

MANAGER'S BUSINESS REPORT™

MBR

Radio Business Report, Inc.

17 Years

October 2000

News in Review

Lowry Mays is still bullish on radio. LPFM battle continues on Capitol Hill.
Page 6

Programming & Positioning

How radio stations can help rescue abducted children.
Page 22

Marketing

Where should you advertise your radio station?
Page 28

Virtual radio, virtual money?

Everybody's streaming, but will anybody buy ads? Natalie Swed Stone and her ad agency colleagues are treading cautiously on the Internet.

Page 16



Yes, it's really this easy.

Intuitive, intelligent digital delivery—
DAD_{PRO32}. Easy to learn, easy to use.
Simple to expand as you grow.
Looking is hard, the choice is easy.
DAD_{PRO32}—from ENCO Systems.

Smarter. Faster. Better.



800.ENCO.SYS

www.enco.com

Radio kicks off second half of Y2K with double-digit revenue gains

According to the Radio Advertising Bureau, radio picked up 11% more business during the month of July than it did during the same month last year. In a normal year, this would be considered a fairly robust gain, but in the year 2000, 20%+ gains have been the norm until June and July. Nonetheless, double-digits gains are a sign of a very healthy business.

Wall Street does not seem to see it this way. The thinning-out process among dot-coms has contributed to radio's achievement of merely excellent rather than utterly amazing revenue gains, and this seems to have spooked the herd on the Street, who have been devaluing almost all radio stocks. By virtually any other measure, radio is an extremely sound business right now—and this would not be a bad time to stock up on its stock while it is undervalued. —**Dave Seyler**

Radio Revenue Index

July revenues continue the double-digit parade

While national business in July went into a bit of a summertime siesta, local continued on at a relatively strong pace, giving radio an 11% gain over the same month in 1999. Local business was up 11%, led by a 15% gain in the East. The East topped the chart in national business—its 17% gain contributed to a 9% uptick overall.

The Southwest and West also enjoyed double-digit gains in local business but were victimized, if such a word is appropriate for a gain, by the slowdown in national. The Midwest is the only region in recent memory to record single-digit gains in both categories at the same time.

July 2000	Local	National
All markets	11%	9%
East	15%	17%
Southeast	8%	12%
Midwest	9%	1%
Southwest	13%	7%
West	12%	5%

Local & Nat'l revenue July 2000
All markets **11%**

Jan-July 2000	Local	National
All markets	17%	27%
East	19%	32%
Southeast	13%	23%
Midwest	14%	17%
Southwest	15%	32%
West	20%	28%

Local & Nat'l revenue Jan-July 2000
All markets **19%**

Source: RAB

Forward Pacing Report

RBR/Miller Kaplan Market Sell-Out percentage report

Editor's note: Due to loss of sample, Miller, Kaplan, Arase & Co. is no longer able to produce this study. It will no longer be published in Managers Business Report until such time as Miller, Kaplan is once again able to compile reliable figures.

**FIND out
Faster
@rbr.com**

Superduopoly Dimensions

Industry Consolidation (as of September 22, 2000)

Superduopoly: 58.0%

Market	# of stns	percent
1 to 50	914	58.3
51 to 100	700	61.6
101 to 150	469	56.7
151 to 200	460	54.9
201 to 250	408	60.1
251 to 276	156	51.0
All markets	3,107	58.0

Total consolidation: 78.2%

Market	# of stns	percent
1 to 50	1,264	80.6
51 to 100	896	78.8
101 to 150	639	77.3
151 to 200	636	75.9
201 to 250	518	76.3
251 to 276	234	76.5
All markets	4,187	78.2

Note: The "# of stns" shows the total count for stations in either a superduopoly or, in the case of total industry consolidation, in an LMA, duopoly or superduopoly. The "percent" column shows the extent of consolidation for each market segment.
Copyright 2000, Radio Business Report, Inc.

Year-to-date stock price performance

Results be damned! Radio's best year ever continues to draw an inexplicable rebuke from Wall Street.—**JM**

Company	8/31/00 Close	YTD Net Chg	YTD Pct Chg
Ackerley	11.313	-6.812	-37.58%
Adelphia	33.500	-32.125	-48.95%
Alliance Bcg.	0.012	-0.238	-95.20%
Am. Tower	36.375	5.813	19.02%
Am.Comm.Ent.	0.250	-1.625	-86.67%
Beasley	12.500	-3.000	-19.35%
Belo Corp.	19.125	0.063	0.33%
Big City Radio	4.250	-0.500	-10.53%
Ceridian	24.188	2.626	12.13%
Cir.Rsch.Labs	7.313	5.313	265.65%
Citadel	20.250	-44.625	-68.73%
Clear Channel	72.000	-17.250	-19.33%
Cox Radio	20.813	-12.437	-37.41%
Crown Castle	34.750	2.625	8.17%
Cumulus	7.438	-43.312	-85.34%
DG Systems	6.000	-1.125	-15.79%
Disney	38.597	9.347	31.96%
Emmis	32.750	-29.570	-47.45%
Entercom	41.313	-24.937	-37.64%
First Entertain.	0.100	-0.541	-84.39%
Fisher	72.000	10.250	16.60%
FTM Media	2.125	-10.625	-83.33%
Gaylord	26.125	-3.813	-12.73%
Gentner	14.688	0.688	4.91%
Global Media	2.188	-2.500	-53.53%
Harman Intl.	76.750	20.625	36.75%
Harris Corp.	30.063	3.376	12.65%
Hearst-Argyle	21.625	-5.000	-18.78%
Hispanic Bcg.	25.688	-20.421	-44.29%
Infinity	37.875	1.688	4.66%
Interop	6.000	-7.375	-55.4%
Jeff-Pilot	66.207	-2.043	-2.99%
Launch Media	7.375	-11.563	-61.06%
NBG Radio Nets	2.063	-1.031	-33.32%
New York Times	39.207	-9.918	-20.9%
Pinnacle Hldgs.	40.188	-2.187	-5.6%
PopMail.com	0.875	-2.125	-70.83%
Radio One, Cl. A	20.875	-9.792	-31.93%
Radio One, Cl. D	17.188	-13.479	-43.95%
Radio Unica	6.938	-21.937	-75.97%
RealNetworks	49.313	-10.843	-18.03%
Regent	8.313	-0.187	-2.20%
Saga Commun.	20.500	0.250	1.23%
Salem Comm.	11.750	-10.875	-48.07%
Sirius Sat. Radio	51.125	6.625	14.89%
Spanish Bcg.	10.188	-30.062	-74.69%
SpectraSite	23.375	12.500	114.94%
SportsLine USA	17.563	-32.562	-64.36%
TM Century	0.688	0.063	10.38%
Triangle	0.009	-0.011	-55.0%
Tribune	35.707	-19.356	-35.15%
Viacom, Cl. A	67.750	7.313	12.10%
Viacom, Cl. B	67.332	6.894	11.41%
WarpRadio.com	1.125	-3.500	-75.38%
Westwood One	27.813	-10.187	-26.31%
WinStar Comm.	27.000	-23.167	-46.18%
XM Sat. Radio	43.000	4.875	12.79%

Major stock market indices

The Radio Index	159.140	-96.920	-37.85%
Dow Industrials	11215.100	-282.020	-2.45%
Nasdaq comp.	4206.350	137.040	3.37%
S&P 500	1517.680	48.430	3.30%

THE RADIO INDUSTRY'S BEST CHOICE FOR SUCCESSFUL TELEMESSAGING!

A Sure-Fire Book Booster!

More Effective Than Television!

More Targeted Than Direct Mail!

Fraction of the Cost of Television!

StarCall

888-796-CALL

Call Randi Markowitz today for a free database analysis.



October 2000, Volume 4, Issue 10

Executive Editor Jack Messmer
 Managing Editor Dave Seyler
 Senior Editor Carl Marcucci
 Associate Editor Elisabeth Derewitz
 Associate Editor Karia Roberson
 Creative/Production Director Ronald Greene
 VP Administration Cathy Carnegie
 FCC Research Consultant Mona Wargo
 Administrative Assistant April Olson

Publisher Jim Carnegie
 VP/GM, Associate Publisher Ken Lee
 General Sales Manager John Neff
 Account Executive Susanna Pritchett
 Account Executive June Barnes

Editorial/Advertising Offices
 6208-B Old Franconia Road
 Alexandria, VA 22310
 PO Box 782 Springfield, VA 22150

Main Phone: 703/719-9500
 Editorial Fax: 703/719-7910
 Sales Fax: 703/719-9509
 Subscription Phone: 703/719-7721
 Subscription Fax: 703/719-7725

Email Addresses

Publisher: J.Carnegie@rbr.com
 Editorial: RadioNews@rbr.com
 Sales: KLee@rbr.com
 JNeff@rbr.com
 SPritchett@rbr.com
 JBarnes@rbr.com

©2000 Radio Business Report, Inc. Material may not be reproduced without permission. Printed in USA.

Manager's Business Report is published monthly by Radio Business Report, Inc. 6208-B Old Franconia Rd. Alexandria, VA 22310. **POSTMASTER:** Send changes to Radio Business Report 6208-B Old Franconia Rd. Alexandria, VA 22310. Application to mail at Periodical Postage rate pending at Alexandria, VA and additional mailing offices. Mail subscription rate: One year \$105. All foreign subscribers \$126 for one year.

RBR Family of Products

Radio Business Report
Voice Of The Radio Broadcasting Industry™

RADIO BUSINESS REPORT
Mid-Week News Brief

Source Guide
 and Directory
The All-Radio Yearbook

MBR Stats

PaineWebber sees 2001 growth of 8%

PaineWebber (N:PWJ) analysts **Chris Dixon** and **Leland Westerfield** see radio continuing to outpace overall advertising growth in 2001. As the latest to issue prognostications for 2001, the PaineWebber forecasters are anticipating radio ad revenues to grow 8% next year. That's between Standard & Poor's analyst **Will Donald** at 13% (*RBR* 7/17, p. 4) and Veronis, Suhler & Associates at 7% (*RBR* 8/14, p. 3). The PaineWebber analysts are projecting total advertising growth of 6% for 2001.—JM

PaineWebber Research Advertising Growth Forecast

Sector	2000	2001
Radio	15%	8%
Outdoor	12%	8%
Spot TV	8%	0%
Network TV	15%	12%
Cable networks	18%	15%
Newspapers	6%	5%
Magazines	5%	6%
Non-meas. media	4%	4%
Total Advertising	8%	6%

Source: PaineWebber Broadcasting Research

Demo buys: 25-54 still king

The Adult 25-54 demographic may still be the king of all targeted radio buys, but each year a little bit of luster is coming off the crown, according to a study by Interep focusing on the top 25 radio markets. It's 50% share of 1999 ad flights remains dominant, but represents a slight drop from 1998 and significant drop over the past five years, as the chart below shows.

Advertisers targeting this group as a whole represented 38.3% of the total pie. Women 25-54 was asked for 7.9% of the time, Men 25-54 was requested 3.8% of the time.

The next chart shows results for selected demos. Not included on the chart are Black-specific flights, which accounted for 1.4%, the teen and the 50+ groups, which accounted for under 1% each, and the Other category, which contains wildly divergent, often micro-targeted ad flights—it came in at 6.4%—DS

Dollars by demo: Adults 25-54

1995	55.5%
1996	54.4%
1997	52.9%
1998	50.5%
1999	50.0%

Leading advertising demos

Adults 25-54	50.0%
Adults 18-49	17.5%
Adults 25-49	9.0%
Adults 35+	6.8%
Adults 18-34	5.2%
Adults 18-54	1.7%

Source: Interep

Non-Traditional Revenue Track

Summer vacations a highlight Take a cruise.

Buy an RV. July promotions are fun time. After all, who can pass up the "WXXX Boat and RV Expo," this weekend at the county fair grounds? Thus, the Leisure sector was hot for radio NTR in July as much of the country was also hot-baking in a drought that made many people years for cooler and wetter respites.—JM

Non-Traditional Revenue Track
% of Vendor/New Business by Category
 (July 2000)

	Jan	Feb	Mar	Apr	May	June	July	YTD
Automotive	11.15	7.72	11.02	15.69	11.37	18.91	12.50	12.26
Food/Grocery	23.69	25.55	27.69	22.44	26.65	34.59	14.57	23.60
Leisure	26.59	32.30	31.67	34.61	29.21	13.14	33.73	29.58
Health & BC	5.65	10.86	9.80	1.57	6.85	0.91	3.59	5.64
Home Improv.	2.66	3.90	5.64	0.86	17.63	19.12	7.64	8.46
Office	0.43	4.59	0.77	8.19	0.95	1.04	15.89	5.45
Clothing	5.46	4.87	5.11	5.72	5.24	2.44	8.07	5.70
Recruiting	24.36	10.21	8.30	10.93	2.11	9.85	4.01	9.31

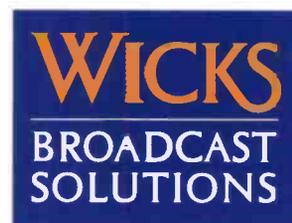
Source: Revenue Development Systems, based on revenues from 76 stations in 32 markets.

How To Run The Perfect Radio Station!

Price It Right	Optimize Inventory	RateMinder
	Sales Target Tool	
	Yield Manager	
Sell It Right	Account List Manager	SalesMinder
	Productivity Enhancer	
	Activity Monitor	
Schedule It Right	Flexible Traffic Options	D32/Deltaflex Traffic Systems
	7,100 Client Stations	
	Revenue Maximization	
Play It Right	Totally Linear Audio	Digital Universe
	Flexible, Adaptable	
	Industry Standard Hardware	
Manage It Right	Data Warehousing	Control Tower
	Corporate Reporting	
	Profit Maximizer	
Bill It Right	Paperless Invoicing	Invoice Express
	Expedite Transactions	
	Inexpensive Solution	

You need more than traffic and billing software to run the perfect radio station. You need the benefits of Wicks' targeted software solutions. Your stations will operate more efficiently, more effectively and more profitably. Let us demonstrate face to face, by telephone or via the Internet. We will show you just how easy it is to run the perfect radio station.

The Global Voice in Radio Software Solutions



Call 1.800.547.3930
wicksbroadcastsolutions.com

Mays still bullish

"We understood that this [heavy dot-com ad spending] was not sustainable, at least our company did," Clear Channel (N:CCU) CEO Lowry Mays said of the decline in dot-com spending, and that his company had worked all along to build other business. "I think it was all kind of blown out of proportion," he said of Wall Street's panic selling of radio stocks.

In perhaps the biggest draw of the NAB Radio Show, former CNN anchor Lou Dobbs began a one-on-one discussion by asking Mays about his overall view of the economy. "I am an unabashed bull," Mays said, adding that the radio business is still good and that his company still sees great opportunities to consolidate out-of-home media businesses, whether in Norway, Denmark or San Antonio, TX.

Mays expressed surprise that there has been so much concern from some investors about Clear Channel's purchase of SFX. Mays suggested that he was just doing on a larger scale what nearly every radio station owner in the room was already doing in promoting live events. "We are all in the live entertainment business," he said.

In a Q&A with the audience, Mays defended consolidation, saying that it has promoted format diversity and poses no monopoly threat since radio constitutes such a small portion of the advertising pie. He also dismissed a reference to the nickname "Cheap Channel" as the complaining of one person (former AMFM Radio CEO Jimmy de Castro) who saw the company as being too conservative.

Earlier in the day (9/21), some 50 protesters rallied outside in support of LPFM and against the US military attack on Iraq a decade ago. The latter was due to the morning keynote speaker, retired General Colin Powell, who urged broadcasters to get involved with their communities and "show the good examples" on the air as a way to inspire youth to higher goals.—JM

Show draws record attendance

NAB said the Radio Show in San Francisco easily broke the attendance record for the annual fall event. NAB President and CEO Eddie Fritts, in an interview on rbr.com, said this year's attendance was 7,200. That's up considerably from the figure of 5,600 reported for last year's show in Orlando (RBR and other observers had much lower estimates) and would break the record of 6,800 set at the 1998 show in Seattle. Vendors are reporting good activity on the exhibit floor and everyone seems pleased by the high attendance.—JM

Yes, radio will have a role in the future

"Radio is going to change into something that is a bit more communal, a lot more interactive," Robert Kozinets of Northwestern University's Kellogg Graduate School of Business told Interop's (O:IREP) "Radio 2020" luncheon 9/20 in San Francisco. But neither he nor any of the other futurists who spoke saw radio fading into the sunset.

"New media technologies rarely replace the old," said Titus Levi, of the University of Southern California's Annenberg School of Communications.

Rather than the current Internet model, with everything one-to-one, replacing current media delivery systems, Youngmoo Kim of MIT's Media Lab noted that the Internet 2, now under development, is returning in part to the older media model of pushing out content to multiple receivers to avoid buffering, congestion and reliability problems that currently plague the Web.

With consumers increasingly able to manipulate the media they receive, such as with the TiVo devices for TV, the futurists warned that broadcasters, reps and advertisers will need new business models to communicate with consumers who will be able to delete advertising at will. "Think of servicing people with information, rather than forcing advertising on them," said Levi.

Copies of the industry white papers presented by Kozinets, Levi, Kim and Barry Vercoe of MIT are available from Interop.—JM

LPFM bill introduced in Senate

An LPFM bill, identical to the one adopted by the House, was introduced in the Senate 9/7. Both bills allow the FCC to proceed with the licensing of LPFM stations, but require third adjacent channel protection. The bill was introduced by Sen. Rod Grams (R-MN) and co-sponsored by six other senators—Blanche Lincoln (D-AR), Max Baucus (D-MT), Jim Inhofe (R-OK), Kay Bailey Hutchinson (R-TX), Spencer Abraham (R-MI) and Judd Gregg (R-NH). "NAB has never opposed LPFM; our opposition has always been based upon the additional interference that would be forced upon listeners by the FCC plan," said Eddie Fritts, NAB president and CEO.

National Public Radio and the IAAIS (reading services for the blind) have joined NAB in backing the Grams bill. "This bipartisan legislation takes a balanced approach by providing for immediate LPFM licensing while safeguarding existing stations and their vital radio reading services for the blind from interference until further testing can be conducted," the two organizations said.

"LPFM is good news for civil rights in broadcast radio," said FCC Commissioner Gloria Tristani (D) in a speech before the Leadership Conference on Civil Rights. Tristani stressed that LPFM is a direct result of the public's interest and the need for diversity on the airwaves.—ED, JM

Not as many pass through LPFM window #2

When the first window closed for LPFM station applications, the FCC found itself dealing with over 700 interested would-be broadcasters. With the closing of the second window, which ran from 8/28 to 9/1, the Commission had received only 473. Illinois produced the most applications with 84 and Wyoming trailed with 14. The third window is scheduled to commence around the end of November.—ED

Klein leaving DOJ

Assistant Attorney General Joel Klein left his post at the end of September. As head of the DOJ's Antitrust Division, Klein had pursued antitrust investigations of numerous radio industry mergers. In announcing Klein's departure, Attorney General Janet Reno said, "Joel Klein has been a champion for America's consumers. He has fought tirelessly for marketplace competition, and Americans have enjoyed better products, more choices and lower prices as a result." Reno immediately designated Doug Melamed, Klein's top assistant, to serve as interim head of the Antitrust Division.

MBR observation: Joel Klein will not be missed by us, but it is likely that his misguided policies will continue. Klein's disgraceful injection of partisan politics into antitrust law enforcement will likely have dark repercussions long after he has departed the DOJ. No doubt, though, he will be getting a personal note of thanks from Vice President Al Gore for dutifully carrying out the VP's political agenda in attempting to undermine the 1996 Telecommunications Act.—JM

The price for saying \$%&! on air just went up

The FCC has adjusted its maximum forfeiture limits to reflect inflation over the past four years. As a result of the Debt Improvement Act of 1996, federal agencies are required to reassess maximum penalties every four years. According to the readjustments, the maximum fine is \$27,500 for each violation or each day for an ongoing violation. However, the fine may not exceed \$300K for any single act.—ED

Scott Studios and Computer Concepts merge

Digital audio systems software manufacturers Scott Studios and Computer Concepts announced a merger agreement. While exact terms weren't disclosed, we do know the deal was a stock-for-stock swap. The merger takes effect 9/30. Engineering, R&D and sales/customer support synergies will be pursued while continuing to offer all product lines from both companies. The best features of each product line are planned to be incorporated into the other models. "The Computer Concepts and Scott Studios combination has by far the largest market share of digital audio systems in the US, with 3,500 stations in all 50 states using more than 10,000 Scott digital workstations. The combined companies have sold more digital studio equipment than the remaining #2 and #3 vendors combined," says Scott Studios President Dave Scott.

Computer Concepts President Greg Dean now becomes VP/CTO of the new entity. Production and administration will be transitioned to the Scott Studios facility in Dallas, however, Computer Concepts will retain a sales, R&D and customer support office in Kansas City (Lenexa), Kansas. Each company will keep its own name.

Glenn Serafin of Tampa-based Serafin Bros. served as the financial advisor to Scott Studios in the deal.

MBR observation: This now gives Scott Studios clients traffic and billing (via Computer Concepts' Virtual Traffic). It also gives Scott more R&D muscle for its upcoming expanded product offerings which include television.—CM

BIAfn sees 9.7% growth

Radio revenues should grow at a compound annual rate of 9.7% through 2003, according to a new forecast from BIA Financial Network.

"BIAfn remains very bullish on the radio industry as a whole," says company president Tom Buono. But he cites a few threats on the horizon: Internet-only audio, digital satellite radio and, to a lesser degree Buono says, low-power FM. "However," he notes, "due to consolidation, the radio industry is positioned to handle these and other competitive threats."

Also from BIAfn's "State of the Radio Industry 2000":

- 30.7% of 1999 radio revenues were generated by stations in the top 10 markets;
- 59.4% of 1999 revenues were generated by stations in the top 50 markets;
- In the top 10 markets, an average of 5.6 parent companies accounted for 91.8% of total radio revenues per market.—JM

Arbitron adds five more markets

The Fall 2000 Arbitron ratings survey will be conducted in an unprecedented 283 markets. Five markets will be making their debut in the rated radio arena.

Two are on the outskirts of New York—Middlesex-Somerset-Union NJ (which will knock a market out of the top 50 markets as it comes in at #33 with a 12+ population of 1,298,800) and Westchester NY (#59 with 773,400 people 12+). Both will receive continuous, four-book-per-year measurement, and stations within their boundaries will continue to be measured as part of the New York market as well. They join existing New York satellite markets Nassau-Suffolk, Monmouth-Ocean, Morristown, NJ and Stamford-Norwalk CT.

The other three markets will receive condensed reports twice annually (Spring and Fall). They are Flagstaff-Prescott, AZ (230,500 12+ population, #158), Clarksville-Hopkinsville, TN-KY (169,500 12+ population, #199) and St. George-Cedar City, UT (109,800 12+ population, #248).

MBR observation: There were only 262 Arbitron markets listed in the *RBR Source Guide & Directory 1994*, so there's been a net gain of 21 markets over six years. With no national cap to keep big national groups from venturing into unrated territory, we expect to see Arbitron frequently following them in.—DS

June brought small increase

By Jack Messmer

Slowly but surely, radio is increasing its share of total radio ad spending.

For June, based on Miller, Kaplan, Arase & Company's X-ray markets, radio's share of major daily media ad spending increased from 16.54% in 1999 to 17.48% this year. Internet/E-Commerce remained strong at 39.06%, up from 36.27% a year ago. It will be especially interesting to look at that category for the next month, since dot-com spending, at least at the national advertising level, fell off in July.—JM

**MBR/Miller Kaplan Total Media Index - June 2000
(Expenditures in 000)**

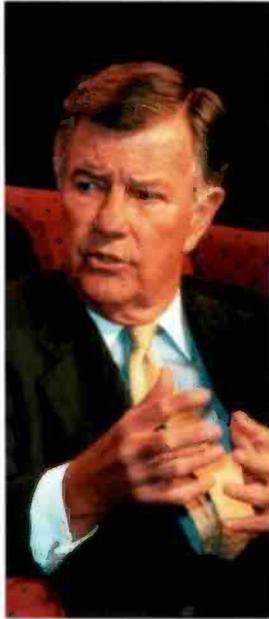
Category	Radio	TV	Newspaper	Total Media	Radio % of Total
Automotive	57,970	248,141	213,889	520,000	11.15%
Restaurants	21,448	73,205	6,684	101,337	21.17%
Department Stores	11,551	23,377	111,760	146,688	7.87%
Foods	15,038	46,513	3,065	64,616	23.27%
Communications/Cellular	28,060	54,443	78,238	160,741	17.46%
Furniture	7,937	26,371	42,309	76,617	10.36%
Financial Services	16,542	23,773	46,958	87,273	18.95%
Movies/Theater/Concerts	12,127	26,937	67,648	106,712	11.36%
Grocery Stores	10,563	16,221	18,871	45,655	23.14%
Appliances & Electronics	5,881	8,790	43,136	57,807	10.17%
Hotel/Resorts/Tours	6,350	10,744	52,369	69,463	9.14%
Drug Stores/Products	7,372	17,711	13,068	38,151	19.32%
Computers/Office Equipment	7,165	9,389	24,257	40,811	17.56%
Specialty Retail	17,193	24,630	37,374	79,197	21.71%
Health Care	12,804	18,761	18,710	50,275	25.47%
Auto Parts/Service	8,212	10,697	9,127	28,036	29.29%
Music Stores/CDs/Videos	4,580	8,698	4,066	17,344	26.41%
Transportation	4,878	5,143	14,239	24,260	20.11%
Entertainment-Other/Lottery	11,558	11,501	8,851	31,910	36.22%
Home Improvement	7,110	14,963	19,307	41,380	17.18%
Professional Services	11,792	17,873	14,682	44,347	26.59%
Beverages	24,465	32,424	2,560	59,449	41.15%
Television	13,156	6,333	15,816	35,305	37.26%
Personal Fitness & Weight Ctrs.	732	5,317	1,510	7,559	9.68%
Publications	5,732	6,701	45,402	57,835	9.91%
Internet/E-Commerce	32,830	31,012	20,205	84,047	39.06%
TOTAL	363,046	779,668	934,101	2,076,815	17.48%

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

Quotes & Clicks

"We understood that was not sustainable [dot-com ad growth], at least our company did."

Lowry Mays, CEO, Clear Channel, responding to a question from Lou Dobbs in their NAB Radio Show one-on-one session. He added that Clear Channel's sales staff had been working all along to develop business for the expected dot-com fall-off.



"I think it was kind of blown out of proportion."

Lowry Mays, on Wall Street's sell-off of radio stocks due to a decline in dot-com advertising.

"Why is there a lack of national personalities? It's because of localism."

Lowry Mays, dismissing claims that consolidation has diminished the local ties of radio stations.

"The peaceful expression of ideas is what makes this country great."

FCC Commissioner Harold Furchtgott-Roth, after his introduction at the NAB Radio Show was interrupted by a pro-LPFM protester who had to be dragged from the podium.

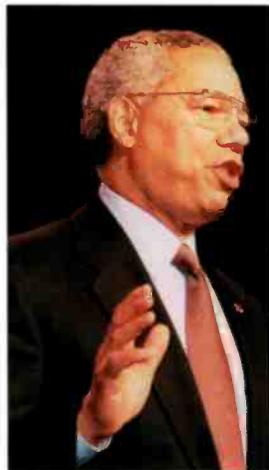


"If anyone thinks I set FCC policy, then they're at the wrong breakfast."

Commissioner Furchtgott-Roth, noting that he is often on the losing side in voting on the FCC.

"Self reporting is always better. It may not get you off the hook as far as the FCC is concerned, but it always weighs in your favor."

FCC Enforcement Bureau Chief David Solomon, in an NAB Radio Show panel, warning that lying to the FCC or attempting to conceal a violation just makes things worth.



"Do this, get involved, not because it's charity. You're investing in your future employees and your future customers."

Retired Gen. Colin Powell, now President of America's Promise, urging broadcasters at the NAB Radio Show to work to encourage and motivate the young people in their communities.

"The FCC has clearly abdicated its role as guardian of the spectrum."

NAB President Eddie Fritts, at the NAB Show.



"A higher regard for Congress, and for those broadcasters who today serve their communities ably and well, would counsel a more serious consideration than that performed today."

Commissioner Harold Furchtgott-Roth, dissenting from the revised LPFM order.

"NPR in my state ain't no fat cat."

Sen. Ron Wyden (D-OR), at the NAB Radio Show, dismissing claims that opponents of LPFM are just corporate fat cats trying to monopolize the airwaves.



"I dissent in part from this order, because the Commission once again fails to consider the economic consequences to small broadcast stations resulting from the introduction of LPFM."

Commissioner Michael Powell, regarding the FCC's revised LPFM order which restored third adjacent channel protection from interference only for stations which carry radio reading services for the blind on their subcarriers.



"I would predict that when the path is cut, Mel will be right in the middle of it."

NAB President Gary Fries, at the NAB Radio Show, suggesting that Viacom/CBS boss Mel Karmazin is just waiting to see what path works (and makes money) before getting into Internet streaming.



"Has anybody ever said let's investigate Rush Limbaugh? Has anybody ever said let's investigate Dr. Laura?"

Mark Riley, Talk host, WLJL-AM New York, regarding a Republican Congressman's investigation of an event co-sponsored by ABC Radio's Tom Joyner and the US Census Bureau.

How are YOU managing?
Read

MANAGER'S BUSINESS REPORT™

MBR

All business.

No hype. No phony controversies.

No pop psychology. No "gurus."

Manager's Business Report.

What radio managers need to know.

Period.

Every month.

If you're a manager, you need *Manager's Business Report*.
Every month.

Subscribe today: One Year - Only \$105 for 12 monthly issues.

Name/Title _____

Company/Station _____

Address _____

City/State/Zip _____

Email _____

Bill my (check one) Visa MasterCard American Express

Credit Card # _____ Exp. Date _____

Check enclosed (mail this form with check in envelope.)

Subscribe by phone: 703-719-7721 - Fax: 703-719-7725.

Subscribe online at <https://www.rbr.com/subscribe.asp>

Email: Subscribe@rbr.com.



Make It Your Business!



**RBR: Covers Radio.
Don't Miss An Issue.
Subscribe Today And Save.
Get it every week.**



One Year Only \$220 for 52 issues.

Name/Title _____

Company/Station _____

Address _____

City/State/Zip _____

Email _____

Bill my (check one) Visa MasterCard American Express

Credit Card # _____ Exp. Date _____

Check enclosed (mail this form with check in envelope.)

Subscribe by phone: 703-719-7721 - Fax: 703-719-7725.

Subscribe online at <https://www.rbr.com/subscribe.asp>

Email: Subscribe@rbr.com.

What's the latest?
Do You Know?

Or

Do You Wait
To Find Out?

Subscribe now to
RBR's daily email
news update!

One Year Only \$149.

Delivered every afternoon by email.

Name/Title _____

Company/Station _____

Address _____

City/State/Zip _____

Email _____

Bill my (check one) Visa MasterCard American Express

Credit Card # _____ Exp. Date _____

Check enclosed (mail this form with check in envelope.)

Subscribe by phone: 703-719-7721 - Fax: 703-719-7725.

Subscribe online at <https://www.rbr.com/subscribe.asp>

Email: Subscribe@rbr.com.



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 9014 Springfield, VA

POSTAGE WILL BE PAID BY ADDRESSEE

Manager's Business Report

Subscriptions

Post Office Box 782

Springfield, Virginia 22150-0782

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 9014 Springfield, VA

POSTAGE WILL BE PAID BY ADDRESSEE

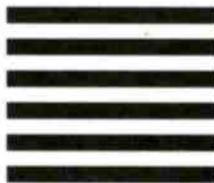
Radio Business Report

Subscriptions

Post Office Box 782

Springfield, Virginia 22150-0782

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 9014 Springfield, VA

POSTAGE WILL BE PAID BY ADDRESSEE

RBR Daily E-Mail

Subscriptions

Post Office Box 782

Springfield, Virginia 22150-0782

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



Order by phone: 703-719-7721 or Fax 703-719-7725

Order online at <https://www.rbr.com/subscribe.asp>

Email: subscribe@rbr.com



Make Your Morning Show Turn Your Listeners On.

With Strategic NetLink, put your morning show's bits, personalities and features on the Internet today and make changes on-air tomorrow. Now you can select listeners from your audience, let them listen by computer, and see their feelings instantly. To turn your listeners on like never before, call 312-726-8300 or visit us at www.strategicmediaresearch.com.



Each month we ask a few general managers from around the country to share with us, and you, their views of the industry.

This month we quizzed:

Jerry Grant VP/GM of John Walton Stations' KKCS AM-FM Colorado Springs and Jeff Yontz VP/GM of Ray Broadcasting Group's WBLY-AM Dayton

1

Do you accept political advertising besides what you are required to by law? Why or why not?

Grant: Yes. I think we owe it to the public to get the issues and the information out there. I don't see a problem with accepting local political ads.

Yontz: Yes, we accept all political advertising. It's a great source of revenue for any small market station. We find that it is worth every bit of the time and effort we devote to all the required paperwork and legal forms. We go so far as to solicit candidates with mailings and phone calls. The reason is two-fold. First, we get the required rules and information about political advertising on the radio in their hands. And secondly, we reinforce the fact that WBLY is a "local" radio station devoted to informing listeners about local issues. We also invite candidates on our morning talk show (free of charge) to discuss issues and allow listeners to put the candidates on the spot by asking questions live on the radio. We feel it's necessary for us to provide this service. After all, it's just one of the many ways we compete against the "big-boys" in the world of radio consolidation.

2

Are you carrying any type of advocacy advertising?

Grant: Yes we carry political cause ads. Again, I think we owe it to the public in order to have informed voters. I would tell other broadcasters that do not carry these ads that they should take a second look at it because it's an obligation of broadcasters to put this information out so that voters can make good decisions.

Yontz: Yes, we have and will continue to carry advocacy ads. Of course, we require that person to produce his or her own ads. This releases the station from any liability from negative or damaging ads and places that burden on that particular person or group that produced the ad.

3

How did you get into radio?

Grant: I got into the sales end because I had always enjoyed radio as a listener. I was a commercial photographer at the time and I wanted to make more money. I realized that I was just about capped out in photography so I got into sales always with the idea of moving into management.

Yontz: I got into radio by accident. I worked part time at the radio station in sales as I went to college to earn a Bachelor of Science degree with a Major in Zoology. I had every intention not to enter the family business as a career. After graduating, I found that I was captivated with radio, and the rest is history.

"it's just one of the many ways we compete against the "big-boys" in the world of radio consolidation"

—Jeff Yontz

"it's an obligation of broadcasters to put this information out so that voters can make good decisions"

—Jerry Grant

GM
TALKBACK



Jerry Grant



Jeff Yontz

time

If time is money, what could you get for an extra radio commercial every ten minutes?

If you're in the radio business to make money (and who isn't) you need

"Cash"TM

Through an exclusive time-shifting process, Cash creates additional broadcast time to sell. It does it in real time, right on the air. It does it without reducing program content. It does it without affecting pitch or creating a "chipmunk effect," It does it in stereo or mono. It does it in variable amounts, adding from zero to five minutes, within two minutes to two hours.

Cash, from Prime Image - you don't need one unless you want to make some.



**Prime
image**

The Digital Video People

662 Giguere Court #C, San Jose, CA 95133 • Tel (408) 867-6519 Fax (408) 926-7294 Service (408) 926-5177
Primeimagein@earthlink.net • www.primeimageinc.com

Get your atlas ready because *MBR* is heading out to find out what makes state associations tick. In our new section, "State of the States," we will discuss the hot topics and concerns of each state association. This month, *MBR* associate editor Elisabeth Derewitz spoke with Scott Poesse, president of the Nebraska Broadcasters Association about their convention which was held August 16-18 and Bob Cohen, VP/GM of Clear Channel San Antonio and Board member of the Texas Association of Broadcasters about their convention which was held August 15-18.

NEBRASKA

What concerns did the broadcasters have both locally and as an industry?

The big thing is EEO right now. We discussed ways that we can be in compliance with the FCC because everyone had a lot of questions about it. Since it is going to require a lot of paperwork and time and effort, we are trying to figure out a way to make it easier to understand for our broadcasters. If the Broadcasters Executive Directors Association wins their court case, then we'll be doing all of this for nothing, but since it was ruled by the FCC that we have to comply, it has become a big headache for the broadcasters in Nebraska. Nebraska won't be able to apply for licenses for about a year, but LPFM is still a big issue. We are all concerned about the interference that the NAB found. We've got a lot of support from our representatives, except for Bob Kerrey who were are not very happy with right now. What I am hoping to do is stress the importance of radio stations communicating with not only the communities, but with the lawmakers, both state and federal, as well.

Was there discussion about dot-com companies and streaming?

We had an Internet roundtable that featured Jerry Hinrikus [EBC Inc.] and he gave us some good ideas. He does a lot of streaming of news stories. We've found that the bigger stations in Nebraska are streaming, but a lot of the smaller stations, which is about half of our organization, don't find it feasible as of yet.

What were some of the advertising categories that were discussed?

Mr. Hinrikus said that you should make your website as informative as a newspaper. Putting things like wedding pictures and announcements on the site can bring more hits.



Of course selling banners and billboards are always good.

Did discussion take place about political advertising?

At our convention, we had a debate between Senators Don Stenberg and Ben Nelson, which we carried live on about 40 radio stations. Other than that, we went over the rules and regulations on it and gave everyone a refresher.

Is consolidation still happening at a rapid pace?

Consolidation was evident everywhere, especially with our outgoing chairman who was with AMFM at the beginning of the convention and Clear Channel by the end. We have seen it a lot in the larger markets and it's starting to come to the smaller markets. That's something that we notice at our convention each

year because we are constantly seeing new faces.

The big problem with the smaller markets is just not knowing who you are answering to. They miss the hometown control.

How was the attendance?

The types of people coming to the convention are changing with consolidation. We are seeing people who work in the larger areas and they come with some good ideas. The attendance was about the same as in years past [about 250]. In the past we dealt a lot with sales and this year we focused more on programming and on-air personalities. We are trying to mix it up.

Do you know next year's dates and location yet?

It's August 22-24 at the Holiday Inn Convention Center in Kearney, NE.

TEXAS

What concerns did the broadcasters have both locally and as an industry?

There was a lot of discussion about LPFM. We are concerned with the amount of interference that we could be facing. LPFM stations can be very damaging to broadcasters who are established and serving their communities. There could be a lot of problems if we aren't able to put out a clean signal because we are being interfered with by small, LPFM stations. We talked a lot about the challenges facing us as a group and as radio stations.

What were some of the advertising categories that were discussed?

Roy Williams, led a session about his book called "Wizard of Ads," which was very helpful. He was speaking to local account executives from radio and television about basic rules that could apply to the client side as well as the sales side. The goal was to put a campaign together that would evoke a positive response from our audiences. He talked about the best ways to sell products for our clients. He also spoke about what not to do when selling, such as misusing the medium, not having good copy, trying to do too much on a limited budget and attempting to reach more people than the budget allows. He said that the creativity and smart scheduling make a big difference.

Did discussion take place about political advertising?

Roy Stewart, FCC Mass Media Bureau Chief, spoke about the FCC's view on political advertising. There is constant discussion about candidates wanting free airtime, but all broadcasters give plenty of free service and coverage to candidates. So broadcasters are not interested in giving free airtime because we go over and above the call of duty on delivering coverage of candidates and campaigns already. There's not much support for free airtime.

Is consolidation still happening at a rapid pace?

Well, we discussed that a lot in regard to how we are all dealing with it as far as how our duties and roles have changed within the last year or two. We tried to figure out how to best tackle our jobs looking ahead. The biggest problem was finding out how to utilize our time to the best benefit of our overall mission. People are still excited that we are still able to do things as a consolidated unit that we were never able to do before to the benefit of our clients and listeners. For example, we can bring great results to non-profit organizations because we can partner six stations with these organizations where once we only had one.

What was the biggest success of the convention?

It was very well attended [1000+ broadcasters] and the body of the membership of the Texas Association of Broadcasters is very clued in on making sure that they know their legislators and making sure that the legislators know the issues.



Texas State Networks booth at the exhibit hall

The theme was what broadcasters are doing for their communities from a public service aspect, how do we communicate that better as broadcasters and how do we embrace the new technologies that are out there to let them enhance what we do for the betterment of our communities. So it was a positive and upbeat way for all of the broadcasters from large and small companies to share our individual concerns as well as problems we are facing nationwide.

Do you know next year's dates and location yet?

Definitely San Antonio, but I don't know the dates.

(l-r) TAB Board Member Bob Cohen, Red McCombs, keynote speaker for the community service breakfast. Board Member Don Perry



Eventually, We'll All Be Streaming

by Reyn Leutz, head of network radio buying for Mindshare (J.WT and O&M)

A year ago, I was not very conversant in my knowledge of radio streaming. So, I signed up for a course at the Evanston Public Library to learn the basics. The class was taught by a 14-year-old. Ever since, I've been running to catch up with the pack in my knowledge of this new darling of the national buying community.



Reaching a captive audience

A major benefit of streaming lies in the fact that the commercial load in streaming audio is significantly lower than conventional radio. Over time, the commercial load advantage will decrease as advertiser usage rises, but for now this is a very positive element.

Streaming offers advertisers the reach of core "p1" listeners to programs like Jim Rome. Core listeners are valuable because they have taken the time to find the show on-line. These listeners may be in search of better audio reception in an office building. Or, some may simply want to time shift listening since many top-rated programs are taped for web access at any time of the day or night. But the Jim Rome example only describes programs already in existence. Just think of all the new web-based shows that are in development.

Streaming is an exciting notion because it offers the reach of a much more captive audience. Frequently, when a user logs onto a site, a :30 advertising message is delivered. The majority of these "channel starts" include not only audio but video and interactive banners. This first pod positioning is as attractive to advertisers as the A1 position in network television.

Sound quality barriers need improvement

Currently, the biggest negative is sound quality. I was in Ron Hartenbaum's office (CEO of

Jones Radio Networks) a few weeks ago, and his streaming sites were directly connected to his stereo system. I asked him how he did this and he suggested that I call my 14-year-old tutor. Very few of us have decent sound quality on our office or home personal computers.

Secondly, it is difficult to navigate web-radio. There are so many sites with no universal directory for formats like Classical or The Sounds of the 70s. Many times I believe web listeners understandably get frustrated looking and call off the search.

And finally, who among us has not had a bad streaming experience when the Internet becomes congested at various times during the day.

One-on-One communication with different listeners

When you download a specific tuner such as Hiwire or MediaPlayer, demographic and lifestyle questions are frequently asked so that commercials can be sent to match a user's particular needs. This is unprecedented in radio.

Similarly, Premiere Radio Networks has developed the "Starguide" delivery system which is equipped to deliver different commercials into the audio stream of a program than those broadcast by conventional means. Advertisers can now air a :30 or :60 second commercial in a program like Rush Limbaugh on WABC, and simultaneously air a four-minute infomercial during the Internet simulcast. The execution of two very different commercial messages for both on-air and Internet takes advantage of the unique qualities of each one of these Limbaugh listeners.

Network Radio cpms average \$5 compared to \$10 and above for streaming. But how are we going to measure streaming cpms? You cannot evaluate streaming using the same benchmarks as conventional radio. The reach of an individual listener through streaming is very targeted much in the same way as direct marketing, which carries a premium.

Niche audience, niche advertisers

At the moment, streaming audiences are small and fragmented. So, if you are an advertiser seeking a large domestic group, then streaming is probably too expensive on a cpm basis compared to conventional network radio. In

my opinion, broad-based consumer product companies will remain on the sidelines until these audiences augment.

Ideal advertising categories are those requiring a longer communication platform with potential consumers. Examples are direct response companies such as Time Life Records, clients who are web-based, Ameritrade & Priceline, or bricks and clicks categories like Sears.com. Upscale brands with a tightly defined target, such as Jaguar, also fit perfectly because of the ability to reach consumers one-on-one via highly targeted sites.

Advertisers that are information-based such as WebMD or car companies—particularly those that stress safety (eg. Volvo) and require extensive research also stand to benefit.

The real beauty of streaming is that it offers customized commercial lengths, frequently combined with visual images. There is the further ability to hyperlink to the advertiser's website—all without music interruption.

The selling of new streaming sites

Some of the top networks are offering streaming packages. But the most aggressive offerings are being made by national syndicators such as MediaAmerica and Global. Two web-based streamers have approached Mindshare, Eyada and Redband, but this is just the beginning.

Programming content is also an issue, particularly from Internet-based talk. However, our bigger problem lies in locating the largest audiences from the existing pool. When we buy national television, for example, we know which programs best reach our target. That information is not yet available for streaming.

Looking ahead

Eventually, we'll all be streaming, either through cable lines or on a wireless-web basis in our cars and beyond. Mindshare believes in testing the medium, but don't run out now and blanket only a handful of sites. Current streaming audience levels, with the exception of talk personalities like Dr. Laura, are simply too fragmented. Statistical Research Inc. (SRI) recently reported that only one in ten of us has even bothered to click on to a streaming site.

But just wait. The acceptance and usage of streaming is still in its infancy. So, in the meantime, advertisers should continue to test and learn in order to gain a foothold. I have no doubt that streaming will continue to grow with rapid speed and overwhelming acceptance.

NATIONAL NEWS

NATIONAL SPORTS

"WHITE HOUSE REPORT"
with April Ryan

"HOLLYWOOD LIVE WITH TANYA HART"
The Hottest Gossip from Tinseltown

"USA MUSIC MAGAZINE"
The Urban Sound of America with John Monds

"THE BEV SMITH SHOW"
National Nightly Talk Show

"COMING SOON"
Movie Review with Lorraine Turner

"BLACK COLLEGE FOOTBALL WEEKLY"
NABJ Award Winner

SPM URBAN NETWORK
Integrated Marketing Promotions

AMERICAN URBAN RADIO NETWORKS

WE INFORM

AURN delivers...

- Hourly news keeping African American listeners in touch with current issues throughout the day, everyday;
- The "White House Report," coverage of national news events connecting African American's with a direct line into The White House;
- "The Bev Smith Show," the only national nightly talk show that explores today's issues affecting the African American community;
- Comprehensive sports coverage on the Black Collegiate scene.

WE ENTERTAIN

AURN is...

- "Coming Soon," daily movie reviews on the latest box office coming attractions;
- "USA Music Magazine" America's top urban entertainment program featuring the best in urban music, news and interviews on the industry's hottest stars;
- "Hollywood Live with Tanya Hart," a daily show that goes behind the scenes to bring listeners the juiciest gossip on Hollywood's celebrities.

WE ARE THE URBAN VOICE OF AMERICA

AURN offers...

- Innovative programming to keep African Americans informed;
- Entertainment promotions to keep our listeners excited and involved;
- News our audience needs with a Black perspective;
- Quality service and added value for America's Top Advertisers.

REACHING AND TOUCHING BLACK AMERICA LIKE NO OTHER



NEW YORK - 655 THIRD AVE. • 24TH FLOOR
NEW YORK, NY 10017
(212) 883-2100 • FAX: (212) 297-2571

CHICAGO - 75 EAST WACKER DR.
CHICAGO, IL 60601
(312) 558-9090 • FAX: (312) 558-9280

DETROIT - 1133 WHITTIER ROAD
GROSSE POINTE PARK, MI 48230
(313) 885-4243 • FAX: (313) 885-2192

ATLANTA • LOS ANGELES • PITTSBURGH • WASHINGTON, D.C.

IS STREAMING AUDIO READY FOR NATIONAL AGENCY BUYS?

Banner ads can be found everywhere on the net. In the past few years, most agencies have embraced the technology and created budgets. However, with banner ad response rates continuing to drop, a new kid on the block is getting some well-deserved attention: the streaming audio ad. We spoke to agency buyers and rep firms working to get a grasp on the value and utility of this new, targetable medium. While everyone agrees streaming audio ads are a great idea, industry-wide placement and acceptance are still a ways off. "Clearly this medium is in its infancy and has some significant challenges. There are major issues with the organization, quality, portability and marketing of streaming audio," attests Matthew Simpson, Director, National Radio, CARAT USA. "What makes things hard for users, is the fact that there is no centralized place to find what they're looking for. With regard to audience size, we feel the numbers will continue to be unattractively small until portability becomes an option."

Nevertheless, virtually all of radio's traditional rep firms have spawned streaming audio sales divisions: Interep Interactive, Katz Interactive Marketing/Katz Streaming Media Sales Network, MediaAmerica Interactive and Winstar Global Media. Also enter the technology providers—Hiwire, Lightningcast's Ad Management Solution (AMS), iBeam Broadcasting, Coolink Broadcast Network, Music Booth's Ad Acoustics Network, etc.—some of which also rep the webcasters. Most have put their roots down with Internet-only broadcasters, with designs on repping radio station websites down the road. Which streaming medium is more appealing to the buyers? it depends on who you ask. "It really doesn't matter whether the source of the programming is Internet-only or conventional radio. At Mindshare, we are more interested in the specific target and number of listeners. An eyeball...excuse me, an eardrum is an eardrum," says Reyn Leutz, head of network radio buying, Mindshare (previously Ogilvy and Mather and J. Walter Thompson's media buying and planning departments).

"We believe it is more appealing at the radio station level," says Simpson. "Often, it provides a better broadband experience overall and local stations are doing their part to market it. With many listeners being brand loyal, we feel the local stations will successfully draw the impressions."

Agency reaction...so far

So what luck have the reps had so far? With most buyers open to hearing the value of streaming ads and willing to learn the nuts and bolts of this new frontier, the doors are always open. "We never have a bad meeting," says Katz Interactive Marketing and Katz Radio President Mike Agovino. "Meaning there is almost universal enthusiasm from the media community about the promise of streaming audio/video ads. However, having a good meeting and making a sale are two very different animals."



Tom Des Jardins

Why the reluctance? "The technology is moving much faster than the audience can respond or has time to devote, and the advertiser can address. The advertiser can't yet develop the specific ad for each individual—we're still having difficulty having advertisers create different copy for each music format on traditional radio!" responds Natalie Swed Stone, Managing Partner/Director of National Radio Services, OMD USA (OMD is a division of Omnicom, which acts as a buying conglomerate for BBDO, DDB Worldwide and TBWA/Chiat).

Agovino adds there are two very different types of agencies out there evaluating the viability of streaming ads—the traditional agencies and the interactive agencies. "It's funny, but in many ways the traditional agencies are much more open minded and pioneering than their dot-com counterparts. I think a lot of this has to do with the deterioration of the banner marketplace and the weakness of traditional web marketing campaigns. With click-through rates as bad as they are the interactive agencies are pushing almost all of their marketing on straight ROI-based campaigns. This makes some sense when talking about banners but not when you're talking about :30

seconds of guaranteed delivered audio ads. The traditional agencies understand brand building with audio and the interactive shops to date have shown little to no understanding of it. The traditional shops still control the larger audio and video budgets and we believe they'll win the streaming market."

Simpson questions if the "trust me, the format hits the demo" pitch is valid enough. "Most streaming companies still only offer targeting by music format. They often try and sell you on the fact that there are some general demographics associated with a particular music format and therefore, it's targeted. Although this can sometimes be rationalized by clients marketing to broader demographics and psychographics, we consider it a 'shot in the dark' for clients that have a very niche product or service to sell. It is important for us to isolate the target demographic further than what is being done."

"There is general agreement within both agency and advertiser circles that the current advertisement tactics that they are buying within the Web are not effective. They are skeptical of the impact of the banner, button or sponsorship modules on building brand equity in a highly cluttered text page. If they are using a direct response model, the click rate is extremely low and the cost of converting visitors into loyal customers is staggeringly high," says Tom Des Jardins, CEO/CTO, Lightningcast.com. "Now agencies can run the high quality radio and television advertisements that they have spent thousands of dollars creating within even higher quality radio and video programming online. We feel that as market awareness grows of Lightningcast's complete end to end AMS, they will embrace it. The Lightningcast AMS will give agencies accountability to their advertiser clients of how many listeners/viewers they are reaching with their advertisements and the frequency of ads delivered to each unique user. Advertisers have been clamoring for this accountability from the agencies and broadcasters for decades. We are close to signing three major brands as charter advertisers."

Lightningcast currently reaches a potential audience of 25M streaming listeners through the following affiliate partners: 2000radio.com, ChoiceRadio.com, ClickLive.com, CyberRadio2000.com, DiskJockey.com, e-RadioLive, Kundi, Morfeo.com and RadioAlbany.com.

You know this audience.



But do you know *this* audience?



MeasureCast Streaming Audience Measurement Service™

now you know

What they like most

Most agency buyers with experience steeped in network radio are intrigued with the concept of targeting specific webcast listeners with an ad tailored to their lifestyle and interests. As mentioned before, the new kid on the block is showing some promise. "What we like most is the higher click rates. Right now, we're seeing anywhere from a 10 to 12 percent click rate, which is a significant increase over banner ads which have been averaging about three percent," says Simpson. "Anything having to do with rich media will almost always enhance involvement and click through. However, we expect these percentages to decrease, similar to what happened to banners in the years following their introduction to the Internet."



Natalie Swed Stone

Streaming offers multiple benefits beyond targetability to the advertiser including customized commercial lengths and audio that can be combined with visual images. There is the further ability to hyperlink to the advertiser's website, all without music interruption. "Streaming offers many benefits," Leutz tells *MBR*. "It offers advertisers the reach of core, P1 listeners to programs like Jim Rome. Core listeners are valuable because they have taken the time to find the show on-line. I'm glad that many of these sites accept advertising so that we can continue to reach our clients' consumers as listening venues continue to fragment. Also, the commercial load in streaming audio is significantly lower than conventional radio. This is particularly appealing."

"We are particularly impressed with the advancements that some companies are making to address the issue of targeting," adds Simpson. "Hiwire, for instance, offers an audience of millions through their network of content partners. Hiwire receives the streaming content from its partners, then, prior to reaching the listener, they embed the commercial that is relevant to that specific listener's age, sex and location. This helps us feel much more comfortable that the purchased impressions are being delivered with little waste. Clearly this is a good step forward."

Network Radio vs. Internet CPM

Agency buyers are used to network radio, as are their clients. The value propositions of streaming (guaranteed delivery of your message in both audio and visual form and the opportunity for interactivity) are very different from those of network radio. One thing

for sure, Internet CPMs are expensive—at least twice as much. CPMs for streaming, on average, range between \$30-\$45. Banners are slightly lower at \$20-\$35. Network Radio continues to be the most efficient and viable, ranging anywhere from \$1-\$5. One agency exec found the difference ridiculous: "The delivery mechanism shouldn't drive CPM, quality and quantity of audience should. This is likely to go the way of inkjet ads in magazines. Great idea that doesn't work in the market, at this point. It would be cheaper/more effective to have the president of the client call each listener personally and ask him/her to try the product," complains Jon Mandel, Chief Negotiating Officer, MediaCom.

While more expensive, it's really like comparing apples and oranges. "How are we going to measure streaming CPMs?," asks Leutz. "You cannot evaluate streaming using the same benchmarks as conventional radio. The reach of an individual listener through streaming is very targeted much in the same way as direct marketing, which carries a premium."

Agovino tells agencies that premium is justifiable: "The cost differences, which are significant, are justified. Network radio is about tonnage and efficiency and streaming is about targeting and interactivity. There are big benefits to both but they couldn't possibly be more different—I can't understand why people insist on comparing them. One is Marshall's and the other is Nordstrom. There are reasons to shop at both but they are different reasons."

"Because the Internet is more targetable than traditional radio, we think we can get a higher CPM. Some people are saying 'this is not by job, I don't want to do this, this is not what I'm used to.' But we're seeing a couple of people that want to be on the cutting edge of this, so they're very proactive," says Winstar Global Media Manager of I-radio Grace Carrick, who recently joined a measurement committee of the Streaming Media Advisory Council: "One of the buzzwords we hear are 'aggregate tuning hours' (comparable to TSL)—it's total hours listened per month. That's an Arbitron model. The way it worked originally was with unique listeners, so my 20 hours of listening was only counted as one thing. That really wasn't a model that was going to work—for Soundsbig (a 100-format

client), the average listening session is 90 minutes! Now we have 'Consecutive Listening'—how many people at any given point are listening to the channel."

Des Jardins tells clients his network CPM will be higher than the traditional radio network for several reasons. "First, controlled impressions by market. Network radio has not become a major media buy when compared to network television. There was \$800M spent in network radio versus \$25B in Network TV in '98. This is in large part due to not being able to buy a set number of impressions by TSA (total survey area). Lightningcast AMS solves that issue because we can target impressions by individual TSA. Finally, in traditional radio each station carrying a particular network radio program may run that program at whatever time fits their needs. The inconsistency hurts the network buyer. This is not an issue with the Lightningcast network because no matter what the time, we guarantee a set number of impressions."

"The Internet still has to prove some level of critical mass and both network radio, Internet and all media will be evaluated on their ability to move product and drive consumers to point of purchase," observes Swed Stone.

What advertisers are best suited?

The first to market with targetable streaming audio ads was Hiwire with Christian Pirate Radio in July. "When we launched Hiwire's Ad Network this summer, we ran campaigns for Headsets.com, FirstLook.com, and for Proposition 38, a school voucher initiative in California. [This] month, we will begin running campaigns for a variety of well-known brands including Warner Bros.," said Ric Flores, Hiwire VP Sales. Hiwire also reps DiskJockey.com.



Reyn Leutz

However, scoring well-known, name-brand advertisers is still illusive, considering the broad demographics of their customer base. Says Leutz: "At the moment, streaming audiences are small and fragmented. So, if you are an advertiser seeking a large domestic group, then streaming is probably too expensive on a CPM basis compared to conventional network radio. In my opinion, broad-based consumer product companies will remain on the sidelines until these audiences augment."

Simpson believes there will eventually be a place for all advertisers on the Internet, but

**You can deliver web radio
all over the world.**

**We can deliver ad revenue
into your bank.**

You've invested a lot in developing your web radio site. Great content, streaming servers, fat pipes, and a growing listener base. You have everything you need. Except revenue.

Now you can have that too.

Lightningcast inserts targeted, audited advertising into your stream. Our business is to make you money from your available ad space. We can move all, or just some, of your ad inventory using our unique technology and delivery system. It's that simple. Just sit back and count your cash.



www.lightningcast.com / 800.259.6679

for now, "We are finding that technology and consumer electronics related companies are fitting in nicely. The products these types of companies market are very attractive to the early adopters of the technology like streaming audio. It's a natural fit. The Entertainment category can also benefit."

Leutz's ideal ad categories are those requiring a longer communication platform with potential consumers. Examples are direct response companies such as Time Life Records, clients who are web-based, Ameritrade & Priceline, or bricks and clicks categories like Sears.com. "Upscale brands with a tightly a defined target, such as Jaguar, also fit perfectly because of the ability to reach consumers one-on-one via highly targeted sites," he says. "Advertisers that are information-based such as WebMD or car companies—particularly those that stress safety (eg. Volvo) and require extensive research also stand to benefit."

What will it take?

While there are hundreds and hundreds of streaming sites—from single radio stations to format sites with 100+ channels each—it's still rare to hear a streaming-only audio ad placed. A few hurdles need to be cleared to bring more advertisers on board. Standardized rates and a standardized ratings methodology are a good place to start. "The biggest objections out there are not really about price. Issues involving measurement and ad serving are the biggest ones we face," confirms Agovino. "Katz and others are facing these objections head-on and with the help of companies like Arbitron and MeasureCast as well as the ad insertion vendors, we'll overcome this shortly." Katz Interactive is currently repping Akoo.com, NetRadio.com, Everstream, TheLoup, HitMusic.com and AudienceBank.com.

"People are talking about getting a common measurement form for the advertisers—Arbitron and a couple of others, NetRatings and MeasureCast. Arbitron—obviously they think it's a natural transition for them, but my personal biggest issue is that it takes so long to get the data. You know, with the Nielsens, you can have them the next day. In regular radio, you wait four-five-six months as you know, to get the books compiled," observes Carrick. "With all of this technology, you can now know exactly how many people...it's not an estimate."

Currently, MeasureCast offers web stream-

ing data within 24 hours, using a software application installed directly on the host computer. Data includes demos, Average Quarter Hour (AQH), Estimated Cume and TSL on an hour-by-hour basis. Up and running since 10/99, Arbitron's InfoStream also lists AQH, Cume and TSL and is ramping up with Lariat Software to deliver faster data reports—30 days after the close of each month—than its current two-three month lag.

Another obstacle is where ad streaming budgets will come from. Flores is optimistic: "Hiwire has found that most agencies are still splitting their budgets based on traditional media buys and online buys. So while we're competing with banner ads and other forms of online advertising, the confidence level in buying targeted audio ads is rising dramatically."

"If it does come under radio, it's going to take time before this thing really blossoms and develops, because the ratings...[agencies] have lived with these ratings for so long, I don't think they know how to do it any other way," says Lou Severine, Winstar Global Media President. "I remember starting in 1970 on WPLJ on FM and there were no ratings! And we had a hell of a time trying to sell it. And now you know what FM has done over the years, but it took about 8-10 years to really develop. I'm not suggesting that this will take that long, but I feel personally that this is at least a year-18 months away before the spigots will start to open from the agencies and clients spend money in this medium."

Since there are few existing budgets for streaming, the money must come from somewhere else. "If dollars are going to be moved from one budget to another, a major sale by the agency must be made to their client on why they wish to do this. In many cases, while enthusiastic, the agency is not confident enough in their understanding of this new media to go out on that kind of a limb. Some are and some ask us to join them at the client to make the sale but to date this is the minority," says Agovino.

To turn some agency heads, reps will need to sell on the technology that audio streamed ads can take advantage of. Many streaming sites are repped by numerous firms, just like radio stations. The network critical mass is getting there quickly. For

example, DiskJockey.com is repped by Hiwire, Lightningcast, Interep Interactive and MediaAmerica Interactive alone! The reps are getting more and more creative. "You need to make this easy to buy. So we are forming channels with all our media properties that target specific demographic lifestyle categories—much like a radio unwired network—and presenting them. We are writing business. Lots of test programs to measure effectiveness. I would say we have 3M proposals out there. It is our call to action to get people moving and to try this new medium," attests Graham Keenan, Managing Director, Interep Interactive, who reps MP3.com, Sweet16.com, LaMusica.com, InternetRadioDaer.com, AudioHighway.com, Diskjockey.com and Kerbango.com.

"MediaAmerica has Networks based on the way the commercial is served to the end user. We have our Channel Start Network which delivers an interactive, audio/visual ad at the beginning of a stream, while the content is buffering," says MediaAmerica Interactive COO Michelle Jennings. "Our Streaming Media Network serves an audio message within the programming, similarly to traditional radio or television but with interactivity. Finally, our Media On Demand Network serves an interactive audio/visual message that lives on a website and can be accessed by the end user at will. Each network has its own merits." MediaAmerica Interactive reps for StreamAudio, DiskJockey.com, Audiobasket.com, BroadcastWeb.com, LiveOnTheNet.com, Morfeo.com and others.

The buyers offer some suggestions: "Bring us a large audience or an audience we haven't been able to reach via other means—help us with production/testing and creative—tie the Internet back to other forms of advertising so the addition of Internet is synergistic and extends the overall effort," says Swed Stone.

"I would say that advertisers are always looking for creative and strategic ways to reach potential consumers," agrees Simpson. "So from that perspective, there is a market for it. However, I think you will find that most will not make the commitment without significant improvements being made. Returning to the issue of quality and portability, it's clear that the technology has its limits right now. Provide a high quality audio stream and advance the delivery to wireless portable receivers, and then you will see a true market develop."



Graham Keenan



Michelle Jennings

WEBCASTi AM/FM

Are you webcasti(ng)?

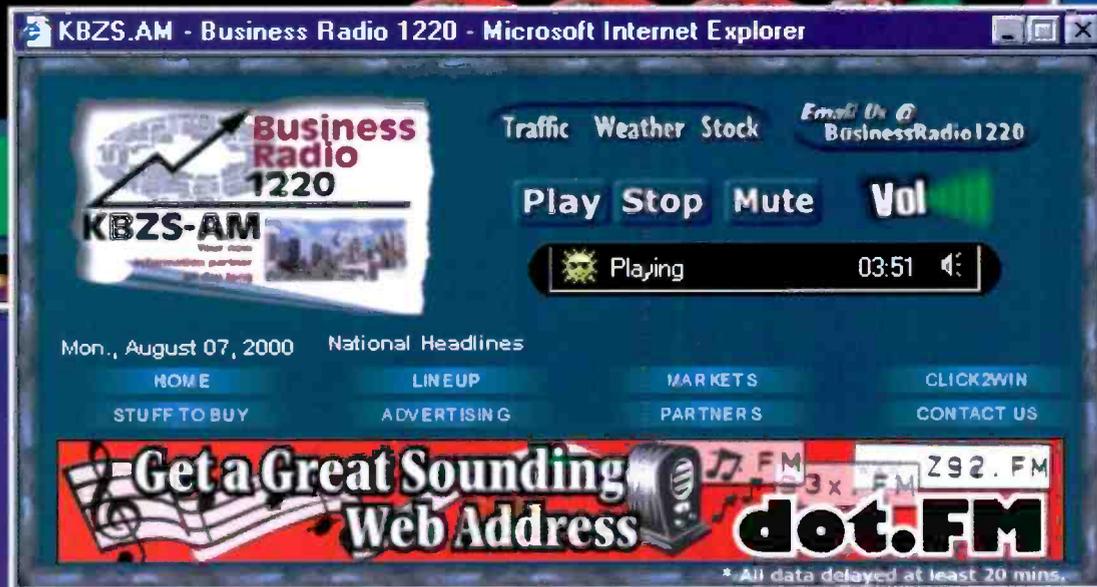
Is it making you money?

It could be.

Extend your Brand Online...

Contact WEBCASTi AM/FM for more information about
NEW Streaming Revenue Opportunities!

www.webcasti.am * 1.888.697.2860 * www.webcasti.fm

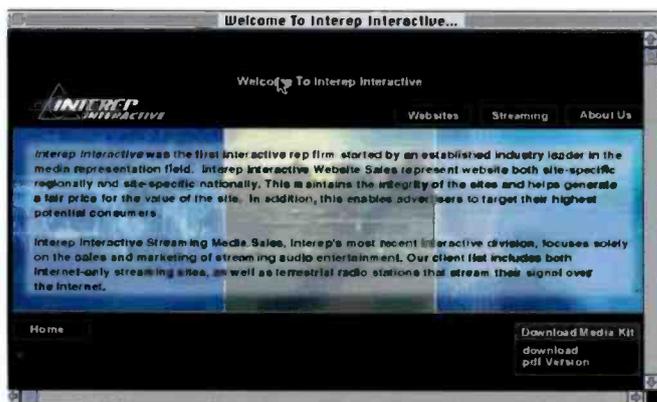


contact:
sales@webcasti.fm
1.888.697.2860

www.webcasti.am
www.webcasti.fm

* All data delayed at least 20 mins.

Reps ramp up to streaming media sales



What Do You Want To Hear From Your Net Stream...

THE SOUND OF MONEY



Add revenue to the sweet sound of radio on the Web. AdAcoustics' patented, turnkey solution inserts one-to-one targeted audio ads into your online ad stream. Seamlessly and without a download. Start earning with AdAcoustics. Don't let another ad dollar go.

To harness the economic power of the Internet
 Contact: AdAcoustics (914) 235-2099
 info@adacoustics.com www.adacoustics.com



IN THE INTEREST OF CHILDREN: BROADCASTERS CHAMPIONING THE CAUSE

Here's a story for the politicians who complain radio doesn't do enough for community service. The latest focus, given new technologies and the nationwide punch of consolidated groups, is to help local and state authorities in the quick recovery of abducted kids. When a child is abducted, every minute counts in the recovery effort—minutes mean lives. Here we examine what broadcasters and state broadcaster associations have been doing in that effort.

Florida recently became the second state in the nation to utilize the EAS alert system statewide. On 8/30, The Florida Association of Broadcasters (FAB), The Florida Department of Law Enforcement (FDLE) and other agencies unveiled the "Florida Emergency Missing Child Alert Program."

Using EAS, a local-market or regional alert can now be sent to all radio, TV and cable outlets giving details of the abduction and numbers to call with information. While there are hundreds of abductions every year in Florida, "EAS will only be activated if we know this is a true unknown abductor and/or the child's life is in danger," FAB President Pat Roberts told MBR. "Unknown abductors strike less than 20 times a year in Florida—a true abduction on the street, out of a shopping mall."

The way the process works is after a child is reported abducted, the local police fill out a report. As soon as they feel the above criteria is present, the FDLE is contacted with a description of the child (and hopefully abductor), vehicle and location of the abduction. The info is then faxed into the state EAS hub in Tallahassee for activation. "We will only activate the area where the child is abducted, unless it's an adjoining area," says Roberts.

The process, from abduction to airwaves, should take between one to two hours. "Before, local law enforcement would call the key TV and radio stations. It took three to four hours to get to air and it may only air on 10% of the media outlets," reminds Roberts.

Cox Radio Orlando WDBO-AM (the primary EAS station) Promotions/ Marketing Director Deanna Brown was the instrumental force in getting all of the parties together to make this happen. "My friend, Deputy Scott McLeod (now a school resource officer) and I used to work together at the sheriff's office.



Deanna Brown Speaks at Florida's unveiling

Prior to that, I was a reporter here in the newsroom of WDBO. He brought the Amber Plan idea to me. I brought the idea up to WDBO to see if we could get it here in Central Florida. We started working through all of the area sheriffs and chiefs and had meetings. There were all resounding 'Yeahs.' I came back to work for WDBO and became the Marketing Director and continued to push it through. My hope and dream was just to get it in the Central Florida area. I had no idea we would be able to get this to go statewide. I got approval from all of the management here and I had to go through the EAS board and then the FAB. I kept on it and have been working on it for the past 15 months."

Cox Radio President/CEO Bob Neil is not only proud of Brown's efforts, but for broadcasting in general. "We have a mission statement that we operate off of and one of the lines is 'We want to be involved in our communities and we want to touch hearts and touch lives.' When you have somebody that really takes a project, champions it and makes that cause happen, it's beyond just making me proud for Cox, I think it makes me proud for broadcasters," he tells MBR. "Because I don't think we as broadcasters get enough credit for the things that we do. It's funny because we're all pretty good self-promoters—I think we have to be to be in the radio business. But I'm not sure that we self-promote enough because we don't want to come across as bragsgarts to the communities that we serve. I think

congress is not aware of the things we do; I don't think the FCC is aware of the things that we do; I don't think the Justice Department is aware of the things that we do, so when I see something like this, I just think it speaks to good broadcasting."

It began in Texas

Florida's program was modeled after the State of Texas' "Amber Plan" in Dallas-Ft. Worth, credited for seven out of 30 child abduction cases since its 7/97 activation. Nine-year-old Amber Hagerman was abducted and murdered in '96. The Arlington, TX-based "Area Radio Managers" broadcaster group started the plan.

While Texas was one of the first places to institute EAS for locating abducted kids with the Amber Plan, the system is not yet statewide. Anne Arnold, Texas Association of Broadcasters Executive Director, says that may be the next step: "That's something that we're exploring. A group of officers from the department of public safety is working with us on that. We haven't really come up with a way to make it statewide yet, but we're interested in pursuing it."

Michigan's plan

Michigan decided not to use the EAS system. However, its system still operates statewide in conjunction with The Michigan State Police and The Michigan Sheriff's Association. Michigan Association of Broadcasters (MAB)

Executive Director Karole White explains: "Our board of directors met in our engineering committees and we are very concerned that there would be an overuse of the EAS tones and EAS system. We feel that the FCC created this for true civil emergencies."

MAB worked with "Amber Alert of Michigan," a non-profit organization. The system was deemed fully operational late September. "We are utilizing the EAS regions for identification purposes of what areas should be notified. We've put in a big group fax machine at the state police and they will notify via fax directly to the newsrooms, or station operations after 5:00PM, to get immediately on the air," details White.

Michigan's plan asks stations to either begin to crawl information on TV or interrupt programming at the next break and then continue to add the abduction information at every break or at least three times an hour until the notification is called off. The frequency of notification declines as time goes on without the child being found. A downside of Michigan's program for radio is that without EAS, automated stations won't be able to air the alerts. "Those stations will probably not get it on the air. But we do have significant coverage in every market," explains White.

Oklahoma first in statewide EAS

Probably the first place to use EAS statewide was Oklahoma. Unlike Florida, the system doesn't activate on cable. "We instituted the Amber Alert program back in the first part of the year," says Oklahoma Broadcasters Association Executive Director Carl Smith. "It was actually instituted by Governor Keating. He asked us to establish it and we worked with the department of public safety and various police departments across the state in putting it together."

Ironically, as this story was on deadline, Smith called us with the state's first Amber Alert that occurred 9/12: "That night, we had an abduction in Tulsa with two little girls, one six months and one 18 months old. A mother went into a convenience store to get a soft drink, was gone for about two minutes, came back out and the kids and her vehicle were gone."

The system, while it worked, didn't work quite as planned: "We had good news and bad news. The Tulsa Police department did notify the state department of public safety to put the Amber Alert out. DPS followed all the procedures. The only thing was when it went to the EAS network to distribute it statewide, we had a glitch in the equipment and only some affiliates received it. The good news is the backup in the system had the Tulsa Police department sending faxes to all of the Tulsa sta-

tions. All of the Tulsa stations and a few other parts of the state sent out alerts," recalled Smith, who says the FCC didn't allow his state to test the EAS system before a real abduction occurred.

The Tulsa Police Department received over 250 calls on possible sightings. "And 6:30 the next morning (9/13) about 90 miles away a man going on a fishing trip spotted the vehicle with the kids still in it, rushed back home and called the Tulsa police," he recalls, "They felt that the abductor probably had heard it on the radio and just left it in the middle of a rural country road. The kids were both in good shape, but had a little dehydration and very full diapers."

Oklahoma's alert criteria is similar to Florida's but also includes handicapped individuals. Once the criteria is met, the State Highway Patrol dispatcher activates the system. There is a training program that the Department of Public Safety has asked the police departments to go through. Also unlike Florida, Oklahoma's system is designed to go statewide on every EAS Amber Alert.

Peter Easter, Executive Director, Virginia Association of Broadcasters, says his state began discussing EAS alerts for kids right after the Florida announcement in late August. Other states like Kentucky have missing kids programs in place that so far are limited to metro areas. Some use EAS, others don't.

A Clear Cause from Clear Channel

Another program that helps in the quick identification and recovery of abducted or missing kids is the National Child Identification Program (NCIP). Aiding that program is a new cause marketing division recently unveiled at Clear Channel (*RBR* 9/11, p.8), "Clear Cause Marketing." Its first project is worked in conjunction with the American Football Coaches Association (AFCA), teaming to sponsor the NCIP's efforts in recording useful information about kids for use by police in cases of ab-



Karole White

duction or runaways. It also allows parents to collect specific information by easily recording the physical characteristics and inkless fingerprints of their children on identification cards. Since its inception in '97, NCIP has become the largest child ID effort ever conducted, reaching 8M kids. The AFCA and Clear Cause Marketing are first working with the Texas Association of School Administrators to reach every school age child in Texas by the year's end. The national goal is 60M kids within the next three years.

Utilizing Clear Channel's 1,000 radio stations, Eller Outdoor, TV, Internet and entertainment media resources, Clear Cause is ramping up to deliver quite a big punch. "[Our size] is one of the reasons we looked at in forming Clear Cause. Giving back to our communities is a responsibility of corporate entities, and we do have that force that we can bring

to bear to actually have an impact on the causes we are working for," says Dan Creel, GM/President, Clear Cause Marketing and also GM/President-San Antonio, Clear Channel's Eller Media. "And we do work for our causes—we're doing this because we love doing it."

Clear Cause is also working with another project, "C.L.E.A.N.," Citizens' Learning Environmental Awareness Now. Two additional cause-based projects are set to be announced later this year/

early next year. C.L.E.A.N., which aims to reduce air pollution by educating the public, was first focused in Austin and San Antonio with Clear Channel radio stations, websites and Eller faces. Creel explains: "In Texas, we've got I think nine cities that are either non-attainment or near non-attainment as far as air pollution and ozone levels, so we're working with organizations like Commute Solutions and Clean Cities as corporate sponsors and putting out an awareness campaign about what the community can do to have an impact on the ozone levels within their market."



Dan Creel

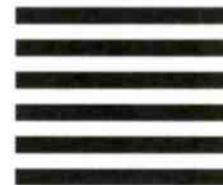
Order by phone: 703-719-7721 or Fax 703-719-7725

Order online at <https://www.rbr.com/subscribe.asp>

Email: subscribe@rbr.com



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 9014 Springfield, VA

POSTAGE WILL BE PAID BY ADDRESSEE

RBR Source Guide & Directory

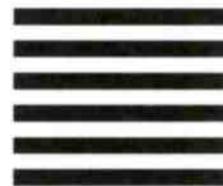
Special Offer

Post Office Box 782

Springfield, Virginia 22150-0782



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 9014 Springfield, VA

POSTAGE WILL BE PAID BY ADDRESSEE

Radio Business Report

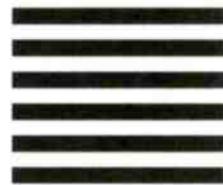
Subscriptions

Post Office Box 782

Springfield, Virginia 22150-0782



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 9014 Springfield, VA

POSTAGE WILL BE PAID BY ADDRESSEE

Manager's Business Report

Subscriptions

Post Office Box 782

Springfield, Virginia 22150-0782

Is The Source With You?

Order Now and Save \$40 – reg. \$129 – NOW only \$89!

Name/Title _____

Company/Station _____

Address _____

City/State/Zip _____

Email _____

Bill my (check one) Visa MasterCard American Express

Credit Card # _____ Exp. Date _____

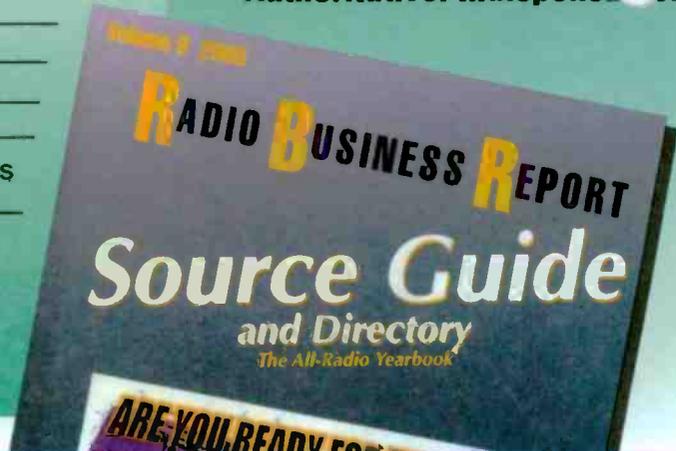
Check enclosed (mail this form with check in envelope.)

Subscribe by phone: 703-719-7721 – Fax 703-719-7725.

Subscribe online at <https://www.rbr.com/subscribe.asp>

Email: subscribe@rbr.com.

**Instant Access To
Essential Information**
Suppliers, services, market
data and more. Up-to-date.
Authoritative. Indispensable.



One Year Only \$220 for 52 issues.

Name/Title _____

Company/Station _____

Address _____

City/State/Zip _____

Email _____

Bill my (check one) Visa MasterCard American Express

Credit Card # _____ Exp. Date _____

Check enclosed (mail this form with check in envelope.)

Subscribe by phone: 703-719-7721 – Fax: 703-719-7725.

Subscribe online at <https://www.rbr.com/subscribe.asp>

Email: Subscribe@rbr.com.



Make It Your Business!



**RBR Covers Radio.
Don't Miss An Issue.
Subscribe Today And Save.
Get it every week.**

**If you're a manager, you need *Manager's Business Report*.
Every month.**

Subscribe today: One Year – Only \$105 for 12 monthly issues.

Name/Title _____

Company/Station _____

Address _____

City/State/Zip _____

Email _____

Bill my (check one) Visa MasterCard American Express

Credit Card # _____ Exp. Date _____

Check enclosed (mail this form with check in envelope.)

Subscribe by phone: 703-719-7721 – Fax: 703-719-7725.

Subscribe online at <https://www.rbr.com/subscribe.asp>

Email: Subscribe@rbr.com.

**How are YOU managing?
Read**

MANAGER'S BUSINESS REPORT™

MBR

All business.

No hype. No phony controversies.

No pop psychology. No "guru"

Manager's Business Report.

What radio managers need to know.

Period.

Every month.

AM·580 **WDBO**

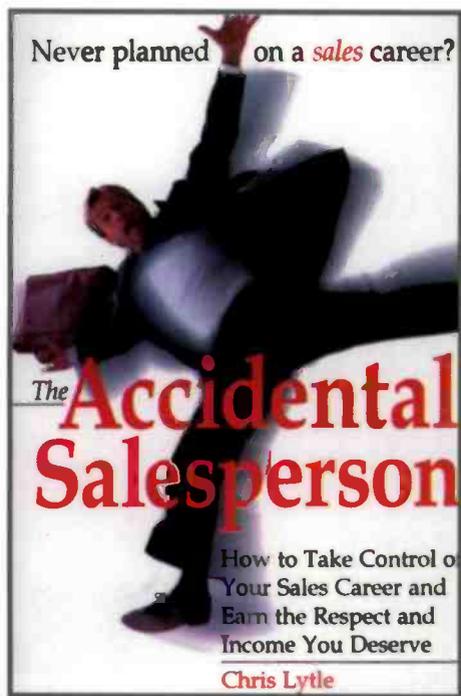
“Thank you,
Deanna Brown and WDBO,
for your exceptional work
in the interest of children
and community.”

— Bob Neil
President/CEO
Cox Radio

Proven talk
from **COX**
RADIO, INC.

A QUICK READ FOR ANYONE WHO SELLS: LYTLE'S BOOK IS NO ACCIDENT

By Jack Messmer



“There are some things that are taught in the movies that are very valuable life lessons.”

—Chris Lytle

Armed with a political science degree, Chris Lytle set out for a career in politics, but was quickly dissuaded after a brief stint as a Capitol Hill staffer. Then, quite by accident, he became a salesperson.

“Nobody would actually get into sales on purpose,” he told *MBR*, despite the fact that most companies in every field seem to be headed by people who came up through the sales ranks. But those CEOs aren’t seen as role models by young people considering their career objectives and Hollywood has yet to make a major motion picture with the hero cast as a sales pro. “Every portrayal of salespeople in the media is negative,” noted Lytle.

Writing 28 years later in his first mass market book, *The Accidental Salesperson*, Lytle provides a how-to guide for others who, like him, have embarked on an unplanned sales career. (And it is probably just as helpful for those few who actually set out to make sales their working life.)

Perhaps this book’s greatest appeal is what it isn’t—a dry, textbook approach to building a sales career step-by-step. Learn and practice lesson one, then move on to lesson two.

Rather, Lytle has written each of the 13 chapters to stand on its own. If you have already booked an appointment with a decision maker, go ahead and read Chapter Eight to get some practical advice on how to deal with the opportunity. You can go back and read the foregoing chapters later—and you’ll probably want to.

Most chapters include a reference to a popular movie—something Lytle calls a “\$2 sales training seminar” because anyone can rent it at Blockbuster and learn something from the movie that will help them in sales.

“I’ve always used films and lines from films in my seminars to try to illustrate key points. It’s popular media. Most people can relate to these movies,” he said. “There are some things that are taught in the movies that are very valuable life lessons.”

At the heart of *The Accidental Salesperson* is a chart which shows how a typical “Level One” account executive can advance from simply selling spots to a “Level Four” pro who has the complete confidence of his clients because he truly has their interests at heart. Lytle is realistic enough to admit that no one can achieve a Level Four relationship with all clients, but his book is chock full of practical advice and anecdotal stories to help every salesperson improve their dealings with all clients and, hopefully, reach that pinnacle of mutual success with a few.

Although Lytle is a radio salesperson by background, more and more of his seminar appearances are now outside the broadcast industry, so this book is written to be applicable to all types of sales.—JM

You can request an email download of Chapter One at Lytle’s Apex Performance Systems (www.apexperformancesystems.com), a subsidiary of Cumulus Media (O:CMLS), or order the book at MBR/RBR’s online bookstore (www.rbr.com). An interview with the author is also airing on the rbr.com online radio station.

RBR Radio™



Streaming on RBR.com

Tune in often for news updates and complete coverage of the radio industry by RBR's staff of experienced reporters. For news that hits you where you work, 24/7, plus the greatest bits and jingles from radio's classic era, tune in often to RBR's Internet radio station at www.RBR.com.

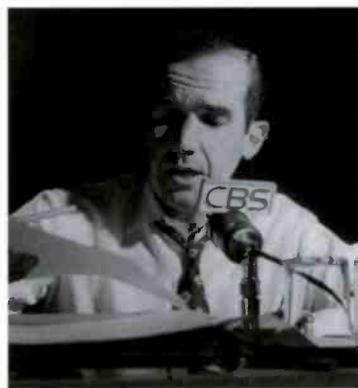
In a move designed to help busy executives keep up with the fast-changing radio business, *Radio Business Report* in the Spring of 2000 became the first radio trade publication to launch an Internet radio station." Radio news is breaking at an incredibly fast pace and



just can't wait for the morning faxes," said Ken Lee, Associate Publisher and General Manager.

In addition to posting news on its Web site, www.rbr.com, RBR is also streaming 24 hours a day.

The "format" consists of a newscast of radio-specific business and industry news, interviews and commentaries, plus classic radio bits, jingles and Mercury Award-winning spots (with real paid spots to come). Veteran newscaster Jack Messmer, now Executive Editor of RBR, is back behind the mike for the audio updates.



The new RBR Web "radio station" is still early in its development and radio executives are encouraged



to provide input on what they'd like to hear. (Please don't ask for Britney Spears, though!) You may email klee@rbr.com

so we can build the radio station you want.

"Another exciting aspect of the Internet radio station for RBR is that we can now offer advertisers a cross-platform vehicle to help to market their products," noted Lee. "Advertisers can now run audio spots on our Internet radio station, bundled with banner messages on the www.rbr.com web site, along with click-through messages on our daily email service, plus traditional advertising with Radio Business Report and MBR."



A QUICK GUIDE TO THE STRENGTHS AND WEAKNESSES FOR DIFFERENT FORMS OF MARKETING

By Rick Torcasso & Mark Heiden, Point-To-Point Marketing

An average individual receives more marketing messages today in one day of his life than a person living in the year 1900 received in his entire lifetime. While that may be hard to believe, people living in 1900 had no access to radio and television. There were fewer billboards and accessibility to newspapers was erratic. Telephones were even less accessible and news took



Rick Torcasso

days and sometimes even months to get from one side of the country to the other. Today, information about virtually anything is a few keystrokes away. Cell phones are as bountiful as insects and there are over 600M email boxes worldwide receiving over 132B emails a year. Many people have more than one phone line into their homes, personal fax machines and voice mail. There are 32 units per hour on most television channels, radio stations have increased inventory and by 2001, one of every four emails that you get will be a commercial message.

With all of that going on, it is no wonder that making decisions about how to cut through this noise with your marketing campaigns is quite a task. However, while deciding on what to do is harder than ever, knowing the objective is actually easier.

The Primary Objective

Like most any service, a radio station must be associated to one certain and relative advantage. All else is a derivative of that. People must have a reason for listening to your radio station by having a clear understanding about your attributes—what you stand for and what benefit you provide. Because of the noise in one's life today, this one important characteristic is required in order to maintain your position in the marketplace, grow barriers against rivals and manufacture recognition for usage on behalf of listeners.

Whether you are just starting out with a new format, or have been in a heritage position for 10 years, maintaining and growing

recognition for the reasons to listen is the primary objective. How you do that is what requires the most thought today.

The Medium

Each medium available to you has strengths and weaknesses. There is no such thing as a magic bullet or one medium being automatically the right thing. Arbitron's increased diary counts and the noise in the market serves to smooth the affect of your marketing efforts.

Depending on where you are in your

lifecycle, one particular medium may be more effective. Here is a snapshot about strengths and weaknesses for each. We hope that this will help your thought process about marketing in the future as you are planning your 2001 budget.



Mark Heiden

Television	<p>Strengths Reaches large portion of the market quickly. Gets the message out to as many prospects as possible. Combines sight, motion and sound for high attention.</p> <p>Weaknesses High cost and less targeting capability. Lots of competition in the medium with a lot of clutter and high-impact creative from "monster" advertisers.</p>
Billboards	<p>Strengths High repeat exposure. Helps reinforce recognition for usage. Low cost.</p> <p>Weaknesses Limited to geographic targeting with no audience selectivity. Limited creative and "3" second drive by message.</p>
Direct Mail	<p>Strengths High targeting capability and no ad competition in the same medium. Reinforces brand name imagery and association, as well as recognition for usage. Creates tangible association to important attributes through strong creative and personalization.</p> <p>Weaknesses Poor creative and message results in junk mail image.</p>
Telemarketing	<p>Strengths High targeting capability and one-on-one communication. Creates tangible association to important attributes through personal contact and follow-up.</p> <p>Weaknesses Over-penetration into the market has created ill will on behalf of house holds and businesses. Newspaper</p>
Newspaper	<p>Strengths Good local coverage and high believability. Timely.</p> <p>Weaknesses High cost, short life. Limited demographic targeting.</p>

October

- 2-5
NAB Satellite Uplink Seminar, Washington DC (202) 775-3527
- 3-4
Society of Broadcast Engineers, Pittsburgh, PA (317) 253-1640
- 5-6
Minnesota Broadcasters Association Annual Conference, St. Paul, MI (612) 926-8123
- 5-7
Tennessee Association Annual Convention, Nashville, TN (615)-399-3791
- 5-7
Oregon Broadcasters Convention, Bend, OR (541) 343-2101
- 9-10
Indiana Broadcasters Convention (317) 573-0119
- 9-10
Kansas Broadcasters Convention, Wichita, KS (785) 235-1307
- 16
Broadcasters' Foundation Charity Golf Tournament, Inwood, NY (203) 862-8577
- 18
Bayliss Foundation Media Roast, New York, NY (831) 624-1536

- 18-19
Kentucky Broadcasters Convention, Lexington, KY (502) 848-0426
- 24
NAB Education Foundation, Arlington, VA (202) 775-3527
- 26-29
Society of Professional Journalists Nation Convention, Columbus, OH (765) 653-3333

November

- 5-7
NAB European Radio Operations Conference, Berlin, Germany (202) 775-3527
- 6-7
Women in Cable & Telecommunications Leadership Conference, Washington, D.C. (312) 634-2330
- 7-9
RAB Fall Board Meeting, Dallas, TX (972) 753-6740
- 8-12
National Association of Farm Broadcasters Kansas, MO (651) 224-0508
- 12-14
Canadian Association of Broadcasters Calgary (613) 233-4035
- 13-15
Association of National Advertisers Seminar, Rye Brook, NY (212) 697-5950

Professional Cards

Mullaney Engineering, Inc.
 Consulting Telecommunications Engineers
 9049 Shady Grove Court
 Gaithersburg, MD 20877
 phone//301-921-0115 fax//301-590-9757
 Member AFCCCE mullener@aol.com

COMMUNICATIONS TECHNOLOGIES, INC.
 Broadcast Engineering Consultants
 Clarence M. Beverage
 Laura M. Mizrahi
 P.O. Box 1130, Marlton, NJ 08053
 (856) 985-0077 • fax: (856) 985-8124

dataworld®

- Market Analysis
- Custom Mapping
- Ethnic/Demographic Data
- Sales Marketing Packages
- Pinpoint Target Audience

www.dataworld.com
 800-368-5754

RESERVE NOW!

THE JOHN BAYLISS MEDIA ROAST



OCTOBER 18

The Pierre Hotel
New York City

Proceeds benefit the Bayliss Radio Scholarship Fund.

Roastee ★

Larry Wilson

Citadel Communications

MC: Bill Stakelin
Regent Communications

Roasters:

Jeff Dashev, Interep
 Bob DiPiero, Love Monkey Music
 Richard Ferguson, Cox Radio
 Frank Kalil, Kalil & Co., Inc.
 Bob Proffitt, Citadel Comm.

Call Kit Franke at 831.624.1536 or www.baylissfoundation.org

Upped & Tapped

Man of Steal? Emmis has reached into its own programming ranks for a new exec. KPWR Los Angeles PD Jimmy Steal is now Regional VP/Programming, a job which he will tackle in addition to his current duties at KPWR.

Leslie Hartmann, Leslie Hartmann? Radio One Corporate Controller Leslie J. Hartmann will need a wider business card as Radio One adds the title of VP of Finance to the one she currently holds.

Gentner lets Hertenberg put it in the driver's seat: Stephen Hertenberg has joined audio/video manufacturer Gentner Communications as Director of Corporate Marketing.

Salem Communications has gotten yet another spin-off from the Clear Channel-AMFM merger, as it signs on former AMFM exec George C. Toulas as Senior VP. He will work directly with CEO Edward A. Atsinger. Also, Salem's recently acquired KXXM-FM Los Angeles, which it has already flipped to Contemporary Christian KFSH-FM "The Fish", will be manned by, among others, Dave Armstrong, GM and Chuck Tyler, PD.



Role widens for Widmer: Dave Widmer, who already has his hands full as VP/GM for Barnstable's WHLI-AM & WKJY-FM in Nassau-Suffolk will have a few more stations under his guidance. He'll add responsibility for WGSM-AM, WBZO-FM & WMJC-FM.

KOOL guy 'ZON's out? Tim Maranville, PD at KOOL-FM Phoenix (just acquired by Infinity in the CCU/AMFM spin-off sweepstakes) is adding the same chores at KZON-FM, which is also a recent addition to the Infinity portfolio.

WW1 finds a good man for the job: The company is Westwood One. The job is Director of Marketing & Communications. The good man is, literally, a good man: Todd Goodman, to be precise.

Is NAB Holy-er than thou? Kathy Ramsey has been upped from VP to Senior VP, Broadcast Government Relations at the National Association of Broadcasting. Coming in to work with her will be Lori Holy, Legislative Counsel & Lobbyist.



Ups for Downes at Susquehanna: Webmeister Larry Downes has been named Manager of Radio and Internet Services for Susquehanna Radio's BlazeNet. He will oversee web operations for the group's many radio properties.

Houston market veteran Carl Hamilton has been named VP/Market Manager for Clear Channel's eight-station cluster. Working with him will be Brian Purdy, VP/GM for FM stations KLOL, KKRW & KTBZ, and Marc McCoy, VP/GM for AM stations KTRH, KPRC & KBME.

The tale of Anne and Anne: Law firm Borsari & Paxson's Anne Paxson has been elected to the board of directors of the Association of Federal Communications Consulting Engineers. Meanwhile, Anne Sullivan joins the firm as an associate.

RAB found Culpable? Radio veteran Clint Culp is joining the Radio Advertising Bureau as VP Stations. He'll work with Ron Ruth.

Cuervo gold in Arizona: Radio Unica's 740 AM Phoenix and 1210AM Tucson will be sharing the services of Carlos Cuervo, who signs on a National Sales Manager.



CCU hopes to fly higher with Mayer: Cybervet Kevin Mayer will be handling web operations as Chairman & CEO of the Clear Channel Internet Group.

Gary Weiss has moved over a market to join the Radio One fold. Exiting the Entercom cluster in Greensboro, he will take over the newly-acquired Raleigh cluster including WQOK-FM, WFXK-FM, WFXC-FM & WNNL-FM.

Journal finds its missing Link: Tom Link is exiting the former AMFM Wichita cluster, but he won't be going far, landing at the Journal cluster in the same town as Director of Sales.

Bank Secunda's the motion: Silicon Valley Bank has named Ross Secunda Eastern Regional Manager. He'll be exiting Hanevan Financial Services, and will be working out of Atlanta.

Susquehanna flows into Kansas City: Susquehanna Radio has named execs for its newly-acquired Kansas City duopoly. Mike Campbell is Market Manager for all stations and GM for KCMO AM-FM. Pam Malcy is GM for KCFX-FM. Don Daniels is PD for KCMX-FM. Jeff Catlin is PD for KCMO-AM.

Angela T. Fleming gets to update her business card. The former Director of Marketing for WGCI AM-FM Chicago is now VP/Director of Marketing, and has added WVAZ-FM to her list of stations.



A bridge for the mover Kwei? Debbie Kwei, one of Infinity's Charlotte GSMs, is going crosstown to take the GM chair at Radio One's WCCJ-FM. Meanwhile, Radio veteran Owen Weber has resurfaced at Radio One's Cleveland duopoly cluster, where he will serve as VP/GM.

Regent Communication's Albany VP/GM Robert Ausfeld has been named Regional VP. He will add oversight of Regent stations in the Utica-Rome and Watertown markets.



© 2000 SiteShell Corp. BlueDot WebSite NetWork is service mark of SiteShell Corp. All rights reserved.

streaming audio better yet, streaming revenue. There are a lot of so-called "free" streaming providers out there wooing radio stations. And for good reason—they want to profit from your listeners. Don't sell your audience short. Go with the BlueDot WebSite NetWork.™ We'll create a locally branded website with content that targets your precise audience and format. No maintenance hassles. No monthly update fees. And no charge for streaming. Best of all, we make you a 50/50 partner in a sophisticated e-commerce system. Right on your site. (We even let you preempt website promo spots for cash.) For details on how to tap your revenue stream, visit www.siteshell.com or call 203-929-9101.

siteshell.com
Home of the BlueDot WebSite NetWork

Bridging the gap between
radio and the Internet.

WARPradio)))

Distance and Time Mean Nothing