

MANAGER'S BUSINESS REPORT™

# MBR

Radio Business Report, Inc.

17 Years

December 2000

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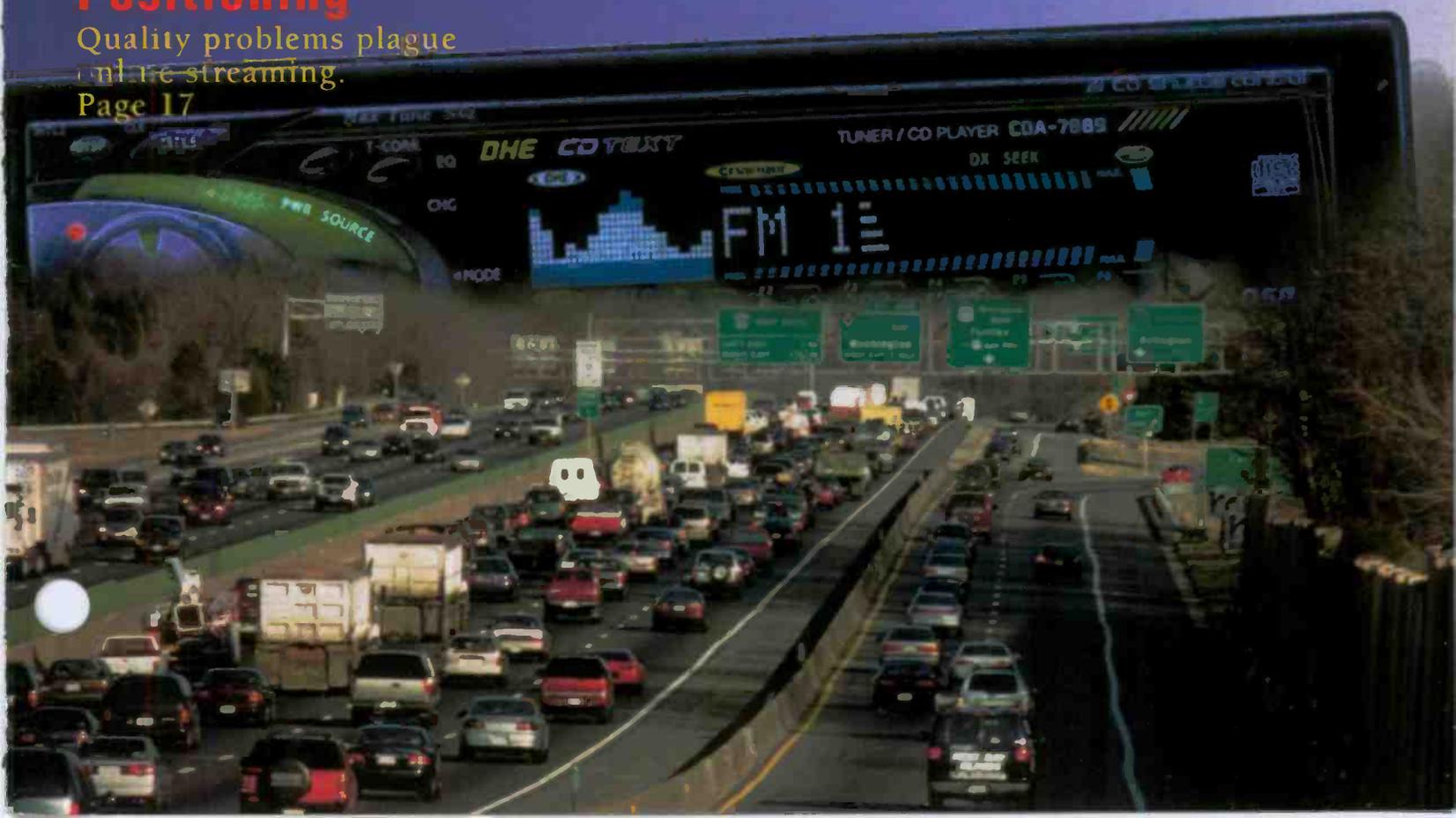
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# How To Run The Perfect Radio Station!

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## Stellar revenue growth weathers September slump

The Radio Advertising Bureau reported a 3% revenue gain for the month of September, the first time all year that the overall results were below double-digits. It's always good to build on a record year, which 1999 was. However, this kind of slump was almost inevitable.

The dot-com companies which fueled radio's remarkable run began their spot feeding frenzy about this time last year, making for some tough numbers to top—doubly tough now that many of those same dot-coms are now out of or on their way out of business. Continued positive results are expected despite the short term effect of the dot-coms.—Dave Seyler

## Radio Revenue Index

### September is a gainer, but it's bye-bye double digits

September continued the long string of positive growth months for the radio industry, but for the first time in recent memory the RAB had to break out the red ink for national business in three regions, and for the first time this year, gains are measured in but a single digit. A 6% increase in local business offset a 6% drop in national.

The Southwest's 15% surge in local business was easily the highlight of the month. All other regions had at least modest gains in local. The story for national was, in a word, bleak, with the Southwest and West tying for the lead with flat revenues. Nevertheless, YTD combined gains stand at 16%.

Sep 2000	Local	National	Jan-Sep 2000	Local	National
All markets	6%	-6%	All markets	15%	20%
East	8%	-8%	East	16%	23%
Southeast	3%	-8%	Southeast	11%	16%
Midwest	2%	-14%	Midwest	12%	11%
Southwest	15%	0%	Southwest	15%	27%
West	5%	0%	West	17%	23%

Local & Nat'l revenue Sep 2000  
All markets 6%

Local & Nat'l revenue Jan-Sep 2000  
All markets 16%

Source: RAB

## Superduopoly Dimensions

### Industry Consolidation (as of December 4, 2000)

#### Superduopoly: 58.3%

Market	# of stns	percent
1 to 50	909	57.7
51 to 100	711	62.3
101 to 150	463	56.0
151 to 200	472	56.3
201 to 250	417	61.3
251 to 276	160	52.3
All markets	3,132	58.3

#### Total consolidation: 78.6%

Market	# of stns	percent
1 to 50	1,269	80.6
51 to 100	906	79.4
101 to 150	637	77.0
151 to 200	645	76.9
201 to 250	524	77.1
251 to 276	238	77.8
All markets	4,219	78.6

## Year-to-date stock price performance

Nervousness about the slowing economy and softening ad demand depressed all stocks, with media stocks among those hit most hard.—JM

Company	10/31/00 Close	YTD Net Chg	YTD Pct Chg
Ackerley	10.563	-7.562	-41.72%
Adelphia	33.188	-32.437	-49.43%
Alliance Bcg.	0.312	-0.238	-35.20%
Am. Tower	40.375	10.313	33.74%
Am. Comm. Ent.	0.625	-1.250	-36.67%
Beasley	8.250	-7.250	-46.77%
Belo Corp.	19.250	0.188	0.98%
Big City Radio	3.250	-1.500	-31.58%
Ceridian	12.125	-9.438	-43.77%
Cir. Rsch. Labs	8.500	6.500	325.00%
Citade	12.125	-52.750	-31.31%
Clear Channel	60.125	-29.125	-32.63%
Cox Radio	22.875	-10.375	-31.20%
Crown Castle	30.313	-1.812	-5.64%
Cumulus	6.250	-44.500	-37.68%
DG Systems	4.438	-2.687	-37.71%
Disney	35.688	6.438	22.01%
Emmis	26.750	-35.570	-37.08%
Entercom	39.188	-27.062	-40.85%
Entravision	17.688	1.188	7.20%
First Entertain.	0.031	-0.610	-95.16%
Fisher	71.000	9.250	14.98%
FTM Media	0.040	-12.710	-99.69%
Gaylord	23.750	-6.188	-20.67%
Gentner	16.000	2.000	14.29%
Global Media	0.375	-4.313	-92.00%
Harman Intl.	47.910	19.848	70.73%
Harris Corp.	31.500	4.813	18.03%
Hearst-Argyle	17.938	-8.687	-32.63%
Hispanic Bcg.	31.313	-14.796	-32.09%
Infinity	33.250	-2.938	-8.72%
Interep	3.375	-10.000	-74.77%
Jeff-Pilot	68.625	0.375	0.55%
Launch Media	3.875	-15.063	-79.54%
NBG Radio Nets	2.156	-0.938	-30.32%
New York Times	36.813	-12.312	-25.06%
Pinnacle Hldgs.	15.750	-26.625	-62.83%
PopMail.com	0.344	-2.656	-88.53%
Radio One, Cl. A	7.938	-22.729	-74.12%
Radio One, Cl. D	8.016	-22.651	-73.86%
Radio Unica	3.781	-25.094	-86.91%
RealNetworks	20.609	-39.547	-65.74%
Regent	6.000	-2.500	-29.41%
Saga Commun.	16.500	-3.750	-8.52%
Salem Comm.	12.000	-10.625	-46.96%
Sirius Sat. Radio	50.250	5.750	2.92%
Spanish Bcg.	9.000	-31.250	-77.64%
SpectraSite	19.750	8.875	81.61%
SportsLine USA	8.563	-41.562	-82.92%
TM Century	0.625	0.000	0.00%
Triangle	0.005	-0.015	-75.00%
Tribune	37.000	-18.063	-32.80%
Viacom, Cl. A	57.250	-3.188	-5.27%
Viacom, Cl. B	56.875	-3.563	-5.89%
WarpRadio.com	1.250	-3.375	-72.97%
Westwood One	18.938	-19.062	-50.16%
WinStar Comm.	19.500	-30.667	-61.13%
XM Sat. Radio	29.000	-9.125	-23.93%

### Major stock market indices

The Radio Index	143.880	-112.180	-43.81%
Dow Industrials	10971.99	-525.130	-4.57%
Nasdaq comp.	3369.630	-699.680	-17.19%
S&P 500	1429.400	-39.850	-2.71%

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**MBR Stats**

**US Media Forecast by Jack Myers**

	Yr. 2000 forecast on 11/00	Projected 2000 revenues on 11/00	Yr. 2001 forecast on 11/99	Yr. 2001 forecast on 11/00	Projected 2001 revenues on 11/00
Newspapers	5.8%	\$49.68B	0.0%	2.0%	\$50.67B
Broadcast TV Networks	10.2%	\$16.97B	3.0%	3.6%	\$17.58B
National Spot TV	12.6%	\$12.32B	2.0%	2.5%	\$12.63B
Local Spot TV	7.0%	\$13.67B	2.0%	2.0%	\$13.94B
Broadcast TV Syndication	6.5%	\$3.02B	6.0%	2.6%	\$3.10B
<b>Radio</b>	<b>14.0%</b>	<b>\$19.09B</b>	<b>9.0%</b>	<b>9.0%</b>	<b>\$20.81B</b>
Yellow Pages	2.0%	\$12.71B	-1.0%	0.0%	\$12.71B
Consumer Magazines	15.0%	\$17.83B	7.0%	7.0%	\$19.08B
Network Cable TV	22.0%	\$9.76B	14.0%	14.0%	\$11.13B
Local/Regional Cable TV	16.0%	\$3.65B	24.0%	18.0%	\$4.31B
Online	100.0%	\$4.80B	50.0%	70.0%	\$8.16B
Outdoor	17.0%	\$2.15B	20.0%	16.0%	\$2.50B
Other	1.0%	\$41.21B	-2.0%	-2.0%	\$40.38B
<b>Total US Media</b>	<b>9.0%</b>	<b>\$206.87B</b>	<b>3.9%</b>	<b>4.9%</b>	<b>\$217.01B</b>

Source: Myers Reports Inc.



Myers

**Ad slowdown is a "correction," not a "recession"**

"The slowdown in the media economy will continue well into the first half of 2001, but the year will nonetheless post a 4.9% increase for US media spending," says Jack Myers, Chief Economist of The Myers Group's Myers Reports Inc. "The slowdown is a 'correction' rather than a 'recession,'" he added.

Myers sees radio growing faster than its major competitors, newspapers and TV, although his forecast has radio's growth rate slowing from double digits into single digits—albeit the highest single digit, 9%. Both outdoor (good news for the radio companies that have acquired outdoor divisions) and cable TV are expected to continue double-digit growth, while slowing somewhat from this year's pace. The big gainer is projected to be Internet (online) advertising—piling 70% growth next year on top of 100% growth this year. Even so, projected Internet ad revenues of \$8.16B—divided among hundreds of thousands, if not millions, of Website operators—will still be less than half of radio's \$20.81B—divided among 10,577 US radio stations (FCC commercial radio total, as of 9/30, reported 11/29).

Prior to forming The Myers Group in 1981, Jack Myers was an executive with CBS-TV, ABC Radio and Metromedia Outdoor.—JM

**Non-traditional Revenue Track**

**Get a job, get a car**

Automotive and Recruiting both bumped up in October as sources of non-traditional revenues for radio stations. What declined? Food/Grocery. The Automotive gain was really a return to normal levels after a fall-off in September. Many radio groups also reported a September drop in spot buys by the auto sector.—JM

**% of vendor/new business by category**

(October 2000)

	Apr	May	June	July	Aug	Sept	Oct	YTD
Automotive	15.69	11.37	18.91	12.50	11.63	5.17	10.19	10.45
Food/Grocery	22.44	26.65	34.59	14.57	23.50	40.42	28.90	26.80
Leisure	34.61	29.21	13.14	33.73	30.61	26.40	20.55	28.70
Health & BC	1.57	6.85	0.91	3.59	6.15	5.12	8.64	6.30
Home Improv.	0.86	17.63	19.12	7.64	7.88	2.17	5.23	6.66
Office	8.19	0.95	1.04	15.89	5.29	7.19	6.61	5.75
Clothing	5.72	5.24	2.44	8.07	6.39	0.84	1.42	4.91
Recruiting	10.93	2.11	9.85	4.01	8.55	12.70	18.47	10.43

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

## Quotes & Clicks

"As I stated when the Commission recently issued the first Biennial Review of the broadcast ownership rules, the Commission's current methodology for defining radio markets and counting the number of stations in a market has the potential to produce unanticipated and anti-competitive results in particular cases."

**FCC Chairman Bill Kennard (D)**, as the Commission issued its Notice of Proposed Rulemaking to change the way the FCC defines local markets for applying ownership limits.

"The Commission's current method of defining local radio markets suffers from a number of flaws that can and should be remedied in this proceeding. That said, I fear that the final rules we issue may be the gilded padlock on the proverbial barn door, with the horse of consolidation galloping over the horizon."

**Commissioner Susan Ness (D)**, noting that the NPRM will grandfather existing station clusters.

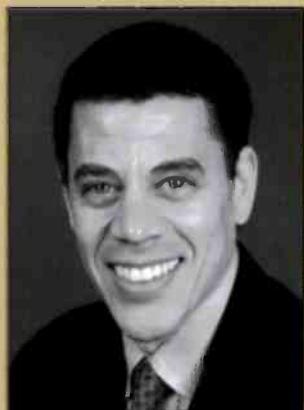
"This is not simply a matter of the Commission ignoring congressional directives and common sense. Real listeners in real communities have been harmed by a consolidation of the airwaves that should not have been permitted to take place."

**Commissioner Gloria Tristani (D)**, on the NPRM.

"I concur in this rulemaking for the limited aim of rationalizing our arguably arbitrary and capricious methodology of counting radio stations..."

**Commissioner Harold Furchgott-Roth (R)**, taking a more cautious approach to the NPRM.

"I am a deregulator by nature."  
**Rep. Billy Tauzin (R-LA)**, to the Progress & Freedom Foundation's Telecommunications Deregulation Conference.



"We've raised our prices a lot. We have a long way to go."

**Emmis Communications (O:EMMS) CEO Jeff Smulyan**, telling the UBS Warburg Media Conference in New York that radio is still cheap when compared to other media.

"I expect to stay rich."

**Clear Channel Communications (N:CCU) CEO Lowry Mays**, after telling the UBS Warburg Media Conference in New York that the current Wall Street situation of Clear Channel's stock selling at a discount to its growth rate doesn't make sense and won't last long.

"Yes, radio is coming off 20% last year, which makes comps for the first half pretty difficult."

**Viacom (N:VIA) CEO Sumner Redstone**, to the UBS Warburg Media Conference.

"We are having no problem replacing them."

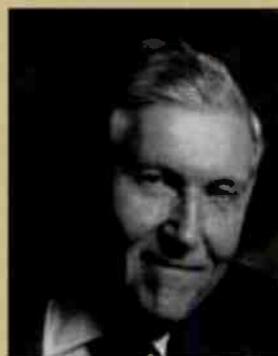
**Redstone**, on the drop-off in dot-com advertising.

"By and large, the Spanish market in this country is still underserved as far as radio is concerned."

**Hispanic Broadcasting Corp. (N:HSP) CEO Mac Tichenor**, telling the UBS Warburg conference that there's no cause for concern that too many Hispanic radio stations are taking to the airwaves.

"The FCC is often cast as the Grinch who stole Christmas. Like the Whos, down in Who-ville, who feast on Who-pudding and rare Who-roast beast, the communications industry was preparing to feast on the deregulatory fruits it believed would inevitably sprout from the Act's fertile soil."

**FCC Commissioner Michael Powell**, apparently using the Dr. Seuss version of the 1996 Telecommunications Act for a speech to the Progress and Freedom Foundation's Telecommunications Deregulation Convention.



### FCC proposes new market definitions

The FCC has issued a Notice of Proposed Rulemaking that asks whether Arbitron market definitions, rather than contour overlaps, should be used to determine what constitutes a radio market. The Commission also asked for comments on several alternative counting methods, but noted that existing clusters would be grandfathered. Although all five Commissioners signed onto the NPRM (Mass Media Docket No. 00-244), only the three Democrats approved all of its provisions.

"As I stated when the Commission recently issued the first Biennial Review of the broadcast ownership rules, the Commission's current methodology for defining radio markets and counting the number of stations in a market has the potential to produce unanticipated and anti-competitive results in particular cases," said Chairman Bill Kennard (D).

"The Commission's current method of defining local radio markets suffers from a number of flaws that can and should be remedied in this proceeding," agreed Commissioner Susan Ness (D). "That said, I fear that the final rules we issue may be the gilded padlock on the proverbial barn door, with the horse of consolidation galloping over the horizon."

The two Republican members, Harold Furchtgott-Roth and Michael Powell, said they agreed to the NPRM, but only so far as it clarifies problems with the current contour counting method.—JM

### Anderson applications withdrawn

Under pressure from the Clinton-Gore administration to make a last-ditch effort to curtail radio consolidation before (as appears more and more likely) a Republican administration takes office next month, FCC Chairman Bill Kennard had sought to launch a test case which could have set a precedent for enforcement of the FCC's controversial limits on local market shares-limits which, until now, had been enforced by holding up (more or less forever) deals which, despite complying with the legal limits set by the 1996 Telcom Act, the Commission's majority Democrats objected to under the view that the vague notion of protecting the "public interest" could be invoked for any reason.

Kennard's attempt was shortcircuited, however, when Anderson Broadcasting 12/6 withdrew its applications to sell five stations in the Bismarck, ND area to Cumulus Media (O:CMLS) for \$3.75M, negating a proposal to designate the license transfers for hearing at the Commission's 12/7 meeting. No one had ever filed any objection to the sale.

Andy Anderson had agreed to sell the stations to Cumulus early last year, but the deal was still pending when he died last November. Anderson's communications attorney, George Borsari, was livid that Kennard, whom Borsari had known long before he went to the FCC, picked an elderly widow, Lorraine Anderson, as the target for his attempt to write the FCC's informal policy into the rule book. "The Bill Kennard I knew was a decent and honorable person. The job obviously changes people," Borsari told *MBR*. Cumulus has LMA'd the

Anderson stations since shortly after the deal was announced. The status of that LMA is now under discussion.—JM

### RIAA wins at the Copyright Office

The US Copyright Office has ruled that radio stations, along with everyone else, have to pay royalties to record companies and artists for music streamed on the Internet. The ruling had been sought by the Recording Industry Association of America and the Copyright Office's ruling in RIAA's favor was pretty much a foregone conclusion. NAB President Eddie Fritts quickly issued a statement calling the ruling "contrary to existing federal law and Congressional intent." NAB already has a federal court suit pending which seeks to have performance royalties struck down for Internet streaming by radio stations, who already pay royalties to ASCAP, BMI and SESAC.—JM

### EEO rule appeals struck down

The FCC has rejected attempts by the NAB to eliminate the EEO requirement that broadcasters recruit for every vacancy that occurs (RBR 1/24 p.3). NAB had argued that mandating a separate recruiting effort for each and every vacant job was no longer necessary, since 30 years of broadcaster compliance with EEO regulations had resulted in minorities and women making great inroads in the broadcasting industry. The FCC said NAB failed to prove its case and rejected the petition to reconsider that part of the new EEO rules adopted in January, along with rejecting other modifications sought by the broadcast trade group.

Commissioner Harold Furchtgott-Roth dissented from the FCC order and argued that the new EEO rules "suffer from essentially the same constitutional and statutory flaws as the original set" which were struck down in 1998 by a federal court. The dissenting commissioner also accused the Commission and Chairman Bill Kennard of misrepresenting his previous objections and said he felt compelled to "correct the record." Furchtgott-Roth said Kennard had incorrectly claimed that his objections dealt with statutory provisions and asserted that his objections were, instead, rooted in the same Constitutional issues which has led to the federal court striking down the FCC's original EEO rules.

Continuing the tit-for-tat spat, Chairman Kennard issued his own statement which charged that Furchtgott-Roth's dissent "contains a number of erroneous statements." Kennard denied that he had misconstrued Furchtgott-Roth's previous dissent and tried to turn the commissioner's own words against him, insisting that Furchtgott-Roth (as interpreted by Kennard) "was right the first time."

MBR observation: Why does this somehow remind us of Florida ballot counting?—JM

### Radio execs upbeat on 2001 outlook

Single-digit revenue growth may not be so impressive after a couple of years of the strongest growth radio has ever seen, but it's hardly anything to moan about. Radio executives presenting at the UBS Warburg Media Conference in

New York were unanimous in saying that they're expecting to grow next year and continue to take ad share away from newspapers.

Viacom (N:VIA) CEO Sumner Redstone told the annual gathering that radio is one of the four big growth areas for Viacom, along with cable, outdoor and television. "Yes, radio is coming off 20% last year, which makes comps for the first half pretty difficult," Redstone noted, but he said that will change in the second half of 2001. The Viacom CEO denied that the decline in dot-com advertising has had any impact on his company. "We are having no problem replacing them," he insisted.

Although consolidation and a strong economy have helped radio groups raise CPMs in recent years, Emmis Communications (O:EMMS) CEO Jeff Smulyan said radio is still very cheap for advertisers when compared to other media. "We've raised our prices a lot. We have a long way to go," he told the conference. Recession or not, Smulyan expects his company to grow in 2001. Noting that Emmis has recently acquired \$1.5B in under performing radio and TV stations, Smulyan said that "should give us a great year in the next year regardless of the economy."

When all the numbers come in for the current year, Cox Radio (N:CXR) CEO Bob Neil said his radio group may not be in fourth place, but may surpass Disney's (N:DIS) ABC Radio to take third place, behind the industry's two giants. In any case, he says, Cox and ABC are going to be very close revenue-wise. While some people may be talking about single digits, Cox is expecting pro format net revenue growth of 10-12% next year, translating into broadcast cash flow growth of 12-15%.

Despite the proliferation of new Spanish radio stations, Hispanic Broadcasting Corp. (N:HSP) CEO Mac Tichenor told the UBS confab that, "By and large, the Spanish market in this country is still underserved as far as radio is concerned." Tichenor indicated that HBC is still in the market for acquisitions, saying that the company would like to own at least three FMs and one AM in each of its markets, and that the company may expand its focus from the top 15 Hispanic markets to the top 20. But with depressed stock prices holding down the prices that public companies can pay for acquisitions, CFO Jeff Hinson noted that, "Seller expectations are lagging where the market is."—JM

### History is made

Live broadcasts weren't permitted, but for the first time ever, radio broadcast proceedings of the US Supreme Court the same day they occurred. At approximately 11:40 a.m. Eastern Time, 12/1, networks began airing the court's audio tape of the just-completed arguments in the case of GOP Presidential candidate George W. Bush against various Florida election boards. No video or still photography was allowed, so it was a audio event—whether you were listening on AM, FM, TV, cable or the Internet. The courts official tapes have been released in the past, but never before with a timely turnaround.—JM

## Bonneville scores in Windy City

Bonneville International has won the bidding for William & Sonia Florian's WNIB-FM Chicago and its North Shore simulcast station, WNIZ-FM Zion, IL. Combined, the signals (on adjacent frequencies 97.1 & 96.9 MHz) cover the market from Portage, IN to South Milwaukee, WI. Bonneville is paying \$165M for the stations.

Chicago is currently the only US market with two full-coverage commercial Classical FMs and Bonneville President Bruce Reese says the company will conduct extensive research before deciding what format is best for the new acquisition. He's not, however, ruling out Classical. "There's certainly a possibility," he told *MBR*. "We like the Classical format," adding that Bonneville's KDFC-FM San Francisco may be one of the fastest-growing stations in the country. (Bonneville also owns long-time format leader WGMS-FM Washington, DC.)

Bonneville's current Chicago stations are Modern AC WTMX-FM, Hot AC WNND-FM and Rock WLUP-FM. Jack Minkow & Bob Heymann of Broadcasting Asset Management were the brokers.—JM

## Allen nabs 1-On-1

Vulcan Ventures, the investment arm of Microsoft (O:MSFT) co-founder Paul Allen that owns KXL-AM & FM Portland, OR and The Sporting News, is acquiring the OneOnOne Sports network for \$100M. OneOnOne will be rebranded as "The Sporting News Radio Network." Chris Brennan, OneOnOne President/CEO will run the net under the title EVP, The Sporting News. OneOnOne is currently cleared on 400 affiliates, including its three O&Os in NYC, LA and Boston. \$65M of the purchase price is allocated to the three stations.

Says Bill Savoy, Vulcan President: "The synergies are many between these new radio properties and programming, and our print and online business at The Sporting News—including potential future joint broadband initiatives."

1on1sports.com says it is the #1-ranked sports channel on the net, according to Arbitron. Greenbridge Partners LLC was the financial advisor for the deal.—CM

## People meters ready for US test

300 people in the Wilmington, DE market will be the first Americans to carry Arbitron's Personal People Meters (PPM), following a test in Manchester, England that's been labeled a success. Most of the 38 radio, eight TV stations and 25 cable TV channels in the Philadelphia area that will participate are already broadcasting the inaudible tones that the PPM records. Also, new software to eliminate the "echo effect" that some Philadelphia DJs have complained of is expected by 12/1. Look for the first results of the Wilmington test in early 2001, with a larger-scale test to follow throughout the entire Philadelphia radio/TV market (Wilmington is a separate market only for radio).—JM

## Radio share up again in July

By Jack Messmer

The numbers confirm what many in the radio industry have been saying—radio's share of total ad spending is rising.

For July, based on Miller, Kaplan, Arase & Company's X-Ray markets, radio's share of major daily media ad spending increased from 17.09% in 1999 to 20.23% this year. That continued a trend that's seen radio slowly gaining ground for a period of months—but became more pronounced in the June report. Share gains were widely distributed, which bodes well for the trend to continue. As expected, Internet/E-Commerce spending declined in July from the previous month, but even so, radio's share of the spending that remained moved up nearly five percentage points.—JM

### Miller Kaplan Total Media Index July 2000 (Expenditures in 000)

Category	Radio	TV	Newspaper	Total Media	Radio % of Total
Automotive	67,994	213,792	202,813	484,599	14.03%
Restaurants	24,147	90,113	4,843	119,103	20.27%
Department Stores	9,361	19,448	91,525	120,334	7.78%
Foods	13,751	36,713	1,162	51,626	26.64%
Communications/Cellular	32,716	51,986	73,200	157,902	20.72%
Furniture	10,979	28,351	46,646	85,976	12.77%
Financial Services	17,109	16,418	41,582	75,109	22.78%
Movies/Theater/Concerts	17,251	29,999	72,818	120,068	14.37%
Grocery Stores	12,347	13,874	19,043	45,264	27.28%
Appliances & Electronics	5,038	12,348	43,295	60,681	8.30%
Hotel/Resorts/Tours	6,618	6,850	38,758	52,226	12.67%
Drug Stores/Products	7,381	14,070	14,567	36,018	20.49%
Computers/Office Equipment	7,915	5,113	21,007	34,035	23.26%
Specialty Retail	15,363	17,339	25,407	58,109	26.44%
Health Care	12,216	19,104	15,436	46,756	26.13%
Auto Parts/Service	8,929	10,183	8,377	27,489	32.48%
Music Stores/CDs/Videos	5,600	10,609	3,296	19,505	28.71%
Transportation	4,896	3,126	12,426	20,448	23.94%
Entertainment-Other/Lottery	12,285	12,296	6,065	30,646	40.09%
Home Improvement	7,710	11,808	13,061	32,579	23.67%
Professional Services	11,667	15,607	11,224	38,498	30.31%
Beverages	28,318	25,352	1,352	55,022	51.47%
Television	14,590	5,150	10,974	30,714	47.50%
Personal Fitness&Weight Ctrs.	1,030	4,612	1,414	7,056	14.60%
Publications	4,352	4,026	29,060	37,438	11.62%
Internet/E-Commerce	26,331	22,700	11,065	60,096	43.81%
<b>TOTAL</b>	<b>385,894</b>	<b>700,987</b>	<b>820,416</b>	<b>1,907,297</b>	<b>20.23%</b>

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:



**Henry Callie**— VP/GM of Clear Channel Communications WODE-FM and WEEX-AM Allentown/Bethlehem



**Steven Sinicropi**— GM of Infinity's WKRK-FM Detroit

## 1

### What is your theory on surviving Q1?

**Callie:** One of the most important things is how you approach it mentally. When I was an account executive, I had some of my best sales in Q1 because most of the other radio people around town would be saying how slow Q1 is, but I would go out and hustle more. I tell my sales staff to do that because the businesses are coming off of Q4 and their wallets are probably pretty fat and their doors are all still open for business. I think that the better you do in Q1 the less pressure there is on Q2, Q3 and Q4. If the sales team makes more calls than they usually do with that in mind, then Q1 doesn't have to be a situation of "survival." Nothing is really different in Q1 because the businesses are all still open, selling the same products and our listener base is the same. The only difference is how sales people approach it.

**Sinicropi:** The unique thing about our station is that we have been in the format of FM Talk for two years and we are relatively new. Q1 last year was a big increase from the previous year. We are expecting a pretty robust first quarter this year. I think it's because we are sort of still in the development stage of our format. We have a lot of newness which opens the way for a lot of growth. We are counting on a good first quarter. The first thing that we did to help deal with Q1 is stack the calendar with events that we can tie clients into. We know that this will generate revenue and build audience. It's important for our sellers to have plenty of lead time to get that all sold early. I can't announce exactly what the events will be right at this moment.

## 2

### What do you do to motivate your staff?

**Callie:** First of all, they have to have the same mind frame that I do. It's not a situation of management propaganda. We give bonuses predicated on increased business on the previous year, it's not just "hey go out and work hard and here's your bonus." It's more like "go out and work hard and do better than you did last year."

**Sinicropi:** We don't really give our sales associates any type of incentives because we believe that our people are well motivated by the commission rates. They know that they are well served to

work in advance to get that Q1 business. We typically like to go into the month at or above 75%. Our objective is to be at the January budget when January rolls around. That really means working on it in November and December.

## 3

### What are you doing to motivate the clients?

**Callie:** Generally what we do, is for people who spend a certain percentage over what they spent in Q1 of last year, we offer them a merchandise rebate in the amount that they spend over last year. It's not a trip or anything like that. We have a listing of goodies that they can choose from. I like that because not everyone is into trips. What this allows my staff to offer them is a choice of whatever suits them individually. We don't lower our rates at all in Q1. We establish our rates for the year, but what we do is provide additional commercials, as inventory will allow. For example, for every three commercial you buy at rate card rate, we'll give you a free one. My strong belief is that a commercial on my station is worth the same amount in February as it is in December. Everything is still the same. But it's no secret that I may have a few more commercials in Q1 than I do in the end of the year. I am more than happy to bolster somebody's schedule with additional commercials with no additional charge to them. I do this because I might as well use those commercials for my good clients to tell them that I appreciate their business. But we don't have to address the issue of a \$50 commercial in January and \$100 in April.

**Sinicropi:** One of the things that we will try to do for the clients who get in early is give them the unsold inventory, which is always a possibility in the first quarter. We take extra good care of the advertisers that are large and have made early commitments to the radio station. We try to create value with our advertisers so that if there are fewer advertisers in Q1, it's a great opportunity for people who want to have a larger share in mind of the people who are listening. This is especially for those advertisers that have a limited budget that want to make a big impact. In first quarter they can cut through the clutter and stand out. We go to some of those advertisers and put together programs where they really will be able to stand out.

## 4

### How did you get into radio?

**Callie:** I had been working in sales in the health club industry and I learned about a sales position opening in radio. I am a musician and music has always been my thing so there was a natural connection there. I moved up the ladder from there.

**Sinicropi:** I was selling a jewelry in Iowa and Rolf Pepple, a sales manager for the local radio station, came in to buy some jewelry for his girlfriend. He said that I was a good salesman and asked if I wanted to come work for him. I asked what he sold and when he said commercials, I asked who would want to buy those? He said trust me, a lot of people. I came in for an interview, got the job and went on from there. We are both now GM's for Infinity stations.



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Get your atlas ready because MBR is heading out to find out what makes state associations tick. In our series, "State of the States," we discuss the hot topics and concerns of each state association. This month, MBR associate editor Elisabeth Derewitz spoke with Larry Timpe, North Dakota Broadcasters Association Board Member about their convention which was held September 13-14 and Jim DuBois, President and CEO of the Minnesota Broadcasters Association about their convention which was held October 4-5.



## NORTH DAKOTA

### What hot advertising categories were discussed?

The sessions were offered on how to do sales and how to contact people. Everyone thought that the sessions were outstanding. The Internet was discussed in the one session and the opportunities that exist for broadcasting and sales. During the Chris Lytle session, we got tips on how to contact those businesses that were reluctant to advertise in the first place.



(L-R) Chris Lytle, Apex; Beth Helfrich, Exec. Dir. of NDBA; Roger Dodson, VP of RAB

### Was there talk about streaming?

Not a lot of us are streaming as of yet. Some stations have discontinued streaming due to ASCAP and BMI requirements for any advertising that they are selling on the Internet. That issue hasn't been resolved yet. I know that other stations have stopped streaming because they haven't seen a profit from the e-commerce.

### Were there discussions on political advertising?

Lori Holy from the NAB conducted an entire session on political advertising. She brought hand-outs to clarify the rules. She covered just about everything that could come up and she answered all of the what-if questions that came from the broadcasters in the audience. She was cautioning stations to make sure that they were offering the low unit rate possible and she explained when this rate applied. A lot of people had confusion on whether that had to do this for issue advertising or not.

We didn't talk much about the national issue of free airtime. We are all opposed to giving airtime carte blanche to the politicians because we know what we happen. They won't stop advertising and they will just increase their advertising other places if they're not needing to spend money on radio and television.

### How has consolidation affected North Dakota?

Just about every market in North Dakota is affected by consolidation. We were all surprised that there was such a huge turn out because one of the fears among broadcasters is that with consolidation, companies will start to say that they don't need to go to these things, or we don't need to send that many people. We thought that this was going to happen a long time ago. That was not the case. We had our largest attendance ever at our convention.

### What was the highlight of the convention?

You usually have to go to a national convention to get the kind of presenters and sessions that we had this year. We basically have a one-day convention, for some of those people like Rodger Dodson, Lori Holy and Chris Lytle to be here is amazing. These people were all of high quality. Everyone came away from the convention with a very positive attitude not only about the industry itself but the North Dakota Broadcasters Association as well.

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

No we don't. It will be decided some time shortly.

# MINNESOTA

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

Clearly the message came out that broadcasters are very concerned about LPFM and the FCC's EEO requirements. Those were the two most prominent issues on the broadcasters' minds. There are concerns about the record keeping required by the EEO rules and what "broad outreach" really means. With LPFM, the concerns remain the interference issues, whether we are going to find the FM band's integrity seriously compromised by the introduction of all these new LPFM stations. These concerns were discussed with Roy Stewart, the FCC's Mass Media Bureau Chief, who was one of our guest speakers. He assured the broadcasters that the FCC would do nothing to compromise the integrity of the FM band. He took questions from the audience and responded to some rather heated comments and concerns from the broadcasters. We learned that Roy supports both of the initiatives, but believes that the FCC has not acted without regard to the spectrum integrity. He doesn't feel that there will be the "interference Armageddon" that some broadcasters are fearing.

## Was there discussion about advertising topics?

There was a session with Jeremy Schwartz from Forrester Research. He spoke about the Internet's impact on radio. By and large, he said that the problem was that radio doesn't have a plan to utilize and exploit online technology, nor does radio have a plan to react to the potential impact that online audio services might have on traditional radio broadcasting.

Not many of our stations are streaming. Clearly some of the larger markets are streaming, but a lot of the smaller stations

are still trying to determine what kinds of resources they want to commit to an online presence.

## Did discussion take place about political advertising?

There was no specific session on political advertising but the issue of free airtime came up and clearly the word from broadcasters was a resounding "no."

## How is consolidation affecting Minnesota?

We have been impacted in a similar manner, as have other state broadcasters and even nationally associations as well. We have seen attrition in the number of people attending our conferences over the last couple of years. We used to hold two meetings, one in January and one in September or October. Now we just do one because of a decline in attendance. We still see a lot of independent broadcasters coming to our meeting. There is less participation from the large groups, but what we are struggling with is an issue of time. It's so difficult now for anyone to get away from the office for two days. I think that the other issue is that a lot of information, regardless of how good our agenda is, is available from other sources. Clearly there are a lot of good online resources that the NAB has. The trade publications, such as RBR, do a great job of recapping the meetings. People who are looking for bulleted summaries of what went on can easily find that online or in a trade publication. That is changing the nature of our meetings.

We have also switched away from the social aspect. With the pressures on management, I think that it is hard to justify sending your staff to travel simply to network. With consolidation, the large groups can bring in the top-notch sales trainers. They can conduct their own

meetings. All of us are challenged with reinventing our conventions to strongly focus them and offer information that you can't get elsewhere.

Clearly we have to be smarter when we put together our conventions. There's a danger that we may have to pare our meetings down if we cannot get a critical mass of attendees. We want our meetings to be revenue generators.

## What was the highlight of the convention?

I think the highlight was hearing from Eddie Fritts and the tremendous work that the NAB does on the national issues such as LPFM and EEO. The feedback I got from broadcasters was that they were pleased that Fritts would come to our association and update us personally.

Also, we held a job fair, which we had promoted heavily through a PSA campaign. We had an extremely good turnout. We also targeted minority organizations and we had participation from about 50+ television and radio stations. A convention can get together a critical mass of broadcasters in one place and use the power of those stations' airwaves to drive traffic to a job fair.

## Were there any failures?

One thing that we have to watch very carefully is the viability of an exhibit hall. When you have fewer attendees there are fewer people walking through the exhibit hall and fewer people going to the exhibitors. The exhibitors become frustrated when they don't see the foot traffic. A side effect of consolidations is that so many of the buying decisions are made on the corporate level as opposed to the stations level. So many of the people going through the exhibit hall really aren't qualified prospects. The best they can do is recommend, but they are not the decision makers.



**Minnesota Broadcasters Association**

## The Perfect Sale

by Mitchell Scholar

The “perfect” media buy relies upon several factors. One of the most crucial rests in the ability of the buyer and the sales person to work as a team. As a twenty-five year veteran in media buying I am well suited to create a criteria for the “ideal” sales person. Over the years I have seen the best and (dare I say) the worst of the crop; winners, with great efficiency and knowledge of what they sell and others who might well have considered alternate career paths. A metamorphosis has occurred in the relationship between Buyer and Sales Rep.

Early on in my career, I was taught that the sales person was an adversary who would only respond to tyrannical tactics, screaming and yelling, demands peppered with intolerance and even (by today's standards) verbal abuse (no one knew what that was 25 years ago!) All of these tactics would be heaped upon the sales person in an effort to get the job done: to get the best rates and the super deals, so that we, the buyers could satisfy our clients, who were making similar demands on us. Clients yelled at us, we yelled at sales people and, so on and so forth. The working relationships were, in a word “tense”.

None of it worked. Soon, I came to realize treating sales reps fairly and with respect was far more advantageous, leading to a more cooperative working relationship. In the meanwhile, what began to emerge from sales were professionals who had a depth and breadth of knowledge of the properties they represented, an ability to intelligently discuss those properties in detail. This is perhaps the single greatest virtue a sales person can bring to the negotiating table—a full and complete knowledge of their product with the communication skills necessary to present coherently; not hard selling but “presenting” various options for the clients.

A good sales person realizes their buyers/clients will tell them everything they need to know in order to make the sale. This takes asking questions but it also takes an ability to listen carefully to what is being said. A blitz presentation, full of run on sentences, with no breaths or pauses is, to the buyer, a barrage of information incapable of absorp-

tion because it is rapid-fired. It is shooting buck shot at the barn and is, without question, the worst approach a sales person can take, if their objective is to close on a deal. It reeks of “used car” salesperson tactics and should be avoided at all costs. Worst of all it makes the sales person appear nervous, which translates into lack of confidence in their ability. Let your clients and your buyers get a word in edgewise.

More over, ask them questions as much as



Scholar

you tell them what you have to sell. Don't shoot all your bullets at once. Even if you have the perfect solution to the buyer's needs, hold back, and let the buyer think you have taken time to fully assess their objectives. Let them think you are earning your commission. A fast and easy solution, as if it is pulled out of your hat on the spot, is good, if you are doing a magic show, but does not convey reflection or effort. We want to think you are giving us both reflection on our needs and an effort in satisfying them. And, remember, your clients will tell you everything you need to know to make the sale if you ask the right questions.

The intelligent buyer has his/her finger on the pulse of the industry. Remember, we have other salespeople who feed us information too. Blending the information that is received, the buyer gains a good sense of what is happening in the marketplace. Don't insult the buyer's intelligence. Assume they are well aware of the health of the marketplace, be it tight or otherwise. Hyperbole and the omission of essential data in order to make the sale is not a good approach to success. Failing to free your sales presentation of both

is not a good way to either win friends or influence people. It is, however, a guaranteed way to end up being taken off the buy. Though far less frequent in occurrence, this tactic still does exist. Sales Managers should be very much on top of their staffs, to vouchsafe that neither shortfall ever manifests within a sales presentation.

Last, is what I call “spaghetti selling.” Here's the scenario: I have new business up. Before long it's common knowledge and before

long my phone starts to ring (and ring and ring). Everyone has the perfect solution for our client. The reality is that few will have what I need. Though I appreciate the ambition of sales people to be at the top of their game. We are not cooking pasta, and throwing it at the wall and hoping that it sticks, is not the best way of selling anything. Mostly, it's a conveyance to the buyer that the sales person really isn't listening to the objectives.

I contend media sales would increase if sales people took more time to make the determination if they have the vehicle best suited for the client or not. To make the initial call a “fact finding” call, so that

a modicum of time can be given to determining if what you have to sell is in fact what the buy needs, makes for long term success. Building a relationship is what you want and not a quick sale. We are all far too busy to throw spaghetti against a wall, with fingers crossed, hoping it will stick to something. If you do it too often, the wall will get very messy.

Target your sales. In the long run your buyers will come to respect you as a viable force in sales if you don't keep going for the long shots. No one can hit the hoop from center court all the time. It always takes team work, inching your way in closer so that more accuracy can be applied, more precision can be demonstrated in sinking the ball. Both buyers and sales people would benefit greatly by remembering we are all on the same team, working together to make successful campaigns for our clients as well as satisfying and lucrative careers for ourselves.

Mitchell is Director of National Radio at NY-based Horizon Media. He can be reached at [mscholar@hmi-inc.com](mailto:mscholar@hmi-inc.com) or 212-916-8600.

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## MORNING DRIVERS SPEAK OUT!

By Carl Marcucci

Morning drive is by far the highest cume daypart on radio. Because of that, the slot has traditionally been reserved for local talent...and local spots. According to an Interep study, 7-9AM finds the most listeners, actually peaking between 7:30-7:45. Even in the early hours of 6-6:15AM, more people in that study of Top 10 radio metros were listening than at 6:00-6:15PM! So when a syndicated morning talent gets clearance, you can bet the program has been well-proven in other markets. For this installment, MBR asked a veritable cornucopia of personalities, and their syndicators, to describe the science of morning drive—the ups and downs; ins and outs; rights and wrongs.

So how does one get used to getting up that early every day? "Practice by getting up at 4:07AM every day for 20 years. Take the fastest shower in the world, eat no breakfast, pray for a willing audience and no traffic, and be funny or else!" confesses Premiere's Rick Dees. "People say to me, 'I bet you're used to getting up at that hour,' and I reply: 'SLAM the bedroom door on your head every day for a year, then call me and tell me if you've gotten used to it.'"

### Not an easy clear

There are a number of reasons morning drive is the toughest clear. A lot is at stake. Because listenership is at its highest, management wants to control inventory as much as possible—the daypart represents the cash cow of local advertising. PDs also want control of morning drive content. "It's the hardest time of the day because most of the time stations are trying to generate their own local and live feel," observes Mark Masters, Talk Radio Network CEO. "The show has to be just absolutely phenomenal for a station to even consider taking a syndicated program in the morning. Morning drive is tough. There is nothing more tough."

"People don't want to give up their morning drive inventory. If they can't make it in the morning, then they can't make it in anytime of the day," adds Doug Stephan, who self-syndicates his morning gig to 234 affiliates. "One of my mentors whom I worked for at four different radio stations since 1968, most recently KABC LA, encouraged me to syndicate. But he always said I should be on from 9AM-Noon or 10AM-2PM—he thought I would frustrate myself. A lot of people thought I wouldn't be able to survive."

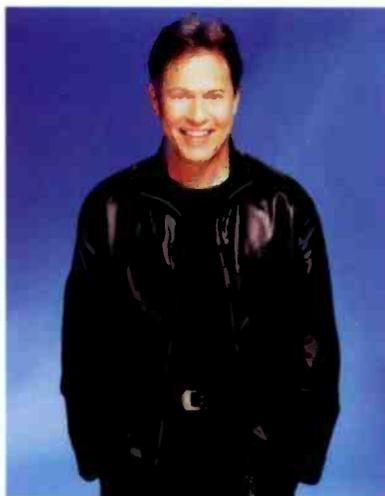
"The old saying, 'as goes mornings, so goes the station,' has a lot of truth to it. Broadcasters have to be convinced that the show they're considering is a proven winner. That takes time. Also there is still a strong sentiment among many broadcasters that their station must remain local to compete effectively," adds Tony Garcia, Director of Syndication, Jefferson-Pilot Radio Network, who syndicates "The Bob and Sheri Show" to 58 affiliates.

"It's the Holy Grail, it's radio's prime time," confirms ABC Radio Networks President Traug Keller. "So you can't go about doing it unless you clearly have proven breakthrough talent. You know, Joyner did not start out right in the mornings. Doug Banks didn't start out right in the morning. They emerged as powerhouses in allowing stations to take a chance on it. If they're strong enough talent, then they pay out—and that's clearly what's happened in the cases of these two programs."

Marty Lambert, who handles the John Boy & Billy show for AMFM/Premiere, agrees, but adds that stations aren't likely to find talent on their own that can bring in the kind of ratings as syndicated product. "In my opinion, morning drive is not as difficult to clear as any other daypart. It comes down to performance. A great many markets in the US cannot afford to bring this caliber of talent into their morning drive slot. It becomes cost-prohibitive. Not to mention that if the talent they hire is that good, they usually move on to bigger and better markets in a short period of time. To be able to lock in a successful, proven morning show is key to set the pace for the rest of day on the station. Mornings are the anchor."

"I've always found it amusing that radio stations think that their shows have to be local. They do have to be a little bit, but there are some issues that they have to deal with—news and stuff like that," Westwood One's morning driver Don Imus tells MBR. "But the consumers are all exposed to the same television shows, essentially the same magazines, the same movies, and particularly now with the Internet. Almost everything is local to people."

To help get a morning show cleared, some shows structure themselves to be as accommodating as possible to local inventories and content. "My show is kind of morning fringe—5 to 6 AM ET. At that hour of the morning, clearly you are talking about the most valuable time that a station has, therefore, they don't want you to take very much of it if at all possible. It helps to be extremely flexible, far more so than any other time of day," says Westwood One's Jim Bohannon. "You've got to give stations a chance



Rick Dees

to cover their commercial inventory, their traffic and weather checks, or otherwise there won't be much interest in your product no matter how good it is. With the "America in the Morning" program, we go out of our way to have all kinds of cutaways so stations can stick in their local spots, sports, traffic, weather, news what have you. In fact, I've always said the best way to demonstrate America in the Morning is not with a demo tape per se, but with an aircheck of an affiliate who uses it other than in a turnkey manner and really does localize it."

And others use the positioning and logic, in clearing affiliates, that quality counts—and quality talent is expensive to bring and keep in-house. "Morning drive is harder to clear as a syndicated product simply because of the misconception of some programmers. They feel that they lose their local feel, or localization with a syndicated morning show...and that they need to have the AM Drive jock be present to go and do remotes at the local furniture store on Saturday," says Dean Mutter, who clears "The Steve and DC Show" from Emmis' KIHT-FM St. Louis to 15 affiliates. "A syndicated program like Steve and DC provides as much, if not more local information than many local shows do. We deliver 35 minutes of 'entertainment' an hour and 25 minutes for 'local content.' A local music show probably delivers about the same. If you play seven to eight songs an hour you are leaving the same 25 minutes an hour for local content and spots. The difference with our how is, our 35 minutes are unique, funny, compelling and ratings-grabbing entertainment content. Plus we deliver this big program for a fraction of the price. Most stations couldn't afford this level of talent, especially in smaller markets."

## Taking it national

"Local radio—I used to call it, 'Hello, this is Jane, my cat is up a tree.' I called it 'Cat up a tree' radio," complains Talk Radio Networks' Bob Dorman. "Local radio has never been the same to me as national. The responsibility of opening up your mouth and being heard from coast to coast—it draws a different caller than local shows. So I was never enamored with local radio in LA."

What does it take to move from the local to national arenas? It isn't all that easy to virtually forget about a market that has been a host's bread and butter since day one. It's a huge leap and a big risk. "The hardest thing for me was we had to just un-Charlotte everything. Because for 13 years we were there. We had to switch to this regional appeal," says John Boy, of "The John Boy & Billy Show." "We feel like if something is funny, it doesn't matter if it comes from Mobile or Charlotte. We still have 15 seconds out of stopsets where stations can have their call letters and be local."

The program, which originated at WBCY-FM Charlotte in 1980 and then WRFX-FM, now appeals to both Country and Rock formats—91 to be sure. "We started in Rock and we just added Country a year or so ago where we could do it. For instance, in Greensboro, we were on Rock 92 there. We were #1 in the market and we switched to WHSL which was our first Country station. We went to #1 there within two weeks." The show was syndicated in '93.

Says Eric "Mancow" Muller: "It's really an excruciating pain in the ass because part of the charm and joy of doing a radio show is talking about the local haunts and this kind of thing. The minute you syndicate, you've got to make it generic."

Tom Griswold, half of Premiere's "The Bob and Tom Show," agrees it takes a decided effort: "You're really taking a medium that most people just assume is local. You've got to educate your phone callers, your guests. Your guests just can't come in and start talking about the weather and your local sports teams. You really have to be-



(l-r) Bob Kevoian, Tom Griswold

come kind of the USA Today of radio"

To keep the show strong across the board, Bob & Tom are in the midst of taking their show to the next level. "We have, over the course of the last year, made a number of major changes in the show. Q95 [Indianapolis] PD Marty Bender is now handling our show exclusively. We've been doing research in different cities and focus groups to find out what works and what doesn't and how we can improve," says Griswold. "There are certain markets you're going to go into where you're up against incredibly good heritage morning shows. What we're trying to do now is using our size to get really good guests. We've had the guitarist from Black Sabbath, Peter Frampton, The Doobie Brothers, Sammy Hagar and Steven Wright. We're getting major acts because people find out when they come on our show they get huge exposure. We did a thing where we had 1.7M hits on our website between 8AM and 5PM."

"You have to have a show that people can relate to and really know who your target demos are. If your show does well on the local level by doing local stuff, you don't stand a chance. The way we look at it, people are people. Market size doesn't matter. If you think your listeners are sophisticated because you're in New York, think again. There are interesting people everywhere," says morning drivers Lex & Terry.

Adds Stephan: "The same things apply to morning radio nationally as to locally. You have to hit the emotional buttons, you have to understand what inspires people, what entertains them in a particular niche, more of an age group."

## Don't call us...

Morning hosts (and any dayparters, for that matter) can basically forget about going out and finding someone to syndicate them, unless of course they go through a syndication broker like Talk America or Abernat. If they're syndication material, the networks will find them. "It's just people being aware of what you can do. I've never really been one who sends out tapes and looks for new jobs. People have always called me and said 'hey, I think you're good and we're going to do a national thing...would you be interested?," says Tony Bruno, whose show airs 5-9A PT and 8-12 ET on Premiere's Fox Sports Radio Network. "So when ESPN originally did that, when I was doing local in Philly, they felt I was ready to do a national Talk show. I left ESPN 9/99. I was out of work nationally. That's when Kraig Kitchin contacted me and asked if I would be interested in joining the Fox Radio Network."

ABC Radio Networks' Tom Joyner agrees: "I didn't set out to do this. I just happened to be at the right place at the right time. Timing is everything. I don't know what it takes. When I tried to do it, I didn't get anybody interested. And then one day it happened. I don't know if there's anything you can do to prepare for it. It's not like there's a market out there for syndicated radio personalities where you go out there and apply."

And some have their own unique strategies... "It took a lot of ass-kissing and having some pictures of certain bosses in compromising positions with some small barnyard animals," says Superadio's Russ Parr, who syndicates his urban Morning show to 13 affiliates from WKYS-FM Washington.

## Feedback

Keeping the show fresh is a constant challenge for the morning personalities we talked to. It's much harder to appeal to fifty markets than just one. Therefore, everyone relies on their own support mechanisms for improving the show. "Especially with our audience. A black-programmed radio station or a black programmed

show, with the African-American audience, you have to be personable. It's difficult to do that when you're doing a syndicated show because you're not there, you're not in their town, you can't touch and feel and kiss. So you have to do it every chance you get," attests Joyner. "I answer a lot of phone calls, I answer all my mail and email, which is considerable—I get like 2,000 emails a week. I probably answer about 1,000. That's one way. Where we get to touch and feel and kiss is we go out practically every weekend and do what we call our sky shows in venues that hold 2,000-3,000 people—we put on a party. We make it a huge event and usually stay that weekend for events that are planned by the radio station in conjunction with an event that's going on there."

"All my managers here, the producer, affiliate complaints or compliments, listener comments. There's no formal system per se, but whatever input is made, we go with that. If I get within 50 miles of an affiliate, I visit them, I drop in, do a little quick interview segment, cut some liners, time checks, station breaks, meet the sales and news staff, whatever they want," Bohannon tells *MBR*. "I probably do three or four dozen of those a year. I'm huge on that. My view has always been we are in the wholesale business and retail outlets are affiliates. Without the retail outlets, we're the world's largest intercom."

"We look at the numbers, obviously. There are some key members of our upper management whose instincts and opinions we respect," says Bob Lacey & Sheri Lynch of "The Bob & Sheri Show." "However, mostly, we listen to our listeners. Over the years they've made it clear that for example, politics are deadly for us. A little body humor goes a long way. And more than anything, they love the relationship between us, no matter what we're talking about. We never get very far away from their lives, and they can hear it."

Feedback is crucial to the show, agrees Garcia. "Our hosts read e-mail from listeners daily, and we meet at least a couple of times per week to discuss how things are going and discuss affiliate feedback. Our affiliates get a daily promo feed and we do daily customization for affiliates ranging from liners and promos to commercial endorsements to contest execution. We also travel extensively doing appearances in affiliate markets."

Lex & Terry, syndicated in 17 markets from WFYV-FM Jacksonville, also let the listeners be the judge for the show's content and flavor: "We rely on our callers, our wives and defiantly not our syndication guy. We can tell when there's a buzz on the show by the phone calls. We can tell you that we just went on in Nashville and in a year we should be #1. You need to rely on the book. That's what we're all still judged by."

"I depend on people in bars and greasy spoons

and that kind of stuff," says Mancow. "That's what I care about more than your jack-leg consultants or your button-down PDs. If PDs were so good, they'd be earning a living."

Griswold, who sports 100 affiliates with partner Bob Kevoian, chooses a more scientific methodology: "Research. It's done independently—it's not me calling my friends. We use an independent firm that does focus studies. We want to take it up a notch. They're telling us which of the things that we're doing are working. It's a little bit weird, it seems like the cart before the horse sometimes. I haven't been too surprised, but some of the stuff that I thought was incredibly great, people hated. And some of the stuff I thought was just awful, people loved."

"I have three consultants and they listen to my program every day, and I will have a conversation with them individually because they don't



*Jim Bohannon*

know necessarily that I'm working with the other one," confesses Stephan. "I'm carried on a lot of stations within a particular group, so the group guy acts as a consultant. He's trying to give me information that will help with his stations, and it's in his best interest to do that."

Says Parr: "I listen to my VP Programming Steve Hegwood—I listen to a certain point. You've got certain people that you trust and who you know really want you to do well. I also trust my co-host Olivia Fox, because she's in the demo of what I'm trying to attract. She's a very bright woman. So she understands. Sometimes I disagree with her, but I usually go with what she is comfortable with, because you never know, you may be offending a ton of people and if you're not sensitive, or smart enough to rely on people."

"Russ is a pro," responds Superadio President Gary Bernstein. "He understands how to win in

morning drive. He doesn't need hand-holding and ego strokes. He comes prepared every morning and the evidence shows every rating book. Morning drive is the most important daypart in a radio station's entire line-up because that is where most of the listenership occurs and where most of the potential dollars are available. It is also drives the rest of the radio station when one has a strong anchor like a Russ Parr. It is therefore the hardest to clear because a great mornings show can be the single biggest and most important decision for a radio station PD, GM or owner."

## Handling down ratings

"There will be no down ratings books in any of our markets. If there are, I will allow myself to be drawn and quartered, live on the air, to increase ratings," Dees pledges.

While not everyone is quite as committed to performing well in markets they've been cleared in, it is an issue—you want to, but can't please everyone all the time. Says Griswold: "Obviously, it's not a great story every place every time—there are no simple answers. Sometimes it's us. Sometimes we are the wrong product, sometimes we're not in the right situation. There are certain types of radio stations that our show works better on."

Market-to-market, ratings may have very little to do with how good the talent is, but how well the PD promotes them in other dayparts. Says Griswold: "There are certain stations that do nothing to promote us. Syndication is a weird situation. Sometimes you get people who are glad to have you aboard. Often you get PDs who say, 'These guys blow, I'm funnier than they are, why can't I put my own local show on?' We literally have people that are trying to sabotage us on our own network."

"It's tough trying to be on top because everybody is shooting for you to fail," Parr complains. "Even people that benefit from your show being successful, they like to see you fall down. So you've got to deal with those haters by ignoring them. And Lord knows, I ignore them. I'm saying this is who I am, this is what I am. If you guys can deal with it, let's go. And some people can't deal with that, and we've lost some stations [he recently lost WPHI-FM in Philadelphia] and we're going to lose more and hopefully, we can get more and make up for it. It's so hard to please everybody, so you just say this is what my show is and hopefully you guys can deal with it."

Personality conflicts aside, as John Boy sums it up, it really takes a team effort from everyone involved to make it a success on a market-by-market basis: "We try as much as possible to provide the product like a turnkey, but there may be stations that don't execute the show as well as some others."

## Improving streaming audio quality: overcoming the paradoxes

Why are we seeing some of the webcasters' business models fail? Quality could be one reason. We recently did a feature (RBR 10/9, p.9-10) that included agency buyers complaining that one of the biggest reasons they don't place streaming audio ads is the poor and unpredictable sound quality of webcasted signals. It's true—web listeners can experience such a difference in quality from site to site, even with the same computer and connection speed. A five-year-old PC running at 133 MHz with a 56K connection can deliver high quality, stable stereo sound via one webcaster and a dull, mono, hissy sound with dropouts on another.

Besides the quality and dependability of your ISP, there are many variables found in the pipeline between webcaster and listener that contribute to the final product, the first being compression. To transmit audio over the Internet live, an audio file has to be compressed (and later decompressed). "All audio must be compressed in order to transmit it over the Internet. Uncompressed stereo audio in the .wav format runs about 10MB (megabytes) per minute, so a three minute song will constitute a file of about 30MB. There are eight bits per byte. On a 56kbps (kilobits per second) modem connection running at maximum speed, a three-minute song would take about 72 minutes, or about nine hours. So obviously the audio must be compressed by a very substantial amount," says SurferNetwork.com CTO Harry Emerson, who offers a proprietary, "FM-quality" audio streaming signal to affiliates via a downloadable player.

Another factor is bit rate (the "xx-kbps," as displayed on most desktop audio players). Barring other factors, the higher the bit rate that is successfully processed by the listener's computer, the better the sound quality. Says Emerson: "There are two factors that govern bit rates that would be selected by someone for transmission over the Internet—audio quality and the performance of the compression software being used (the codec, for compressor/decompressor). On the lowest end of the scale would be voice compression as used in digital cellular phones—this typically requires a bit rate of only a few thousand bits per second [i.e. 3 kbps]. Very high quality stereo that is indistinguishable from the original CD is typically believed to require a minimum 128 kbps after compression—still much too high for typical modem connections. As a result of these factors, everyone who puts music on the Internet must make judgments regarding the likely connection speed of their listeners and the performance of the codec they have chosen."

Common bit rates are 16 and 24 kbps for a mono streamed signal. Some stream stereo at 32

kbps, but the threshold of quality stereo sound is usually 40 kbps to avoid noticeable artifacts from the compression—a high-frequency "grungy" or "swooshy" sound. However, a quality stereo signal presents a paradox: what happens if the webcaster streams at 40 kbps (which can get expensive, as we will note later) and someone with a 28K modem wants to listen? They won't be able to and the webcaster loses that listener.



Emerson

Therefore, as Emerson asserts, a major tradeoff is quality vs. number of potential listeners. And as far as audio quality is concerned, a high-speed cable modem or DSL line won't necessarily improve the quality of a well-connected audio stream. "A 56K modem connection should get the same sound quality as a cable modem, since radio is streamed at bandwidths well below that threshold," admits Chris Maskill, SVP/Founder, Activate, which supplies streaming for RCS Radio Show webcasting clients (among many others.)

A good many webcasters actually choose to stream at lower speeds just to minimize audio dropouts from Internet congestion and allow for the maximum number of listeners. One solution is to offer more than one stream. KPIG-FM Santa Cruz, CA, for example, offers mono, stereo and hi-fi (128 kbps) streams.

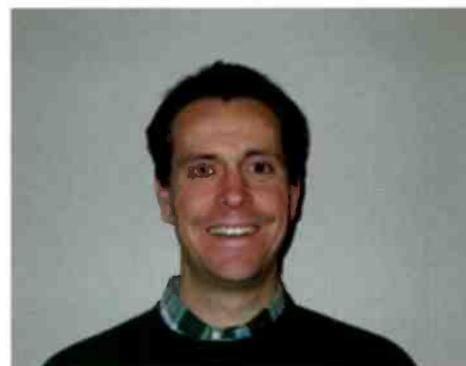
Internet congestion? Another factor. Dropouts are typically a result of certain locations on the Internet receiving too much traffic at a particular moment. In fact, Internet traffic is the single most important factor affecting dropouts, buffering and signal loss. The more users sharing a limited amount of bandwidth, the more congested that channel becomes. The typical end result is buffering. Emerson explains: "To minimize the number of dropouts that listeners will experience, technologists have implemented "buffering"—this means that you wait for 30 seconds or so after tuning in to an audio source while your computer stores up

data. When it reaches the buffer high water mark, it starts playing. When dropouts occur, the amount of data in the buffer drops because it continues to play—no incoming data while the outgoing data continues to flow (like your bank account if you are out of a job.) If the interruption is long enough, the audio runs out, you hear silence, and the system starts buffering again for another 30 seconds."

### Stereo vs. Mono

Some stations stream in stereo, some stream in mono—what are the differences technically and cost-wise? Well, for starters, it really doesn't make a difference cost-wise—bandwidth is bandwidth, whether in stereo or mono. "Do you want to represent the mono signal or the stereo signal?" asks Philippe Generali, President, RCS. "If you represent the stereo signal then you will have to worry about keeping track of the difference between left and right. Stereo takes more space. If you make it mono it's going to sound better—because you don't have to worry about representing the difference between left and right, you have more room to represent the core signal. So a stereo signal will either have a little lower quality, but you have the real separation of the signal and you have two different signals..." Most will agree a Talk or news webcaster should stick to mono.

Music formats, however, have more factors to consider. Says Bryan Jones, Product Manager, Broadcast Electronics: "The majority of Internet users today, almost 60%, are at connection speeds below 56k. Trying to stream to the internet in stereo at these low connection rates only further complicates the problem of the encoder trashing the sound because now there is twice as much information for it to try and get down the same pipe. The best signals on the Internet today for low connection rates are those that are streamed in mono."



Kreyenhagen

"A mono signal can in theory use less bandwidth than a stereo signal—and as with over the air broadcasting, a mono signal is more forgiving than a stereo signal," agrees Maskill. "But with today's codecs, particularly the latest versions from Microsoft and Real, a good stereo signal can fit in a rather modest (16 kilobit) amount of bandwidth."



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## Expensive

Offering a higher-quality streaming signal can become cost-prohibitive. Higher bandwidth equals higher costs. "Streaming vendors must consider bandwidth costs. Most backbone transmission providers (like AT&T, MCI, Sprint, UUNet) and web hosting companies that provide Internet backbone access as a part of their fee, charge based on bandwidth usage. Although pricing schemes vary, if you are transmitting a thousand 48 kbps streams versus a thousand 24 kbps streams, your bill at the end of the month will be double," confirms Emerson.

So while a 128 kbps signal may be CD-quality, Maskill adds, "Currently, broadband delivery of radio signals doesn't make economic sense to either the signal provider, or consumer of content. It is a general belief, that an acceptable level of quality can be attained using 16 kbps of bandwidth to the user."

The majority of radio stations and webcasters stream at speeds between 16 and 22 kbps. 12 to 16 kbps is often used by free (for-barter) streaming services. "It costs them less to stream at 16 kbps than it costs them to stream at 22, so why would they not stream at 16? It's a question of cost. Right now when you stream, your streamer is going to ask you what bandwidth you want to use. And if you go for 22 kilobits you're going to sound better, but it costs 50 percent more bandwidth. Therefore, your cost will be 50 percent higher. So this is a compromise between the quality of what they want to give to the listener and how much they're willing to pay for streaming," observes Generali.

While Maskill attests 16 kbps is satisfactory, even for stereo, he adds, "The free offerings also offer a degraded service because they depend on the Internet to retrieve the source radio signal—instead of the frame-relay solution that Activate has built. And the "free" services don't have the same quality connection to the Internet for delivery and can't afford to deploy as many servers to support the service. It all adds up to an inferior signal."

Nevertheless, a radio station that cannot afford to pay for its own streaming, and as many listeners may agree, it's better to have an inferior quality signal than no signal at all. Albeit, lower quality erodes the buying community's confidence and listener TSL, so call it another paradox.

## Improvements

Frame relay? Other than pre-processing at the radio station or webcaster's studio, using a frame-relay circuit in line is a great way to improve the quality of a streamed signal. "We acquire the signal at its highest-quality point, the station, and provide a direct-connect link, via frame-relay circuit, to our broadcast network," says Maskill. "No one else goes this far to insure a quality-sounding stream. And our distribution network includes components that have been especially tuned to stream live radio—which has different demands than other types of streaming."

The typical live webcasting chain from the sound source to the listener's computer consists of rack-mounted audio processors, a computer with an encoder running on it, linked via an ISDN or other mid-bandwidth line to a more powerful computer with the server software. The server is connected via high-bandwidth connection to the Internet. As of now, Internet relies on unicasting protocols. It means that each listener of the same webcasting stream is connected to the server and



Audioactive Encoder

gobbles the same amount of bandwidth. One way to improve on that chain is with Broadcast Electronics' eStream solution. "eStream replaces dedicated and expensive hardware components, moving pre-encoding audio processing to the computer, which is a necessary part of the chain anyway," says Jones. "There are two ways of doing it. One is to run processing on the computer's CPU. The drawback is that there are less CPU resources left for the encoding process itself. eStream takes a different approach. Placing audio processing on the dedicated audio card or cards allows you to properly process your Internet audio signal prior to encoding so that there is less work for the encoder to do. This allows the encoder to be more efficient and produce a better sounding end product."

Processing plug-ins provided with e-Stream include "C1c/sc"—ideal for improving the tone of Internet audio, especially for low streaming rates; "Renaissance Compressor"—for easy-to-adjust "broadcast sound." The RC gives powerful density and punch; "Q10"—a precision EQ that can be surgical or gentle, for shaping a sound or



Omnia-3net

moving difficult artifacts (such as hum or rumble); "MaxxBass"—based on Waves patented technology, MaxxBass is a bass exciter, which extends the low range of any speaker; "L1"—Maximum broadcast level is achieved with the L1, the world's most popular digital peak limiter.

As stated before, improvements in audio codecs and players are also being made. "We have announced RealAudio 8, which is a breakthrough in codec compression technology. With half the bitrate of MP3, it delivers the same CD-quality experience," says Jim Kreyenhagen, Product Manager, Real Broadcast Network. "Because it's all about bandwidth. The smaller the bandwidth, the more likely an end-user is going to get the stream. So if someone is on a 56K modem, and they are trying to listen to a station that takes up virtually

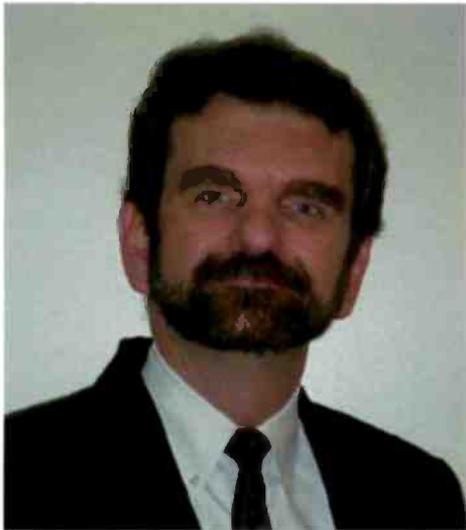
100% of that stream, you're not going to receive a good experience because everything you're also surfing for web pages and other things like that, it will interrupt the stream. So by delivering a 16 or 20 kbps feed to you, we only take up a fraction of that, and yet deliver a high quality listening experience."

Each encoder (i.e. Windows Media and RealAudio) uses a different data "reduction" scheme to maximize the sound that is passed to desktop players through a dial up modem or broadband connection. "The developers are always working on new data reduction schemes to deliver better sound quality to you," says Jones. "They do this by throwing out things

that the encoder thinks you can't hear. And that varies depending on what the source material is. Straight voice will sound better after encoding than will a symphony orchestra. The challenge in the encoding process is determining what sound to throw out and what sound to keep and send to your Windows Media or Real player."

Telos Systems helped pioneer another coding technology, MP3, with Fraunhofer Labs. The company markets an Omnia audio processor made especially for streaming—the Omnia "3-net." "Since Telos has been working with MP3 coding for so long, we understand how to get the very best sound from this technology. We better understand how the algorithms behave, and how to build better processing and encoding from them. Our Audioactive MPEG Realtime Hardware Encoder is a simple, dedicated solution for providing streaming services. Audio goes in, streaming audio comes out, at virtually any bitrate you choose," says Telos Systems Marketing Specialist Clark Novak. "Processing for the Internet can dramatically improve streamed audio. In the bandwidth-limited, reduced-bitrate world of webcasting, audio that's clean and clear is an absolute necessity. 3net is designed with net-optimized algorithms that can make even low-bitrate streams sound great. A solution we have found to be sound and cost effective is to have our Audioactive encoder streaming at 28k and Omnia-3net processing the audio, ultimately delivering a fuller, richer sound to the Internet listener while using less bandwidth."

A similar improvement to RealAudio may have been achieved by SurferNetwork. The company says its proprietary technology can make a low bandwidth (16-24kbps) signal sound like "FM-quality." Already used on some station affiliates (Nassau Broadcasting, New Northwest, Tele-Media and Marathon Media), SurferNetwork is set to use this technology on more in its upcoming merger with BroadcastAmerica. "SurferNetwork has proprietary solutions to these problems at the radio station, in the network, and at the listener's PC. We are able to use a good quality codec at a mid-range data rate to give pleasant sounding audio; we feature "instant-on" with no pre-buffering; and, we virtually eliminate drop-outs," assures Emerson. "We make radio stations sound almost as good over the Internet as they do over the air."



## Why are there price objections?

By Alec Drake / Maxagrid

Understanding a buyer's price sensitivities is very helpful in the selling process or in the formation of a pricing strategy. Maxagrid has identified nine factors that determine how price sensitive a buyer will be for any given "market" or "station" within a market.

**1. Differentiation Effect** – Differentiation builds value and will reduce price sensitivity. Many broadcasters who recognize the importance of this effect spend large amounts of money on advertising and promotion to make sure that their customers realize the differences from their competition. Such an approach can discredit a competing station's lower price, even if this lower priced station plays down the difference in an attempt to reduce the differentiation effect.

**2. Substitution Effect** – What is the availability of substitutions for my station? Many competitive stations are now owned by the same company and even sold by the same sales staff, somewhat minimizing this effect. In general, however, the more substitutes advertisers are aware of, the more price sensitive they become to the price charged by any one station or cluster. Hence, the downdraft on pricing when rankers are included in presentations.

**3. Comparison Effect** – An advertiser is less price sensitive when comparison of competing offers is difficult. Years ago before syndicated research studies were in wide use by advertisers and agencies comparisons were more difficult. Today this effect has become a predominant agency weapon in negotiations. The dot-com business was willing to pay more for ads and is a prime example of less time for comparison as these new companies tried to get to market as quickly as possible. The more important focus for these companies was access to the markets and your inventory.

**4. Volume Effect** – Advertisers are more price sensitive when the total expenditure is large. The more a customer is going to spend on advertising, the greater the gain from finding an offer that is lower priced, even if the price differential is small. Going for share on business or negotiations with annual advertisers are key examples of the volume effect that drives down price.

**5. Composition Effect** – Similar to the volume effect, this impacts the media category that is being purchased. Larger budgets going into your medium (radio) could increase price sensitivities especially in the agency environment. Local retailers, on the other hand, tend to focus more on results from the campaign and are less concerned with overall price, as long as the results are achieved.

**6. Proportion Effect** – The portion of the price that is paid by the advertiser also determines price sensitivity. Cop programs or vendor dollars being available result in advertisers only paying a portion of the total price. Consequently, offering price discounts to those advertisers is not always necessary and can allow a station to better segment its price offerings for specific advertisers.

**7. Post-Purchase Effect** – Once they have selected a station, large volume advertisers tend to be less price sensitive towards additional purchases on that same station. Once an advertiser has experienced the value of doing business with you there should

be more of a basis for price matching the value you represent.

**8. Quality Effect** – Advertisers are less price sensitive to a station's price if they perceive that the price charged signals higher quality. What determines this higher quality in the minds of the advertiser is varied: promotion, advertising, special events, etc. The image or prestige regularly communicated by the station shapes the degree to which this effect is applicable for different customer groups. This quality effect usually has a greater presence with local advertisers rather than national, as local advertisers can "experience" the quality of the station firsthand.

**9. Inventory Effect** – If advertisers believe that the price to advertise will be higher in the future, or that the availability of specific inventory is in question, then there is a tendency for them to be less price sensitive and sometimes to place schedules farther in advance. Some stations, realizing this effect, strive to be "sold out" or oversold on a regular basis to reduce price sensitivity. This can result in a station selling too much for too little and therefore, falling short of its budget or revenue potential.

In summary, when a station or salesperson takes into account these effects on prices, decision-making can get transformed. Volume or share business may need to be restricted to protect future access for customers who are less price sensitive. Better understanding of the price sensitivities of your advertisers will help you be more insightful in how you package and promote your stations. You will be less reactive in the sales process if you know the sensitivities that arise are based on more than just the rates on your proposals. Remember the basic rule, that when you encounter price objections it usually means you have not finished building value in the mind of the customer.

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## Upped & Tapped



Elroy Smith has been upped to Operations Director for three Clear Channel Chicago stations—WGCIAM-FM and WVAZ-FM. He will remain PD at WGCI-FM and add the same duties at WVAZ. Meanwhile, in Houston, newsman Ken Charles is exiting CCU's WGST Atlanta to take on the role of Director of AM Programming.

And the winner is: If you want to know the name of the next POTUS, as of this writing, we still don't know. But as for the Arbitron Advisory Council, Richard Marston of WKIE/WDEK Chicago has won the CHR/Top 40 seat; Nick Anthony of WQMX Akron represents Country; Stephen Sinicropi of WKRK-FM Detroit represents News-Talk, all of the above for continuously-measured markets; and William Campbell of WCRB Boston represents MOR, all markets.

Can Ken fortify Citadel? We'll find out as AMFM refugee Ken Benson takes on the top programming slot for #6-ranked group owner Citadel as Executive VP, Programming.

Frances Flood, the President/CEO of equipment manufacturer Gentner Communications Corp., is now also its Chairman of the Board. She has presided over a 300% revenue hike since assuming the presidency in 1997. Meanwhile, Richard A. Sawyer is going global for the company. He is exiting Orban, Inc. to become Gentner's Director of International Sales.

Hispanic merry-go-round: Radio Unica KXYZ Houston GM Alejandro Sanchez has been promoted to VP/GM at WWRU 1660 in New York. Replacing him at KXYZ will be Juan Carlos Perez. Meanwhile, the company's WNTD Chicago has promoted 19-year radio veteran Evan Gordon to fill the NSM position.

Karen Peterson has joined Premiere Radio Networks as Director of Affiliate Marketing/Talk Division. Based in Dallas, she will concentrate on the Midwest and report to Talk SVP Gregory Noack.

Emmis essay names Esayian. Aiming to create a multi-platform approach to radio sales which takes into account the Internet, cross-promotions, events and spot sales, multi-media group Emmis has promoted Deborah Esayian to the newly-created position of VP/Integrated Sales.

Because of the cuz he wuz? The NAB has announced that the legendary Bruce "Cousin Brucie" Morrow will be inducted into the NAB Broadcasting Hall of Fame at a ceremony in Las Vegas April 24, 2001.

iBiquity Digital, which is busy developing IBOC technology for the radio industry, has brought in D. Michael Lyons as Director, Aftermarket Business Development. He will work to make sure that consumers have the equipment they need to take advantage of IBOC once it's up and running.

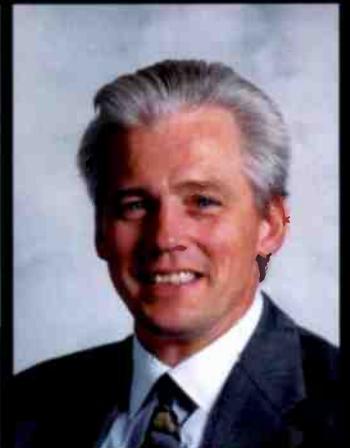
NBG peps up: John Pepe, who had been with AMFMRN (now part of Premiere) has left the company to become VP/Programming for NBG Radio Network. He will work with NBG talent Hollywood Hamilton and develop new programs.

Will Williams replace Max well? Actually, LaMonda Williams will replace Aaron Maxwell in the PD chair at Radio One's Urban WCDX-FM Richmond. She is cruising 254 miles down I-95 from the company's WPHI-FM, where she has been APD and has held down the Midday airshift. Stable-mates WKJS-FM and WPLZ-FM will also have a new programmer. Kathy Brown has been named Regional PD, and will also run WWIN-FM Baltimore and WMMJ-FM Washington. In Atlanta, Jerry Smokin' B is the new PD for WHTA-FM. Finally, George Laughlin has been lured away from Clear Channel with the GM office at Houston's KBFB-FM and KJOI-AM.

Susquehanna Radio takes a Holiday—from Cox. That's right, folks. Tom Holiday is exiting the GM slot at Cox's KJSR-FM/KRTQ-FM to take the reins at Susquehanna's WNNX-FM Atlanta. Meanwhile, KRBE-FM DOS Jim Reilly has been promoted and given a national scope with the newly-created position Group Manager, Integrated Solutions. He will develop opportunities in web, database marketing, event marketing, publications and promotions for 29 stations in nine markets.



Holiday



Reilly



## MOVE THE NEEDLE; GETTING TO THE REALLY IMPORTANT STUFF

By Ken Moultrie

As a radio manager, how many times do you arrive at the station in the morning with a vision of what tasks you need to get done, then leave at the end of a long day having dealt with few, if any, of them? You want everything you do to create growth—to “move the needle,” as it were. Unfortunately, the stuff that gets in the way is much less important than what you planned to do.

A program director may have to deal with an irate listener calling to complain about something the morning show did. Or you may have to help a salesperson who needs a promotion idea for a noon presentation. I’m not saying these things aren’t important. They are. But they do nothing to move the needle, long term.

Truth is, many of the really important things that are crucial to the success of a radio station are seemingly insignificant details. Yet they drop to permanent “manana” position because they don’t scream for attention like immediate needs. The good news is that most of them aren’t time-consuming projects. Consider these important programming issues and quiz yourself on how you’re handling them.

### Develop a mission statement for your radio station.

Brainstorm this with your entire staff. Write a mission statement that clearly defines how you want listeners and advertisers to perceive your station. Not only will you all gain a better understanding of the mission, but decision-making on every aspect of programming, promotion and marketing will become much easier.

### Keep in touch with Arbitron.

During a recent visit to Arbitron, I was amazed to learn that many radio stations never bother to return their station information forms—45% of all commercial and non-commercial stations, as a matter of fact, never return the information. Among these, 15% of all qualifying stations never return forms and 5% of Arbitron subscribers never provide Arbitron with updated information. This is amazing to me. Providing Arbitron with accurate, up-to-date information is the only way to make sure you get credit for all listening. Beginning with the summer 2000 survey, Arbitron now posts all this information on their Web site ([www.arbitron.com](http://www.arbitron.com)) so you can check what your station has listed, and what your competitors are listing as well. If you have any questions or concerns, contact Irene at Arbitron (410.312.8402)

### Maximize song rotations.

People are creatures of habit. They tend to use the radio at the same time every day. Be sure that songs are rotating properly through each daypart and hour to enhance the perception of variety while playing only the right songs for your format.

### What songs are your jocks dropping?

In favor of what? Any of us who’ve been on the air have been guilty of dropping songs we’re tired of hearing in favor of new songs we haven’t heard a zillion times. Problem is, this means dropping power songs that our listeners want to hear in favor of new, unfamiliar songs and secondary gold titles. This can have a dramatic effect on the balance of music on your station. Your music logs may look great, but if your air staff doesn’t have a clear under-

standing of what songs must play and which songs may be dropped for the sake of time, the station will suffer.

### Check coding for tempo, texture, and mood on a regular basis.

If several different people have been involved in coding songs over a period of time, there may be major discrepancies living in your scheduling software. Even if only one person has been coding music, there may be differences based on that person’s mood when the songs were added. It’s a good idea to check all this information every month or so.

### How are your promo liners rotating?

For the same reasons you want your music to rotate properly, be sure all of your station promos and recycle liners are rotating through different hours and dayparts. This means that someone must be in charge of scheduling all the liners instead of leaving it up to the air staff.

### Are you moving the audience from one time period to another?

Look for specific reasons to get cume from one day or daypart to another. Find specific hours or dayparts where you have significant cume that isn’t moving to the next hour or daypart, and develop ways to encourage listening outside that time period.

### Is everything you’re broadcasting consistent with your mission statement? How does this programming benefit the station and the listener?

Keep everyone informed. From the general manager to the front desk, make sure everyone in the radio station understands everything the programming and promotion departments are involved in. In radio, too, the devil—not to mention the angel—is in the details. Take good care of that irate listener and give that sales ace a killer idea, but don’t put off the stuff that makes the needle move. Do it today.

*Ken Moultrie is the Vice President of Programming and Consulting for Seattle-based Jones Broadcast Programming. He can be reached at 800.426.9082 or e-mail [kenm@bpradio.com](mailto:kenm@bpradio.com).*

## Calendar of Events

### JANUARY 2001

**Jan 6-9**

Consumer Electronics Assoc., Las Vegas, NV  
(703) 907-7600

**Jan 13-17**

NAB Winter Board of Directors Meeting, Carlsbad, CA  
(202) 775-3527

### FEBRUARY 2001

**Feb 1-4**

Radio Advertising Bureau RAB 2001, Dallas, TX  
(972) 753-6740

**Feb 7-8**

NAB Radio Group Executive Fly-In, Washington, DC  
(202) 775-3527

**Feb 10-13**

National Religious Broadcasters 58<sup>th</sup> Annual Convention, Dallas, TX  
(703) 330-7000

**Feb 26-28**

Great Lakes Broadcasting Conference & Expo, Lansing, MI  
(517) 484-7444

**Feb 27-Mar 3**

Country Radio Seminar, Nashville, TN  
(615) 329-2615

### YEAR 2001

**Mar 8**

NABOB 17<sup>th</sup> Annual Communications Awards Dinner, Washington, DC  
(212) 370-5483

**Mar 10-13**

NAB State Leadership Conference, Washington, DC  
(202) 775-3527

**Apr 22-26**

NAB2001 Convention, Las Vegas, NV  
(202) 775-3527

**May 18-23**

NABOB Spring Conference, Caribbean,  
(212) 370-5483

**May 25-30**

NABOB Fall Conference, Washington, DC  
(212) 370-5483

**Sept 5-8**

NAB Radio Show, New Orleans, LA  
(202) 775-3527

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