilously high. Leaving things unaltered, regardless of changes in the competitive landscape, is a course that only Congress can legitimately chart."

**EDDIE FRITTS, NAB.** "Today's FCC vote culminates a two-year review of media ownership rules, many of which have been in place for decades. This was a difficult and complex proceeding, and we appreciate the efforts undertaken by all five commissioners and FCC staff in fashioning these regulations. The NAB Board of Directors will fully review today's decision next week, and we look forward to seeing a complete text of the new rules. Meanwhile, NAB will continue to work with the FCC to sustain and strengthen the service of free, local broadcasting to consumers."

**MARK MAYS, CLEAR CHANNEL.** "This FCC action will extinguish the substantial consumer benefits brought on by radio deregulation in 1996. Just ten years ago, nearly 60 percent of the nation's radio stations were operating in the red, cutting news budgets and laying off employees. Deregulation changed all that. But instead of letting radio stations find better and more innovative ways to serve their listeners, the FCC is intent on turning the clock back to a time when the industry was incapable of providing consumers the variety of programming it does today."

**MEL KARMAZIN, VIACOM.** "Relaxed cross-ownership rules may give the company an opportunity to expand in radio or TV stations in markets it already operates."

**JOHN STURM, NEWSPAPER ASSOCIATION OF AMERICA.** "While full repeal continues to be NAA's ultimate goal, we believe the Commission, for the first time in more than 25 years, took a significant step today to loosen significantly the regulatory shackles that have prohibited a daily newspaper from owning a broadcast station in the same market. The relaxation of the rules will allow newspaper-owned broadcast stations to offer more and better local news and public service programming, as well as all-news formats to radio markets of all sizes. It will positively impact competition in local markets and provide healthy and diverse competition to large radio station owners. Local audiences will be the big winners."

**DENNIS FITZSIMONS, THE TRIBUNE COMPANY.** “The media landscape has dramatically changed. Consumers have more choices for news, information and entertainment than ever before. The FCC’s action today recognizes these changes. Tribune is in full compliance with the FCC’s new regulations in all of the markets in which we have media businesses. Our readers, viewers and listeners across the country are the real winners today; they will benefit as we explore additional ways of enriching the content of our newspapers, television stations and web sites.”

**FUTURE OF MUSIC COALITION.** “The Republican majority at the FCC made a cynical and short-sighted decision to push forward with their campaign to reduce and eliminate time-honored rules and safeguards which have defended access to diverse, competitive and local media. In doing so, they blatantly ignored the will of the public and warnings from industry leaders, congressional representatives, city councils, consumer advocates, academics, creators and community groups. These rules were originally enacted to prevent the growth of media monopolies and ensure a diversity of voices. In their absence we anticipate a period of unprecedented consolidation and a swift transformation of our existing media to one that is less representative, less responsive, less diverse, and less competitive. The negative impact of these changes on culture, civic participation and democracy cannot be understated.”

**MORTON BAHR, COMMUNICATIONS WORKERS OF AMERICA:** “It’s disgraceful that the Republican majority on the FCC bowed to corporate interests so completely that they held only one public hearing, and that under pressure, for an issue that will so drastically alter the media landscape in our country. . . The companies that own broadcast channels, radio stations and newspapers own the top Internet news and cable channels. That’s not diversity—it’s a monopoly.”

**MITCH ALBOM.** “The irony is that the same guy who was responsible for the elimination of the broadcast-newspaper cross-ownership rules in the Seventies is now partially responsible for the reinstatement of those rules. Back then, Richard Wiley was an FCC commissioner; now he heads up Wiley, Rein and Fielding, a powerful law firm with big broadcast-industry clients. I guess he goes with whoever pays the bills.”

**JOHN GAFFNEY, MEDIAPOST.** “I think Clear Channel comes out of yesterday’s FCC ruling this as the hot company. . .[because] this ruling forces it to look outside of radio for its growth. So it’s on to TV. . . The TV business needs Clear Channel right now and Clear Channel needs TV. Game’s on.”

**PETER MIRSKY, FAHNESTOCK & COMPANY.** “[The decision] anticipates. . .this big rush of consolidation. I don’t think it’s going to happen, but it sets the perception of a possible merger frenzy. Shares of radio operators and a couple TV station owners are benefitting.”

**JIM RUTHERFORD, VERONIS SUHLER.** “I don’t expect any wholesale mergers. I don’t expect anyone to make any early deals. I think enough people have talked on background enough to know that they will wait to see if these rules are really going to stay in effect.”

## **Reply to Ryan**

*Editor's Note: I am an "expert" at AllExperts.com ([www.allexperts.com](http://www.allexperts.com)), which goes to show you that anyone can be an expert at AllExperts.com. Recently a fellow named Ryan asked me, "How would you say the use of computers has affected the way music is played, distributed, recorded etc?" Here is my reply:*

Hey Ryan,

I would say there is very little that *hasn't* been affected by computers in the recording industry. Let's start at the consumer end. Napster revolutionized the way people can obtain music—there are still free download sites on the Internet (though I certainly won't say I know how to find them!), and all the record companies are trying to find the magic formula for paid downloads. (Apple is 99 cents for a straight download, Mac only; there's a new service that's 79 cents, which is closer to the sweet spot, IMHO. The companies that are trying limited-use downloads are clueless.)

So, one way or the other, most of us have a hard disk full of tunes. And we can create our own compilations and burn music and MP3 CDs and download to our iPods and even our cell phones now. This means no more buying a CD for one or two songs. The record companies hate that, but that's life.

But wait! There's more! Don't like that extended solo in Free Bird? Get Cool Edit and chop that sucker out. Consumers now have the power not only to customize the songs they listen to, but to customize each song as well.

Most artists I talk to like what's happening in general—it cuts out a lot of the middle people (record companies mostly, with their predatory pricing schemes and long history of screwing artists) and makes the relationship between the artist and the consumer much more direct and intimate.

At the record company end, all this has created a lot of panic and defensive behavior—elaborate copy-protection schemes that get broken quickly; there's always a faster gun. (I loved the scheme they tried with the Celine Dion CD; it took people about a week to figure out you could defeat it with a felt marker around the rim.)

As long as record companies see the advent of digital distribution as evil, they will fail. The harder they try to get control of it, the more that control will elude them—and the more they alienate the consumer (and the artist). If they ever realize that piracy is a fact of life and that they can only minimize it through fair treatment of artists and consumers, they can be more successful than ever.

At least that's what I think. . .

## What Does It All Mean?

It's much too early to assess properly the ramifications of this week's FCC action. One thing is for sure: the changes are profoundly significant.

While public groups and other media rail for and against the cross-ownership changes and television ownership caps, we radio people are justifiably concerned about the market-definition thing. For small market radio people, this passage, in particular, is chilling: "For non-Arbitron markets, the FCC will conduct a short-term rulemaking to define markets comparable to Arbitron markets. These new markets will be specifically designed to prevent any unreasonable aggregation of station ownership by any one company."

Obfuscated by all that obfuscatory gov-speak is the fact that the Commission is going to roll up its sleeves and stick its sticky fingers even deeper into our business. We've been around the Portals block often enough to know that "specifically designed" means "arbitrarily plucked out of a hat," and "unreasonable aggregation" means "whatever we *think* is unreasonable."

So, while a number of issues were resolved, for better or worse, by Tuesday's pronouncements, for small market broadcasters the FCC's decisions have raised more questions than they have answered. . .and our future is anything but clear.



855339+0292 03

BILL TAYLOR  
KQSS  
P. O. BOX 292  
MIAMI AZ 85539

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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jay@mitchell.com](mailto:jay@mitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**






# Small Market Radio Newsletter


The Voice of Small Market Radio


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**FCC RULEMAKING HITS THE FAN.** Several members of the U. S. House of Representatives are lining up to introduce legislation to turn back the clock on media consolidation and cross-ownership. Independent Vermont Representative Bernie Sanders—who, along with several House Democrats and Senate Commerce Committee Chairman John McCain, has announced his intention to sponsor or support such legislation—said, “The American people are outraged. We must rescind the FCC decision and that’s what we intend to do.” According to Sanders, 750,000 citizens contacted the Commission to voice their opposition to the rules change. Ohio Democrat Sherrod Brown chimed in with, “Since the FCC won’t do its job, it’s up to Congress to do its job.” Rep. Maurice Hinchey (D-NY) is authoring a bill that would restore the Fairness Doctrine, cap radio ownership and restore the 35% limit on television households reached by one company. *Broadcaster reaction, Page 4*

**HANNITY MODERATES NAB SUPER SESSION.** ABC Radio host Sean Hannity will be the ringmaster for the perennially popular Great Executive Super Session at the NAB Radio Show in October.  [www.nab.org/conventions](http://www.nab.org/conventions)

**LIMBAUGH KEYNOTES.** In an industry first, Rush Limbaugh will keynote the NAB Radio Show this year. According to NAB EVP/Radio John David, “Limbaugh’s quick wit and political savvy is sure to make this year’s keynote address not only entertaining but relevant to the issues affecting radio broadcasters today.”  [www.nab.org/conventions](http://www.nab.org/conventions)

**SERVICE TO AMERICA EMPHASIZES CRISIS SERVICE.** This past Monday, the Service to America Summit, sponsored by the National Association of Broadcasters Education Foundation (NABEF), featured a panel called “Serving Communities in Crisis,” discussing ways the broadcasters can use their resources to inform, reassure and assist their communities in crisis.  [www.nabef.com](http://www.nabef.com)

**SMULYAN JOINS NAB RADIO BOARD.** NAB Radio Board Chair Ginny Morris has appointed Emmis Communications CEO Jeff Smulyan to fill the District 10 (Indiana) seat.  [www.nab.org](http://www.nab.org)

**HIGH COURT TO HEAR BCRA APPEAL.** The Supreme Court has agreed to review a lower-court decision regarding the Constitutionality of the Bipartisan Campaign Reform Act of 2002, including the parts that affect broadcasters. The Court set September 8 of this year for oral arguments, with a final decision coming by the end of the year.

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Jay Mitchell Associates, Inc.  
57 South Court Street  
P. O. Box 1285  
Fairfield, IA 52556  
Phone ..... 641-472-4087  
Fax—Editorial ..... 208-730-4363  
Fax—Advertising/Production ..... 425-871-7574  
Internet ..... [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor ..... Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
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## **RAB = Promotions**

*From time to time we highlight some of the great promotions to be found at RAB.com—just one of the outstanding features of this web site, which in itself is just one of the outstanding features of one of the best resources of this or any industry. If you're not a member, or to learn more about what's available as a member, call 800-232-3131.*

**FORD OF JULY.** A local Ford dealer does a play on words for a Fourth of July promotion. Any cars on the sales lot that are red, white or blue are specially sale priced. Everyone in the dealership dresses in red, white and blue. The station does a remote and/or personality appearance complete with Independence Day trivia contests and prizes.

**FOURTH OF JULY BEACH PARTY.** Invite listeners to attend your station's beach party, sponsored by local retailers and/or manufacturers. If you don't have access to a local beach, pour sand in a big parking lot, then set up volleyball nets, palm trees, and above-ground swimming pools. Have local bands play throughout the day; give away products like soft drinks, sun tan lotion, Frisbees, hats, tee shirts, water bottles, etc. Have a local restaurant cater food and have station personalities out and about with the crowd. Set off fire works that evening for the finale.

**HOTEL VIEWING.** Independence Day fireworks displays are great fun—but parking, finding a satisfactory viewing spot, and coping with after-show traffic jams can negate some of the enjoyment. Is there in your market a multi-story hotel with balconies that will overlook a display? If so, secure as many rooms as possible on the upper floors. Then, in the days preceding the holiday, give them away to listeners. Allow the winners to spend the entire night in their rooms with free movies and other amenities. You might want to throw in a free breakfast the next morning, too.

**JULY 4TH BASH.** One lucky listener will win a holiday weekend party. Listeners call in to win or register at sponsor locations for a random drawing through which one listener will win a huge holiday weekend party at his/her home. The guest list should peak at around 100.

Set up in the winner's back yard and have sponsors provide all of the necessary ingredients for a spectacular celebration. Have a food vendor and/or a restaurant cater the food and supply the utensils and so on. The beverage company can provide the soft drinks or other beverages, as well as paper cups and ice. The station should provide live or recorded entertainment, and have as many station personalities drop by the party as possible. A high-profile station vehicle should be on hand to create an impressive visual impact, and be sure to give every attendee a special edition tee shirt commemorating the event.

*Note:* Think carefully about providing beer or other alcoholic beverages; you don't want to contribute to any alcohol-related problems. Whether you provide suds or leave that acquisition to the winner/host, be sure to get a signed liability waiver from the winner. Might not be a bad idea to have a security guard on hand to deter any party crashers.

## Before You Cut Your Rate. . .

*Do you find yourself routinely giving away a laundry list of additional products or services to close a deal? This practice suggests that your original product or service is not really worth the price. Find out how to build your value without giving away the farm.*

Do you give away your best “stuff” for free? Almost every company I work with has incredible value that their customers never see. These traits, habits and resources can be powerful selling points to help you differentiate yourself from the competition and win more business.

First, and especially if you’re an entrepreneur, there’s your drive, motivation, experience and desire to help. While I might tell a customer “if you need anything, just give me a call,” or I can really sell the point: “Here’s my home and cell numbers. If you need help. . .I don’t care if it’s 2:00 a.m. . .call me!” How about time you spend learning new skills, techniques or technologies? If I’m one of your customers, that has “pre-sell value.”

Next, look at your support team. Have you ever told a customer, “I want to take this to our team’s brainstorming roundtable session” to show the scope of your solution power? Do you have a sales assistant or technical engineer who can accompany you on calls?

Then, there’s the aggregate knowledge of management and ownership. There’s an old (and very true) saying that nothing sells better than bringing in the boss. Plus, their experience and connections can be of immense value to that customer.

Even before you present your value, you can start positioning your price. For example, very few customers think of themselves as low-price leaders, and often even despise cut-rate competitors. This gives you a chance to create a special connection. Suggest that “every industry has businesses who sell value for more money, down to the low-price discounters. Where are *you* on that scale?” Most of the time, they’ll say they’re either in the middle, or even toward the top. That’s when you make your first connection with them: “That’s us, too.” Now, price alone can’t be an issue. They said it themselves. Not only that, but people also like to know they’re dealing with someone of quality and, whether it’s in medical, legal, accounting or advertising, you’re going to get what you pay for.

A wise mentor once told me, “You’ve got to stand out and get noticed.” If a customer is comparing your price to another, one of two things is happening: either they don’t see any real difference; or they’re somewhat sold, but not enough to justify the dollars you’re asking. Sometimes they just have to know they’ve negotiated the best deal possible, or feel the need to use “I can get it cheaper from XYZ” as a point of leverage.

The best closers rarely have to deal with price objections. That’s because they sell their value first, and get the whole pricing issue out of the way early.

—Joe Guertin, 414-762-2450, [joe@excellence2000.com](mailto:joe@excellence2000.com),  
courtesy of SalesDog, [www.salesdog.com](http://www.salesdog.com)

## **Broadcasters Talk About the New FCC Rules**

**OUTRAGE.** On June 2nd, the Federal Communications Commission (FCC) voted to make sweeping changes in the rules governing who owns the media in this country. As a result of this decision, almost two-thirds of the markets in the country could end up having only four local news sources, and a single dominant newspaper/TV conglomerate could control well over half the news audience and two-thirds of the reporters in any given market.

A bipartisan group of Senators are standing up to the media conglomerates. They have introduced legislation (S. 1046) that would overturn these new rules. On June 19, the Senate Commerce Committee will vote on this legislation.

Tell your Senators and Representative to urge their colleagues on the Commerce Committee to reverse the FCC's debacle. To make even more of a difference, please pass this on to your friends and colleagues who care about who owns the news in this country.

—John Rook, [jbrook@earthlink.net](mailto:jbrook@earthlink.net)

**RIPPED FROM THE HEADLINES.** Here's a scenario that could be acted out in many small markets: A good operator with an AM/FM combo had the opportunity to buy out his FM competitor a few years ago. It was a tough financial stretch, but he did so. He now owns all three radio stations in the market, and has done a good job to provide that market with local news and information and possibly three different music formats. He has worked hard to provide this service to his town. When he is ready to retire and sell his stations, the new FCC rules do not allow him to sell all three to one buyer. If he can, he must find a minority or female buyer for one of the stations.

So the question becomes, who wants to buy a stand-alone AM station with two FM's as competition in a market under 20,000 people?

Our long-term, community oriented broadcaster has just seen his many years of hard work, service to his community and the value of his properties all diminished, thanks to the new FCC rules.

—Hal Widsten, KWED, Seguin, TX, [hwidsten@kwed1580.com](mailto:hwidsten@kwed1580.com)

**SELF PRESERVATION.** From a selfish standpoint, it appears our clusters have been preserved under the new proposed rules. Thanks to Eddie Fritts for his leadership and for the work of his staff and the NAB Board.

I support NAB's position on the 35% because I believe it does make a difference in localism. I am sure there will be vigorous discussion at the NAB Board meeting. I would hope any decisions will be delayed until the final rules are out.

—Name withheld by request

## Demos Are Dead

“Psychology as the behaviorist views it is a purely objective experimental branch of natural science. Its theoretical goal is the prediction and control of behavior.”—John Watson

Before the advent of television, advertising used to consist of a few simple things: price, item, and easy benefits messaging placed in any potentially public forum, from obelisks in ancient times, to signs, to newspapers, to live radio broadcasts. Coinciding with the advent of television, though, advertisers wanted more information about whom they were reaching and the effects of advertising on those people.

At first, research was based on households, and that was really as specific as research got. A given number of households listened to a radio station or received a newspaper or tuned in to a television program. Households can be segmented by ZIP codes. To this day, magazine, outdoor, and direct mail advertising most often target customers this way.

Soon, more specific information was desired. Demographics fast became the currency of targeting. Media and the vehicles of which they consisted were selected based on a given reach a specific media or vehicle had against the target demographic. If I want to market a new product, it is standard to determine what the likely demographic of the potential consumer is so that I can then find that consumer “being in the world,” using certain media where I can then place my messages regarding the new product.

This system has worked pretty well for a couple of decades, so when the Internet debuted as an ad vehicle, it only made sense that segmenting vehicles and targeting advertising would be based on demographics. In fact, the exciting thought was that I could target my message ONLY to a selected demographic because the web site being used as my ad vehicle could collect that information and then technologically parse out my advertising assets to be sent only to those who had identified themselves as, say, women aged 25 to 49 who had kids in the house.

But what if, in spite of proprietary research conducted and syndicated research studied, half of those who would actually be interested in my new product fell outside of the demographic? What if what I have to market is a lifestyle product that appeals more to a consumer’s state of mind and the things they do rather than to his or her age or socioeconomic standing?

Demographics have been used as surrogates for more specific behaviors or actions associated with endemic qualities of a given product or service. Certainly, products endorsed by the American Association of Retired Persons can be targeted based on an age-50-plus demographic, but what about something like, say, snowboards? There are kids 10 years old who want them and guys in their thirties who want them. These are demographics so divergent, I can’t really target *based* on demographics. But perhaps these consumers share a similar state of mind: new, exciting, daring, on edge. Whether you are 6 or 60, if you are interested in my product, then I want to talk to you about it.

It is *behavior* that the particular product or service seeks to address, not an age or gender. Using the snowboarding example, if I’m selling snowboards or products ancillary to them, is it the fact that you are a 15-year-old boy that is important or the fact that you snowboard? It seems stupid that what we’ve been doing in advertising for decades is to take a state of mind or a type of behavior, translate that into demographics, and then seek to use those demographics as a means for reaching people in a particular state of mind or with a specific type of behavior.

So, why not try our best to target messages for products and services based on behavior rather than demographics? We should, we can, and we will.

—Jim Meskaskas, *MediaPost*, [www.mediapost.com](http://www.mediapost.com)

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

**By Bob Doll**

The newspapers and the Internet are full of stories adverse to radio's consolidation. Most of the bad mouthing comes from people who have always been critical of radio even before consolidation came to the industry. We have come across many instances in small market America where the new way of doing radio has actually improved service to the small communities. A good case can be found in the small Western Kentucky community of Princeton (population 6,563), the county seat of Caldwell County (population 13,060).



Bob Doll

Five years ago WAVJ, a 3,000-watt FM station and its companion AM station, WPKY, after a series of local ownerships was purchased by the 25-station Commonwealth Group, principally owned by former Kentucky governor Brereton Jones and longtime broadcaster Steve Newberry.

Upon taking over the Princeton stations and three in the Madisonville area, Commonwealth installed 25-year West Kentucky radio man Tom Rogers as cluster manager. Responsibilities for operating a Commonwealth cluster are generally divided between two people. One oversees operations, the other oversees the sales effort of the stations in the cluster. In his cluster, Tom is responsible for operations. (Ms.) Marion Miller leads the ad sales. She headquarters in Madisonville. Rogers headquarters in Princeton.

There are three other people at Princeton: Shirley Gray handles the bulk of local ad sales. Larry Smith is morning man and does news and special events. Caroline Quinn also works on local news and special events as well as handling the station automation.

The station has a presence at all of the local government meetings. The twice-monthly county fiscal court meetings are Tom's responsibility. The twice-monthly city council meetings are covered by Larry Smith. Caroline covers the hospital board meetings.

WAVJ and WPKY, like other Commonwealth stations have a unique feature: commercial production and copywriting are done at the company's headquarters. Communication between the stations and the home office are handled by a combination of the Internet and faxes. In Rogers's words, "If it weren't for the production people in Glasgow, we'd be like a lot of other small stations—one person doing all the spots. That's an irritant for listeners and not fair to our customers."

Since Commonwealth came to Princeton, the studios have been moved from out in the country to

a highly-visible and convenient ground-floor location on the town's court house square.

Since their beginnings in the 1950s, the AM and FM stations were simulcast. Commonwealth has changed that. The AM station carries ESPN Sports. The FM station carries a satellite-delivered Light Rock format and a heavy schedule of local programming.

Last year the FM broadcast four festivals in a span of four weeks. It carried two days of a local folk music festival. During those same two days, the station followed the local girls softball team to the state championships, sending reports back home from more than 100 miles away to WAVE listeners.

Tom, who does most of the station's play-by-play broadcasts says, "Last year I personally broadcast a thousand events."

Rogers says his duties as overseer of the cluster take about a third of his time. His busy schedule has not kept him from taking part in the civic life of the community. He is a service club member and active in the chamber of commerce.

He recalls now, "When I first arrived in Princeton, the town leadership decided to have a day-long retreat to discuss the problems and opportunities. It gave me a clear focus on what the station needed to do in the community."

Tom says, "Despite the fact that I have a lot of jobs to do, sometimes you think it's overwhelming, but you handle one job at a time, and everything gets done."

He broke into radio at age 17, getting interested after winning a statewide speech contest in his junior year of high school. He had a variety of jobs at a variety of Western Kentucky Radio stations. In addition to getting a lot of radio experience, he also got a BA and then a Master's Degree. Although he was working full-time while attending Kentucky Wesley University, he made enough of an impression there to be named to the university's board recently.

*Editor's Note:* Even though it has been consolidated, from our personal knowledge, Princeton and Caldwell County are getting the best local radio in the over half century there's been radio there. Commonwealth's investors are taking advantage of current technology and attracting good people. Commonwealth has put together not only a good business but it has developed a real asset for the community.

*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@sbcglobal.net](mailto:bobar@sbcglobal.net) (note new e-mail address).*

## **Screwed Again?**

We've heard from lots of broadcasters, on or off the record, about the big FCC decision of last week. There are two major concerns expressed. First is the concern among those who have built strong market clusters that they will not be able to sell the entire cluster as one, thus devaluing their properties. The second is the change in the competitive landscape as television stations jockey to buy one another, and perhaps the local newspaper as well.

In one of our markets, for example, one of the two TV stations licensed to the DMA intends to buy the other. It's anyone's guess whether this will benefit us, hurt us or have no effect. Call me paranoid, but my money is on Door Number Two.

And then we've all heard from the Congress people who are lining up to fight the Commission's decisions, citing popular outcry. On a macro level, I'm not sure the outcry is unfounded. As a consumer of media, I am a little concerned about the cross-promotional dumbing-down of information delivery. But there's no question in my mind that we small market broadcasters are in a different category, trying to serve our communities better and more efficiently.

I won't deny that the world has changed; we all need to deal with it. I just wish these world-changing events would reward the hard-working small market broadcaster for a change.



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**FORWARDING SERVICE REQUESTED**

Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jaymitchell.com](mailto:jaymitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**



# Small Market Radio Newsletter

The Voice of Small Market Radio

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**NAB RELEASES PSAS** featuring the families of Congress people presenting information about myriad topics, including breast cancer awareness, child safety, drinking during pregnancy, education, literacy, mentoring, physical fitness, prostate cancer awareness and volunteer service. The Congressional Families PSA Program is a joint venture of the NAB and The Congressional Club, an organization comprising spouses of Congress people. For this campaign, more than 100 family members recorded over 360 messages for radio and television. All radio NAB members will shortly receive CDs containing the PSAs. [www.nab.org](http://www.nab.org)



**RADIO PROUDLY PRIMARY.** Among the other findings of Arbitron's RADAR 77 Radio Usage Report, radio reaches 96% of adults 18+ with household incomes of \$75,000 or more. Radio listeners are also well educated: 96% of college graduates listen, compared to 92% of people who didn't attend college. Not surprisingly, 81% of adults listen in their vehicles. RADAR 77 is the product of a sample increase which will reach 70,000 diarykeepers in 2004 (up from 12,000 in 2001). [www.arbitron.com](http://www.arbitron.com)

**GARDNER NEW NAB RADIO BOARD CHAIRMAN.** Among the actions taken by the NAB Radio Board was the unanimous election of the president of Journal Broadcast Group to helm the Board. The new vice chairman is Bruce Reese, Bonneville International. Alan Harris, Wagonwheel Communications, will fill the third Radio Board seat on the NAB Executive Committee. Eddie Fritts was re-elected president/CEO of the association. [www.nab.org](http://www.nab.org)

**IOWA BOY MAKES GOOD.** Corn-fed actor, Congressman and CEO Fred Grandy is joining the WMAL/Washington, DC morning news magazine. [www.wmal.com](http://www.wmal.com)

**NAB PLANS PR COUNTERATTACK.** At the NAB Radio Board meeting, board member David Field, along with NAB EVP Kathy Ramsey, presented a plan to combat "negative myths" about local radio. According to Field and Ramsey, the NAB plans to work with news media to present information on the "vibrancy of local radio."

**DIGITAL WEATHERMAN GIVEN NEW LIFE.** The revolutionary interactive weather system invented by Tom Churchill has been purchased and upgraded by longtime *SMRN* reader Larry Fuss, WDTL, Cleveland, MS, and his partner, Kirk Harnack. Long a favorite of small market broadcasters, Digital Weatherman permits completely unattended, updated weather reporting. <http://www.digitalweatherman.com>

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Publisher & Editor ..... Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
..... Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
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• 26 Weeks ..... \$49

## **SMRN Through the Years**

Here are some of the stories we've reported:

**STATION EMPLOYMENT LEVELS DROP DRAMATICALLY**, leading to lower turnover rates. According to the 1991 FCC Broadcast and Cable Employment Report, total employment has dropped 12% since 1987. A study of staffing levels at over 400 radio stations, performed by the CPA firm of Miller, Kaplan, Arase & Co., showed a 6.5% drop in employment from 1991 to 1992. Fewer jobs mean lower turnover: in the Eighties, 75%+ was not uncommon, whereas today the figure is more like 40%.

**LOCAL RADIO REVENUE IS UP**, according to the latest RAB figures—up 13% March '93 vs. March '92, and up 10% First Quarter '93 vs. First Quarter '92. (National was up 11% and 6% respectively.)

**NEW SUPREME COURT DECISION** spells possible tax relief for radio station buyers. The court ruled that the purchaser of a newspaper, the Newark (NJ) *Morning Ledger*, could depreciate the paper's subscriber lists. According to tax attorney Mike Hines, "The impact is very beneficial for taxpayers with intangible assets, which includes radio." Types of intangible radio assets affected: advertising contracts, client lists, unique format, even underdeveloped market competition.

**HELP-WANTED FORMAT OUT OF WORK**. WHLP-AM/Baltimore's "All-Help-Wanted" format didn't make the cut after all. Western Star, which had been brokering the station from Allied Media, is out, and Penny Lane Broadcasting is in. Penny Lane has moved the "Music Of Your Life" format to WHLP's frequency from WITH.

**ANOTHER ATTEMPT TO TAX RADIO ADVERTISING HAS FAILED**, this time in Washington State. A bill before the legislature would tax production services, but not air time and print space sales. Credit goes to the Washington State Association of Broadcasters for their instrumental lobbying role.

**THE NUMBER OF FCC FINES LEVIED HAS NOT GONE UP** with the new fee schedule, but the sizes of fines have. And 60% of the outstanding fines—\$16.7 million worth—remain uncollected.

**LIMITS ON ALCOHOL ADVERTISING** have been introduced in Congress in two separate bills calling for health warnings in beer and wine ads and elimination of alcohol-advertising tax deductions.

*For more events from the years we've been publishing, see Page 5*

## **An Anniversary Sampler**

**1993: SET ASIDES.** Have a restaurant set aside a soft day or mealtime for a special promotion: a late weekend night for desserts. . . a mealtime for smaller-sized portions, allowing patrons to graze the menu. . . or “half-price plus” specials—reduced portions at a reduced price for late-night dining.

**1994: RENT-A-MAID.** With today’s lack of time in multi-earner households, it was inevitable: maid-service franchises. A uniformed team clean-sweeps your house for around \$50. There’s rapid growth ahead, so check the franchisers to see whether they’re operating in your city. You can sell them, and you can make deals for great prizes. Here are three (with updated web sites):

- Merry Maids—[www.servicemaster.com](http://www.servicemaster.com)
- Molly Maid—[www.mollymaid.com](http://www.mollymaid.com)
- Maid Brigade—[www.maidbrigade.com](http://www.maidbrigade.com)

**1995: WORD OF THE DAY.** Also done as the “Name of the Day,” this promotion entails giving out the word or name during the morning show and telling people to be listening at a specific time later in the day (e.g., “at 11:20 this morning with Laura James”) to be the *nth* caller with the word or name. (You could also reverse it, announcing the word or name during the day and inviting people to tune in the next morning for their chance to call in and win.) Tie the words or names into your area—local events, places and personalities—and, of course, pick up a sponsor.

**1996: WHAT’S HOT.** Toward the end of summer, run a “What’s Hot” campaign to generate interest and revenue. Start the campaign in late July or early August. Run promos saying, “Summer vacations may be coming to an end, but we’ll keep it hot with our What’s Hot Update.”

Identify a “What’s Hot” item in each promo; examples:

Blue M&M’s

The Summer Games in Atlanta

Voting

Recycling

In-line skates

Fat-free foods

World Wide Web

Pretzels

At the end of each promo, tag it with the sponsor mention: “. . . and at TJ’s Jeans, Levi’s are ‘What’s Hot’ priced at \_\_\_.” You can also invite your listeners to send in “What’s Hot” suggestions to win a “Hot Item” or grand prize from a sponsor.

**1997: TASTES AROUND TOWN.** Summer is a time when people think more about eating out, so why not spotlight local eateries and get paid for it? Sell five separate restaurants a ten-second spot highlighting their daily specials. Roll these tens into a sixty-second “Tastes Around Town”

spot. Run the spot once a daypart, for a total of 35 times a week. This program accomplishes two objectives: (1) It's an affordable way to encourage restaurants to advertise; (2) It's an effective way to maximize your per-spot potential.

**1998: SENIOR OF THE YEAR.** Who has the most time to volunteer? Seniors are a tremendous asset to this nation in terms of volunteer hours and experience. The "Senior of the Year" award promotion was created to recognize individuals in the community, and to generate revenue from sponsorships as well. Requests are made for nominations through radio promotional ads. Forms are picked up at sponsor locations. Nominations are deposited with sponsors or mailed to the radio station. A committee reviews and selects. Winners are recognized with a small cash award, a plaque and a ceremony at a station event.

**1999: LISTEN AT WORK.** Encourage people to listen at work to win prizes like a catered lunch for the staff. Let them know that the boss should encourage this because weekly winners could win a no-charge advertising schedule. Have them call or fax the station to let you know they are listening and advise them that they should increase their odds of "getting caught listening at work" by putting signs on their windows or reader boards saying, "We listen to KXXX." Line up a title sponsor such as an office supply store or a temp service and then sell additional packages to the restaurants and such who supply the weekly prizes. You can also do faxes or mailers to area businesses to explain the contest and send coupons from the sponsors. Have one of your people go around town and catch these people listening.

**2000: DIAPER DERBY.** Moms with crawling-age babies register to participate at a grocery store to win a year's supply of diapers. The store has a bin filled with baby products, with promotional signage explaining the contest and rules; a Super Baby Derby poster; a registration box; and a form complete with a tear-off coupon good only at that store. If you're working with a chain of stores in your region, hold the race at all stores in the chain and then have a final race later with the winners of the store races.

**2001: LIFE'S A BEACH.** Even if you're landlocked (like in, oh, Fairfield, IA, for example), you can have a day at the beach. Convert a downtown block, town square, parking lot or what-have-you into a beach, complete with sand, bands, contests, food and drink, fashion shows and more. Begin the music at Noon, using local talent for a full day of music. Set up a dunk tank, bikini contest, Mr. Muscle contest, "most creative sand castle" competition and other seaside staples. Work with a local beverage distributor and other local sponsors to make it happen.

**MYSTERY PHOTO.** We take digital pictures—like at the CRS, we took candid photos of the artists incognito—and post them on our web site. Our morning show tells listeners to go to our web site to see the pictures and then call in with their guesses.

*Another angle:* We do a "Who Is It???" feature on our web site, but it's entirely on the site—visitors submit their guesses via e-mail. We've done pictures of our personalities—local and national—and now we're doing sound bites of our personalities. Our first sound bite was, "Good morning, Americans!"

## Classic Advice

Why do newspapers do so much business? Are they more effective than radio stations? Are their salespeople better? The answer to both questions is usually “no.”

The requirements posed by strict deadlines has created a discipline that has made newspapers the primary ad medium. To meet deadlines, the print salesperson is forced into a discipline of calling on his/her customers on the same day at the same time every week. The advertising buyer makes up his or her ad in time for the newspaper or shopper salesperson to pick it up at the appointed time.

In many cases, the radio salesperson steps in after the print salesperson has picked up the ad. The customer tells the radio salesperson, “That’s okay. Run me ten spots. Take something out of my ad in the newspaper.”

When business is not quite up to par, the advertiser says, “Things are slow. You’d better skip me this week.” But that print ad, picked up every week on the same day at the same time, runs on schedule—whether business is good or bad.

The truth is, showing up randomly and “getting something out of the newspaper ad” gets you scraps of the ad budget. There may have been a time when a salesperson (and radio station) could do well “picking up the scraps,” but no longer.

The declining numbers of local retailers and the growing numbers of media choices have made the old ways of doing business obsolete. You’ve got to earn more from the businesses on your list. You do that by being a resource when the advertising plan is formulated. You get into the planning process by earning your way in.

Earning your way in starts with showing up on the same day at the same time every week. How do you get started? Just ask your customer, “What’s the best time for me to see you every week?” Once you start filling up your “dance card,” ask, “I’m here every — morning. Would it be convenient for me to see you at —?”

Some salespeople (and management) think that showing up at random times gives the salesperson an advantage: the customer doesn’t have a chance to think up reasons for saying “No.” The real truth is, when he or she knows when you’ll be calling, it is likely that when ideas present themselves, he or she will say, “I want to talk to — about that.”

Prepare for those calls. There’s a difference in selling and visiting. Selling means *If they’re not on, sell them something. If they are on, sell them more.*

—Bob Doll, in our May 13, 1993 issue

## **Radio Through the Years**

**1983:** Cellular phone network starts in the United States.

**1984:** Continental U. S. relays of news feeds for stations is available on Ku-Band satellites.

**1985:** Sony builds a radio the size of a credit card.

**1986:** The first dial-up remote control system for a transmitter is introduced by Gentner.

**1987:** Half of all U.S. homes with TV are on cable.

**1988:** FCC allows short-spacing of FM stations.

**1991:** FCC approves expansion of the AM broadcast band. The change opens up the 1605-1705 kHz range.

**1992:** New station ownership rules go into effect, permitting a single group to own up to 18 AM and 18 FM stations. ■ The Digital Compact Cassette (DCC) is introduced to the consumer market. ■ USA Digital Radio conducts its first on-air tests of their in-band on-channel AM digital audio broadcasting in Cincinnati, OH.

**1993:** FCC selects the Motorola C-QUAM system of AM stereo transmission as the U. S. standard, ten years after AM stereo was first authorized. The lack of an approved standard greatly hindered the development of this mode of broadcasting. ■ As a result of a 1993 court ruling questioning the criteria used in comparative hearings, the FCC freezes all pending mutually-exclusive applications for broadcast licenses. ■ The U.S. Congress instructs the FCC to begin collecting regulatory fees from broadcast stations. (But you can pay with your credit card.)

**1994:** The top format for U. S. commercial radio is Country with 2,642 stations. Adult Contemporary is number two with 1784; News/Talk has 1028; Religious stations are fourth with 926 stations. ■ Denmark begins on-air testing of the Eureka 147 method of Digital Audio Broadcasting on 237 MHz. ■ The first allotment plan for the expanded AM band is released.

**1995:** Station KNX (AM) in Los Angeles celebrates its 75th birthday. ■ The FCC revises rules to allow unattended operation of broadcast stations. ■ The first broadcast station in the expanded band signs on: WJDM, Elizabeth, NJ, at 1660 kHz. ■ The FCC allocates spectrum for a new satellite-delivered Digital Audio Radio Service (DARS) in the 2310 to 2360 megahertz band. ■ The average U. S. home has 5.6 radio receivers; there are an estimated 584,900,000 radio receivers in use. ■ The BBC begins introductory DAB service.

**1996:** A time capsule placed by Arthur Atwater-Kent in 1929 is opened in Philadelphia, as the building, which was his manufacturing plant, is about to be demolished. Inside it are newspapers with headlines of the Lindberg kidnaping, note cards from the dedication speech, and an AK55 radio taken fresh off the assembly line in 1929. ■ FCC adopts a standard for High Definition TV (HDTV). ■ Digital Audio Broadcasting begins in Sweden from four transmitters utilizing Eureka 147. ■ The U. S. Congress mandates that the FCC collect over \$152 million in regulatory

fees from broadcasters in 1997. ■ The FCC abolishes limits on how many AM and FM broadcast stations one entity may own.

**1997:** The EAS (Emergency Alert System) goes online in broadcast stations January 1, replacing the aging technology of the EBS (Emergency Broadcasting System). ■ Mars Pathfinder sends images to Earth. ■ The FCC issues only two licenses for Digital Audio Radio Service (DARS), by auction. Only the four original applicants from 1992 are allowed to bid. American Mobile Radio Corporation and Satellite CD Radio, Inc. are the winners. In comments on the action, the FCC said it “could not entirely rule out the possibility of a major adverse impact” to traditional local broadcasters. ■ Ericsson, Nokia, Motorola, and Phone.com partner to create the Wireless Application Protocol (WAP). ■ The FCC releases its third allotment plan for the expanded AM broadcast band. 88 stations were eligible; 67 filed for construction permits. ■ Congress instructs the FCC to use auctions to resolve mutually exclusive broadcast applications. ■ WOR (AM) in New York celebrates 75 years on the air.

**1998:** FCC and broadcasters begin to heat up the debate over low power local FM radio stations. FCC shuts down many unlicensed broadcasters, but the tide may be turning toward some sort of truly local broadcast service being allowed. ■ The FCC adopts auctions as opposed to a comparative hearings to decide among multiple applicants for a single broadcast frequency. ■ The FCC orders all new TVs with a screen larger than 13 inches to implement V-Chip technology by January 1, 2000. The V-Chip will allow parents to block certain programs from being viewed.

**1999:** Will broadcasting be Y2K compliant?

**2000:** The FCC adopts rules creating a new Low Power FM (LPFM) service. Over 700 applications were received in the first filing window; 473 in the second filing window. ■ The FCC approves the \$23 billion merger of AMFM and Clear Channel Communications. Once the deal is closed, Clear Channel will own close to 1000 stations. ■ Since March of 1997, 88 AM broadcast stations have been eligible to apply for construction permits in the expanded AM band; 26 are actually on the air. ■ The U. S. House of Representatives passes the Radio Broadcasting Preservation Act of 2000 to tighten the FCC rules that will govern LPFM. FCC Chair William Kennard expresses disappointment and says over 80% of the LPFM applications will be eliminated as a result of this bill. ■ The NAB challenges the FCC’s Low Power FM initiative in Federal court.

**2001:** The U. S. Court of Appeals decides that the FCC cannot make noncommercial educational FM applicants bid for their licenses at auction even when they are in the commercial portion of the band. ■ The largest satellite TV provider, EchoStar Communications, announces it will merge with the second largest Satellite TV provider, DirecTV. ■ XM Satellite Radio debuts.

**2002:** The President/CEO of XM Satellite Radio announces, “After being fully national for only 56 days, XM has over 30,000 paying subscribers.” ■ A Federal appeals court strikes down the FCC’s decision banning anyone who once operated a “pirate” radio station from obtaining a LPFM license. ■ Sirius Satellite Radio begins limited service in four markets: Denver, Houston, Phoenix and Jackson, MS.

—*Surfing the Aether*, <http://www.northwinds.net/bchris/>

## What Year Is This?

We're proud of reaching our 20-year mark this week, and we're appreciative of the readers and advertisers who've made it possible. Thanks!

As we are wont to do, in this issue we present some of the headlines from past years, and I'm sure you see echoes of past hot topics in the industry news of today.

As we look back on two decades of publishing, and another two decades beyond that, I am reminded of the expression, "The more things change, the more they stay the same." It seems that we're always in a fight for survival, for growth, for dominance in our markets. I am reminded of another expression, immortalized by Gilda Radner, "It's always something."

In spite of satellite radio, in spite of the economy, in spite of Senator McCain, I am as bullish on radio as ever. Those of us who embrace change and make it work in our favor will survive and thrive.

That first expression, the one about change, also applies to how we conduct our business. In spite of all the changes, we need to remember and apply the fundamentals: community service, good programming, customer focus, selling skills. Here's to many more years of success for *SMRN* and our beloved industry!



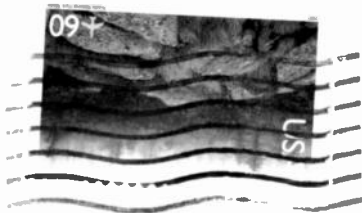
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Jay Mitchell Associates, Inc.  
57 South Court Street • P. O. Box 1285 • Fairfield, IA 52556  
Phone 641-472-4087 • Fax-Editorial 208-730-4363  
Fax-Advertising/Production 425-871-7574  
E-Mail [jaymitchell.com](mailto:jaymitchell.com), [greg@radiovillage.com](mailto:greg@radiovillage.com)  
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**Small Market Radio Newsletter**



# Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XXI • NUMBER 2 • JUNE 26, 2003

**AND NOW THERE ARE NONE.** The final TV network member of the NAB has left the building. ABC has pulled out, citing the NAB's "patently hypocritical position favoring deregulation of newspaper cross-ownership and duopoly while simultaneously advocating continued regulation of the national station 'cap.'" This is from the letter to the NAB from ABC EVP Preston Padden, who also says, ". . . despite the universally recognized and industry leading excellence of the local news operations of the ABC Owned Stations, we have tolerated our own trade association's patently false claims that our stations lagged behind affiliate stations in terms of local public service. It was wrong for the NAB to malign the men and women of the ABC Owned Stations, who in fact represent the finest in local broadcasting. We stayed in the NAB in the (perhaps naive) hope that we could return to the days when the NAB represented the best interest of *all* broadcasters." But Padden closes his letter by saying, "I want to emphasize the tremendous personal and professional admiration that all of us at Disney/ABC have for you and for the outstanding professional staff of the NAB. You are the true victims in this fight."

**DID THE FCC STEP IN IT?** At this point the watershed June 2 FCC action to liberalize ownership limits, permit broadcast-print cross-ownership and redefine radio markets is anything but a sure bet. The Senate Commerce Committee voted out bipartisan legislation that would put the genie back in the bottle—mostly. In addition to reimposing television ownership limits, based on the former 35% nationwide cap, and continuing the ban on cross-ownership, the measure would impose new strictures, such as tightening ownership rules even further and prohibit networks from owning stations. While the bill stands a good chance of passing the Senate, its prospects in the House are less bright, with Republican leaders vowing to block, in the words of Sen. Olympia Stowe (R-ME) "the deregulatory express."

**GORE'S LIBERAL PLAN.** Former Vice President Al Gore is talking with Chicago VC team Sheldon and Anita Drobny about the Drobny's \$10 million liberal talk radio network plan. Gore, who has been an outspoken critic of head dittohead Rush Limbaugh and other conservative talkers and networks, says they are "part of a Republican media machine." In addition, Gore is quietly exploring funding for a liberal cable TV network as well. *For Bob Doll's take on the above stories and others, see his commentary on Page 7.*

**FROM OUR "AM I HERE?" FILES.** . . Believe it not, the senseless suit brought by filmmaker and Knicks fan Spike Lee against Viacom to block them from renaming their TNN cable service to "Spike TV" was successful. The New York State Supreme Court granted a temporary injunction against Viacom, forcing the company to delay the relaunch until the matter goes to trial later this year. A TNN release noted, "We are continuing to move forward with our brand positioning as America's first network for men and will premiere our new programming."

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Fax—Editorial . . . . . 208-730-4363  
Fax—Advertising/Production . . . . . 425-871-7574  
Internet . . . . . [www.smallmarketradio.com](http://www.smallmarketradio.com)

Publisher & Editor . . . . . Jay Mitchell ([jay@jaymitchell.com](mailto:jay@jaymitchell.com))  
Managing Editor . . . . . Greg Baum ([greg@radiovillage.com](mailto:greg@radiovillage.com))  
Production Assistant  
. . . . . Karen Wetherill ([karen@radiovillage.com](mailto:karen@radiovillage.com))  
Editor Emeritus . . . . . Bob Doll  
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## TOP OF THE WEEK

**AD TAX STILL KICKING.** As it does from time to time, the concept of taxing advertising has again reared its not-so-pretty head, this time in New York. And because of its surgical approach, it might just succeed. Bronx Assemblyman Felix Ortiz has introduced a bill that, among other things, taxes television commercials for junk foods targeted to kids under 18. According to Ortiz, series of forums he held throughout the state exposed the critical nature of childhood obesity, and his bill is intended to tax the products and the companies responsible for bad nutritional choices—but Ortiz claims, “It’s not a fat tax.”

**ABC ON TOP IN RADAR 77.** The Daytime Direction network from ABC is Number One in the latest RADAR survey, with a 3.7 AQH Rating. The survey is labeled June 2003, with a survey period of March 28, 2002-March 26, 2003. Number Two is Westwood One CNN Max, a 3.1 Rating, followed by Premiere Pulse (2.3), ABC Morning News Radio (2.2) and Premiere Morning Drive AM Network (2.1). The latest RADAR survey had a sample size of almost 55,000; it’s the first phase of the second sample increase to 70,000 next year.

**MEDIA GURU OPTIMISTIC.** Renowned predictor Bob Coen, Universal McCann Senior VP, has come out on the side of the latest version of conventional wisdom regarding 2003 ad sales: the first half was rough, but the second half will take off. In his mid-year update, Coen said, “Our expectation for U. S. advertising by national marketers is not much different than it was at the end of last year, but spending by local marketers is still very sluggish. Classified newspaper revenues continue to be held down due to the weakness in classified help wanted advertising, and the pace of retail advertising growth is slower than we had expected at the end of last year. By the end of this year we expect advertising spending by both national and local marketers to be considerably more robust than in recent months. The improving U.S. ad trends in the second half of this year are expected to continue and to build in 2004.” Coen is predicting that the overall U. S. ad market will grow 4.3% for 2003 as a whole, and 2004 will see a 6.5% increase over this year. He sees broadcast TV and radio to be up 4% each, cable up 10%, magazines up 7% and newspapers up 5.5%.

**RADIO KING OF THE ROAD** according to a just-released study of the Portable People Meter (PPM) trials conducted by Arbitron in the Philadelphia area. According to the study, radios are better dispersed than television sets: radios are found in 77% of primary bedrooms, 50% of other bedrooms, 68% of living rooms, 38% of kitchens and 15% of bathrooms; televisions are found in 68% of primary bedrooms, 93% of living rooms, 45% of other bedrooms, 20% of kitchens and 1% of bathrooms. Radio achieves an 88% penetration in vehicles, compared to television’s 2%.

**MORE FROM PPM LAND.** Meanwhile, Arbitron has announced three new features to be added to the PPM system early next year: the ability to distinguish between in-home and out-of-home media exposure, using low-level RF codes; a wireless modem to replace the landline variety, to accommodate the homes with only wireless service; and a portable recharger to permit storage of data for more than a day. According to Arbitron Senior VP/International Media Jay Guyther, “The PPM system is demonstrating its capacity to adapt continually to the needs of media companies, agencies and advertisers around the world.”

## August Business Opportunities

The following businesses have above-average sales in the month of August:

Auto Dealers (New Domestic)	Hardware Stores
Auto Dealers (New Import)	Hotels/Motels
Auto Dealers (Used)	Mobile Home Dealers
Auto Parts Stores	Movie Theaters
Auto Repairs	Office Supply Stores
Beer	Optical Goods Stores
Book Stores	Real Estate (New Houses)
Bridal Market	Real Estate (Resale Houses)
Building Supply Dealers	Restaurants
Camera Stores	Shoe Stores
Carpet Stores	Sporting Goods Stores
Fast Food	Supermarkets

—RAB's Top 40 Business Survey

## August Promotional Opportunities

### Months

Cataract Awareness Month	National Inventors' Month
Children's Vision and Learning Month	National Win with Civility Month
May Your Reading Be A Haven Month	Spinal Muscular Atrophy Awareness Month
National Immunization Awareness Month	Women's Small Business Month

### Weeks

Aug 1-7—Simplify Your Life Week	Aug 17-23—National Truck Driver Appreciation Week
Aug 4-8—Psychic Week	Aug 18-24—National Aviation Week
Aug 9-17—Elvis Week	Aug 22-29—National Save Your Smile Week
Aug 9-16—Knights of Columbus Family Week	Aug 25-31—Be Kind to Humankind Week
Aug 10-17—Don't Wait—Celebrate! Week	Aug 25-31—National Empowerment Week
Aug 10-16—National Resurrect Romance Week	Aug 31-Sep 6—National Sobriety Checkpoint Week
Aug 10-16—Thanks for All the Gifts Week	Aug 31-Sep 6—National Waffle Week
Aug 17-23—National Friendship Week	

### Days

Aug 3—Friendship Day	Aug 14—V-J Day, 1945
Aug 3—National Kidaday	Aug 15—National Relaxation Day
Aug 3—Sisters' Day	Aug 16—Elvis Presley's Death, 1977
Aug 3—Step Sunday	Aug 18—Stay Home with Your Kids Day
Aug 4—Coast Guard Day	Aug 19—National Aviation Day
Aug 6—National Fresh Breath Day	Aug 21—National Forgiveness Day Aug 21—Poet's Day
Aug 6—National Pamper Yourself Day	Aug 22—Be An Angel Day
Aug 7—Desert Shield Anniversary, 1990	Aug 22—Vietnam Conflict Begins, 1945
Aug 7—Treasure Your Customers Day	Aug 25—Kiss-and-Make-Up-Day
Aug 9—International Sing-Out Day	Aug 26—Women's Equality Day
Aug 9—National Garage Sale Day	Aug 28—Radio Commercials Debuted, 1922
Aug 9—President Nixon Resigns, 1974	

—Chase's 2003 Calendar of Events

## Print Outlook Surprisingly Bright

The 250 or so attendees at yesterday's inaugural Association of National Advertisers Print Advertising Forum expected to hear forecasts as gloomy as the weather outside. Instead, in a "State of the Union" session surveying big-picture trends in the magazine and newspaper businesses, analyst Lauren Rich Fine and media guru Karen Jacobs offered a relatively bright outlook for the months ahead.

Fine, first vice president/managing director, corporate strategy & research at Merrill Lynch & Co., prefaced her remarks about the state of newspaper advertising by acknowledging that early forecasts of 3% growth in 2003 ad revenues "may be too optimistic." She stressed, however, that the perception of newspapers as a medium in decline was not accurate.

To prove her point, she noted that newspaper circulation is down less than 8% over the last ten years. By comparison, the top five magazines are down 18% and the eldest three networks experienced an even greater percentage decline in viewership over the same time span. "Newspapers are rising to the challenge," she said. "[They are] a lot more innovative" than most observers think.

As far as the challenges facing the newspaper business, Fine cited increased competition for the local retail dollar from cable and radio. A few years ago, she recalled, "Every local retailer had to be in the newspaper"; now newspapers have to work harder to secure those dollars.

Fine pointed to one area of weakness: the help-wanted ad segment, which had the highest profit margin of all newspaper ad categories. Owing to the economy and cannibalization by online job boards as well as the newspapers' own web sites, help-wanted listings are headed for another year of double-digit percentage losses (the category tumbled 50% in 2001 and 30% in 2002).

As for magazines, Starcom Worldwide executive vice president and media director Karen Jacobs painted a picture of an industry that is still witnessing "explosive growth" despite a few difficult years. "There are more magazines and more choices for consumers, and thus for advertisers," she said. To illustrate this, she noted that once the "dot-com effect" is removed from the equation, magazines have seen "a significant increase" in paging over the last ten years.

Among the positive trends Jacobs cited were the stronger relationships forged between advertisers and publishers, who—whether or not motivated by financial necessity—are finding new, mutually beneficial ways to coexist. Even advertorials, that long-loathed Frankenstein of promotional entities, are "starting to look like real marketing programs," she quipped.

Jacobs thinks that magazines will downsize their rate-base guarantees and thus focus more intently on a core audience. This, she believes, is a positive development for magazine advertisers: "They're more into [reader] involvement than eyeballs." Jacobs also foresees magazine content becoming increasingly advertiser-friendly. She notes that the "product placement and embedded product deals" seen on television "have yet to hit the print world," and believes there are opportunities to push the boundaries.

—Larry Dobrow, *MediaPost*, 6/20/03

## **Radio-Mercury Winners**

The first Radio-Mercury Award ever won by DeVito/Verdi was the big one: the New York-based agency took home the \$100,000 Grand Prize at the big gala at the Waldorf-Astoria Hotel in the Big Apple last week. DeVito/Verdi's award-winning commercial was "Dinner Date," produced by McHale Barone for the National Thoroughbred Racing Association.

This year there was an increase in entries for the General and Public Service Announcement categories, and there were several other first-time winners besides the Grand Prize Winner.

The Radio-Mercury Awards is a production of the Radio Creative Fund in conjunction with the Radio Advertising Bureau.

The 2003 Radio-Mercury Awards Winners include. . .

### *\$5,000 General Prize Winners:*

- "A Beautiful Mind;" Cliff Freeman & Partners, New York; Hollywood Video
- "Business Talk;" The Richards Group, Dallas; Motel 6
- "Genius/Mr. Fancy Coffee Shop Coffee Pourer;" DDB, Chicago; Bud Light/Anheuser-Busch
- "Monkey Juice;" Arnold Worldwide, Boston; Volkswagen of America
- "Thank You;" Secret Weapon Marketing, Santa Monica, CA; Jack in the Box
- "Trashing the Room;" BBDO, New York; Snickers/Mars Candy
- "Valet;" Goodby, Silverstein & Partners, San Francisco; Saturn L-Series
- "Very Rich;" Crispin Porter + Bogusky, Miami; IKEA
- "What Would You Do?/PM #2;" Clarity Coverdale Fury, Minneapolis; Minnesota Department of Health

*Public Service Announcement Winner (\$2,500 Charitable Donation):* "Skim Latté;" DDB Chicago; Ad Council/Afterschool Alliance

*\$5,000 Radio Station-Produced Winner:* "Build Your Own Slice;" Rose City Radio, Portland, OR; Flying Pie Pizza

*\$5,000 Spanish-Language Prize Winner:* "Argentinean;" The Vidal Partnership, New York; Heineken

*Lifetime Achievement Recipient:* Mr. Dick Orkin, The Famous Radio Ranch

*\$5,000 College Mercury Award:* "Social Climbing;" The University of Cincinnati

For more information and to hear the entrants, visit [www.radiomercuryawards.com](http://www.radiomercuryawards.com).

## **Jamestown 2, Kalamazoo 1**

**IS STREAMING WORTH IT?** I've been doing a little research. For tiny stations with no Internet revenue and less than 500,000 hits per year, here are what the fees would be:

- ASCAP—\$264/year
- BMI—\$269/year
- SESAC—\$170/year (according to ASCAP, not verified)
- Copyrights—\$500

So, for about \$100/month someone could be streaming legit. Add another \$100 or \$150 with Live365 ([www.live365.com](http://www.live365.com)) for the streaming and you're at maybe \$3,000/year.

That's less than I feared; what do you think? I feel we have the stuff to do our own streaming but don't know how. Gotta get with our contract engineer on that.

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

*Editor's Reply:* From my own calculations, those numbers seem just about right. The total cost of streaming has come down of late for two reasons: the music licensing companies have reduced their rates somewhat, and the streaming fees are more reasonable.

The thing to explore is the record-keeping requirements for the copyright fees, which in the past have been onerous. There are movements afoot to alleviate those requirements, but the entire issue is still very much up in the air.

**WILLIE, WHAT'RE YOU DONG?** Am I the only one ticked that after radio built his career (several times), a has-been like Willie Nelson is pimping XM Radio?

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

**THE CONGRATULATORY TRICKLE.** What a milestone! Congratulations on your achievements and best wishes for continued success. Stephen Trivers and I enjoy every issue.

—Dennis R. Martin, Fairfield Results Radio, Kalamazoo, MI, [dennism@fairfield-radio.com](mailto:dennism@fairfield-radio.com)

*Editor's Observation:* Thanks to Dennis for the best wishes—the only such e-mail we've received to date. There may be two reasons for this: (1) small market broadcasters are too busy to indulge in frivolous e-mails; (2) we got quite a bit more last year (including a delightful quickie from Eddie Fritts), when we mistakenly and prematurely pronounced our anniversary the 20th.

I also want to point out and appreciate the marketing savvy displayed by the folks in Kalamazoo. They have apparently changed their company name from "Fairfield Broadcasting" to "Fairfield Results Radio" (with a nod to Jerry Papenfuss's "Results Radio Group"), and they have a *position*, "Famous for Results." We invest so much time on such positioning efforts for our on-air product; it's time for us all to develop a strong marketing approach for our business as well.

## **Unconscionable Act**

**Commentary From Bob Doll**

**SMALL MARKET PEOPLE** pay taxes and constantly-increasing regulatory fees. It is unconscionable that the folks at the FCC, during their months of hearings and collection of comments for the June 2 radio-TV ownership rewrite, apparently overlooked the more than one third of the radio owners whose stations are located outside the Arbitron surveyed markets.



Bob Doll

The FCC says it hasn't decided exactly who should own what, where in the unrated markets. While the agency is doing this work, it has decided to enact a freeze on transfer applications for broadcast properties in all size markets. Making sound business decisions in a fast-changing world, like the one in which we live now, is very difficult. You would think our industry regulator would not put this extra burden on those who are paying for its services.

How long the freeze will last is anybody's guess. Some people say as little as 90 days. From personal experience, I would caution, don't expect the freeze to be that short.

**THE COMMISSION IS FIGHTING A FIRESTORM.** Legislation to cut back on the changes in ownership rules included in the June 2 rewrite is facing strong criticism in Congress. There are people on both sides of the aisle who think it is anti-competitive and an attack on diversity of opinion. Legislation to roll matters back has passed the Senate Commerce Committee and is headed to the floor. Political observers believe it could get Senate passage. In the House, the legislation faces a far more uncertain future. The White House has been mum on the subject.

**NAB HAS LOST YET ANOTHER NETWORK MEMBER.** ABC has joined CBS, FOX and NBC in resigning its television and radio stations from membership. The ABC and CBS defections will account for about 10% of the association's radio station membership. That's a blow for NAB, but officials say that NAB's political muscle is due to station managers and owners who live in every Congressional district in the U.S. The TV networks have left NAB because the majority of its TV membership comes from the ranks of non-network owners, and that majority is firmly against the FCC ownership rules rewrite which would allow networks to own stations covering 45% of the nation, up from the current cap of 35%.

**WORD HAS IT** that former Vice President Al Gore is advising wealthy Chicago liberal activists Mr. and Mrs. Sheldon Drobney on their planned liberal talk radio network. They're putting up \$10 million to launch the project aimed at challenging the conservatism that dominates talk radio.

