

# RADIO **INK**

Vol. XXVI, No. 1 January 3, 2011 PUBLISHED B-WEEKLY



# Reinventing Local

**CBS President/CEO Dan Mason**

**Radio Ink's Executive Of The Year**

\*\*\*\*\*A7T0\*\*SCH 3 DIGIT 856  
 PR-0658013-2-TECH-11040 11  
 00173  
 000458  
 BARRY MISHKIND ENGR  
 2033 S AUGUSTA PL  
 TUCSON AZ 85710-7905



March 2-4

# CRS 2011

Where Connections Are Made

## Register Now For \$499

And Receive Preferred Hotel Rate At the Renaissance Hotel



### MUSIC CITY JAM™

HEADLINER

## BLAKE SHELTON & FRIENDS

### CRS 2011 KEYNOTE

## KEN LOWE

CEO OF SCRIPPS NETWORKS INTERACTIVE

"Innovation and Leadership  
In The New Media Marketplace"



## CONGRATULATIONS

TO THE CLASS OF 2011 COUNTRY RADIO HALL OF FAME



JOE GALANTE  
PRESIDENT'S AWARD

RADIO HONOREES

Charlie Cook

Dene Hallam

Bill Payne

AIR PERSONALTY

Dale Carter

Barry Kent

Lee Rogers



THE JUDDS  
CAREER ACHIEVEMENT

REGISTER NOW AT [WWW.CRB.ORG](http://WWW.CRB.ORG)

World Radio History

WHEN YOU

**WIN**

WE ALL

**WIN**

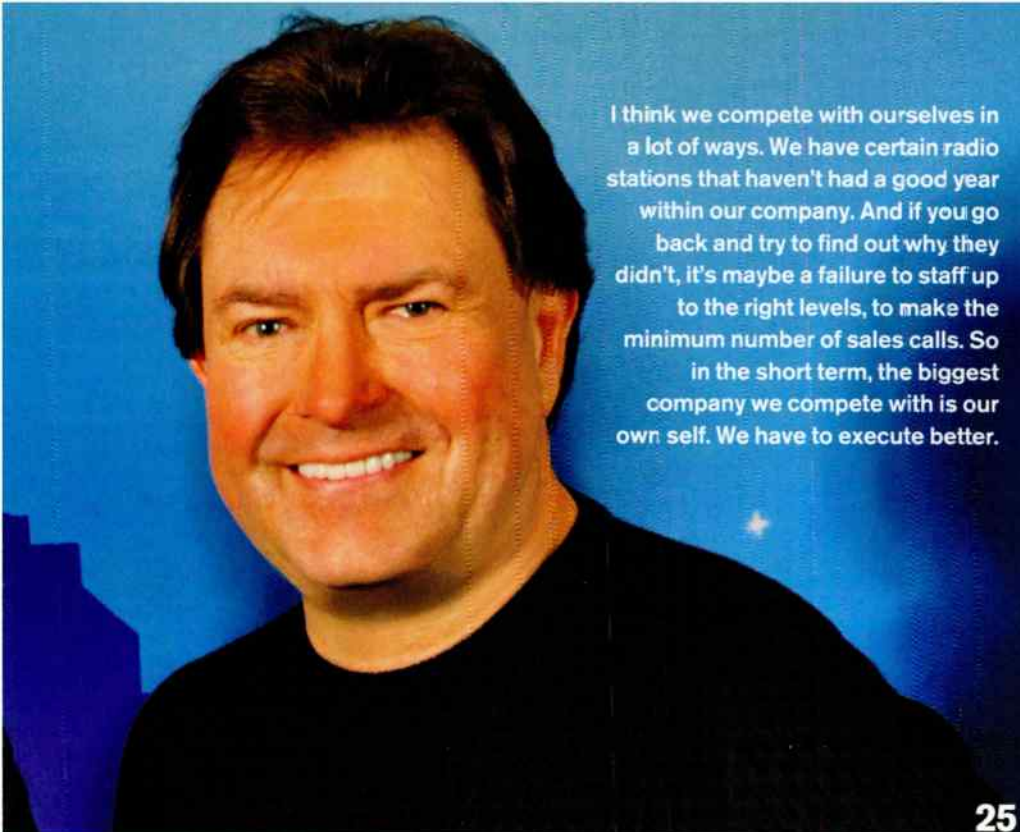
CONGRATULATIONS

**DAN**

---

*from your colleagues at*





I think we compete with ourselves in a lot of ways. We have certain radio stations that haven't had a good year within our company. And if you go back and try to find out why they didn't, it's maybe a failure to staff up to the right levels, to make the minimum number of sales calls. So in the short term, the biggest company we compete with is our own self. We have to execute better.

25



**PUBLISHER**  
B. Eric Rhoads      eric@radioink.com

**VICE PRESIDENT/GENERAL MANAGER**  
Deborah Parenti      deborah@radioink.com

**EDITOR-IN-CHIEF**  
Brida Connolly      brida@radioink.com

**MANAGING EDITOR**  
Wendy Bernstein      wendy@radioink.com

**CREATIVE DIRECTOR**  
Kenneth Whitney      ken@radioink.com

**PRODUCTION COORDINATOR**  
Nicolynn Kuper      nicolynn@radioink.com

**VP/ASSOCIATE PUBLISHER**      561-351-8639  
Lois Ann Chooljian      lois@radioink.com

**VP/NATIONAL SALES**      704-895-5483  
Chuck Renwick      chuck@radioink.com

**DIRECTOR OF TECHNICAL SALES**      916-721-3410  
Dale Tucker      dale@radioink.com

**MARKETING MANAGER**      937-371-8666  
Evelyn Yaus      evelyn@radioink.com

**MARKETING CONSULTANT**      646-808-6505  
Renee Cassis      renee@radioink.com

**CHAIRMAN/PUBLISHER**  
B. Eric Rhoads      eric@radioink.com  
twitter.com/ericrhoads  
facebook.com/people/Eric-Rhoads/601906475



**VP/OPERATIONS**  
Tom Elmo      tomeimo@radioink.com

**WASHINGTON, DC, COUNSEL**  
John Wells King      Garvey, Schubert & Barer

**EXECUTIVE EDITOR EMERITUS/LOS ANGELES**  
Dwight Case

**Our Mission:** Radio Ink's role is passionately to empower radio management to be more successful by providing fresh, actionable, reality-based ideas, inspiration, and education in a quick, easy-to-read, positive, pro-radio environment.

**EDITORIAL OFFICES:**  
2090 Palm Beach Lakes Blvd. • Suite 300  
West Palm Beach, FL 33409  
Phone 561-655-8778 • Fax 561-655-6164  
E-Mail: comments@radioink.com

**Subscription Information:**  
Phone 800-610-5771 • Fax 561-655-6164

# IN THE ISSUE

**06 PUBLISHER'S LETTER**  
Making Radio Work Well Every Time

**08 IMAGES FROM FORECAST 2011**

**12 STU OLDS TRIBUTE**  
Warm memories from those who worked most closely with him.

**16 WIZARD OF ADS**  
By Roy Williams  
Name The Number. Say It.

**17 DIALOGUE**  
By VP/GM Deborah Parenti  
Hispanic's Bright Horizon: Davidson Media Group's Sanjay Sanghooe And Felix Perez

**18 DIGITAL STRATEGIES**  
By Daniel Anstandig and Jon Erdahl  
Seven Trends For 2011

**19 CLIFF EFFECT**  
By Greg J. Ogonowski  
Internet Audio: Transmitting High Quality To The Listener

**20 NATIONAL SALES**  
By Bonnie Press  
Upcoming Trends In The Rep Industry  
**Sidebar:** By Lisa Sirotko-Sonnenklar  
Locking Forward Means Looking Local

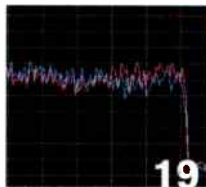
**22 EXECUTIVE FORUM**  
By Managing Editor Wendy Bernstein  
"Hopeful, Or Excited?" Executives From Throughout The Industry Look To The Year Ahead

**25 COVER INTERVIEW**  
By Editor-In-Chief Brida Connolly  
Local Flavor: CBS Radio President/CEO Dan Mason

**30 BLAST FROM THE PAST**



18



19



20



22

Copyright © 2011 by Streamline Publishing, Inc. and Radio Ink (ISSN 1064-587X). All rights reserved. Radio Ink is published twice monthly January through June and August through November, and monthly in July and December. Twenty-two issues each year by Streamline Publishing, Inc., 2090 Palm Beach Lakes Blvd Suite 300, West Palm Beach, FL 33409. Radio Ink is a registered trademark of Streamline Publishing, Inc. Radio Central, RadioCentral.com, and QuickRead are registered trademarks of Streamline Publishing, Inc. All rights reserved.

**POSTMASTER:** Send changes of address to Radio Ink, Box 2, Winter 13th, FL 32971-0002. Periodicals postage paid at West Palm Beach, FL, and additional offices. Subscriptions: phone: (561) 655-8778. One year \$199. Canadian and European subscribers \$249 for one year. All subscriptions, renewals and changes of address should include address label from most recent issue and be sent to the Circulation Department, Radio Ink, 2090 Palm Beach Lakes Blvd., Suite 300, West Palm Beach, FL 33409. Copying done for other than personal or internal reference without the express permission of Radio Ink is prohibited. Address requests for special permission to the Managing Editor. Reprints and back issues available upon request. Printed in the United States.



# PAST BLAST™

The iPad App based on Eric Rhoads' best-selling book *Blast from the Past: Radio's First 75 Years*.

You are the DJ in this virtual radio studio. Use authentically styled equipment to navigate through the app. Stream broadcast archives, browse classic DJ charts, and view HD photos from radio's Golden Era, all with a touch of the screen.



**RADIO INK**  
RADIO'S PREMIER MANAGEMENT & MARKETING MAGAZINE

**STREAMLINE**  
PUBLISHING, INC.

Available on the iPhone  
**App Store**



**B. ERIC RHOADS**  
FROM OUR CHAIRMAN

# Making Radio Work Well Every Time

Let's face it: Most people don't know how to do good radio. The majority of the ads I hear on local radio (and often national) are awful, and I can pretty much tell you which ones will work and which will not. Most will not. And when radio doesn't work, we all get blamed.

**Newsflash: When radio doesn't work, it is our fault.**

Most of the radio spots I hear use empty words and phrases. Clients like them because they believe them to be true, and I'm sure they are. The problem is that clients are so close to their own worlds they don't understand that empty words are, well, empty.

How many empty words can you spot in this ad?

At XYZ Company, we're the experts. We offer you the best quality at the lowest price, and we have the best service. We care about you. So next time you need \_\_\_\_\_, call us for all your \_\_\_\_\_ needs.

## Eric's Autopsy

**Best quality:** It's expected today. Everyone claims it. No one believes it. Empty.

**Lowest price:** It's expected today. Everyone claims it. No one believes it. Empty.

**Best service:** It's expected today. Everyone claims it. No one believes it. Empty.

**We care:** It's expected today. Everyone claims it. No one believes it. Empty.

**All your needs:** Please, I want to vomit. It's a rote phrase with no meaning. For all my carpet needs? For all my auto parts needs? For all my laundry needs? Stop it. It's stupid.

Jerry Lee at WBEB in Philadelphia does extensive research and has developed a system for testing spots. He can listen to any spot on his radio station and tell you how well it will work. For example, Lee says that single-voice spots simply don't work. His process is pivotal to the success of his station.

Last week I met with the former publisher of the top newspaper in England, who told me that he personally approved every ad that ran in the newspaper. If he felt the ad was ineffective, he would reject it

because he did not want to get blamed when it didn't work. His art director also had to approve the look and feel of every ad so it did not detract from the reader experience.

What would happen if you reviewed every ad and rejected those you felt wouldn't work, or at least went on record with clients that you felt it could be improved? Some of you will say it's the client's problem. True, but you'll get blamed anyway when it fails.

And what if you turned down schedules you knew wouldn't work because the frequency isn't sufficient to make people respond? I know you need every piece of business you can get, but again, will you get it back when it fails? It might simply be a matter of shifting the schedule around, rather than asking for a larger schedule.

What if every person selling radio, every person writing or producing spots, and every person managing a sales department were trained on what works, what doesn't, what makes a good spot, and what copy is empty?

Of course you'll say there's no time, no manpower, and no practicality. But what if you just did it? Would clients respect you more? Would they get better results? I think you can count on it.

**Note:** Each year *Radio Ink* honors one person who we feel has set a positive tone for the radio industry and made a definitive impact. This year we've selected CBS Radio President and CEO Dan Mason. Read more about Dan on page 25. **INK**

To reach me, write:

B. Eric Rhoads, CEO/Publisher

RADIO INK

2090 Palm Beach Lakes Blvd, Ste. 300

West Palm Beach, FL 33409

Phone: 561-655-8778

Fax: 561-655-6164

eric@radioink.com

facebook.com/eric.rhoads

twitter.com/ericrhoads

*B. Eric Rhoads*  
B. ERIC RHOADS, CEO/PUBLISHER

**Dear GM,**  
Ever wonder why I spend so much with the competition and you don't get a dime? They send me to warm places, so you get the cold shoulder.

Sincerely,  
The Big Fish Client You Never Catch

Catch them with incentives that actually close deals.  
Caribbean vacations 100% Trade.

**Sun & Fun Media**  
800-735-0060 • [www.sunfunmedia.com](http://www.sunfunmedia.com)

**THE  
NEWS  
IS  
COMING**

**2011**

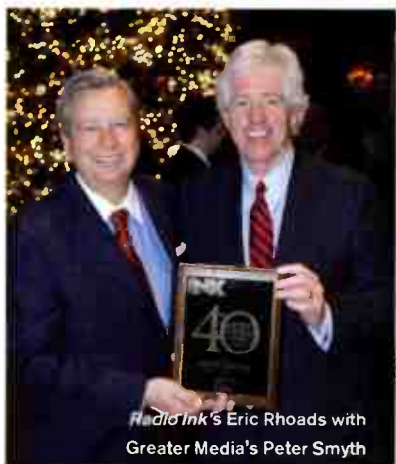
**15**

**Hours-A-Day**

**3hr Long-Form Blocks • Co-Anchored • Apolitical**

**888-383-3733**

## Radio's VIPs Attend *Radio Ink's* Forecast 2011



Radio Ink's Eric Rhoads with Greater Media's Peter Smyth



Entertainment Communications' David Field



Cumulus Media's Lew Dickey



CBS Radio's Dan Mason



Donny Osmond dances with Sharon Ramsey.



McVay Media's Mike McVay



Timeless Cool's Scott Gilreath and his wife, Rebecca, with Radio Ink's Chuck Renwick



Commonwealth Broadcasting's Steve Newberry, Donny Osmond, and NAB's Gordon Smith



Rick Dee's Entertainment's Kevin Dees



AcuRadio's John Gehron and Cromwell Group's Bud Walters



Dial Global's Ken Williams



NEWS  
RADIO **94.3**  
C FM



**RHETTA CLOYD**  
GENERAL SALES MANAGER  
WSC CHARLESTON

"From a revenue perspective, adding *The Dave Ramsey Show* to our lineup was like taking the station off a dirt road and putting it on an interstate."



**ALENE GREVEY**  
MARKET MANAGER/PRESIDENT  
WSC CHARLESTON

"*The Dave Ramsey Show* has compelling content, and our audience will set a specific listening appointment for the show. This helps the overall station line up and improves the advertising effectiveness of our clients."



**MICHELLE KELLY**  
DIRECTOR OF SALES  
WSC CHARLESTON

"Dave definitely gives the station more of a female appeal. Many of our female staff members, clients and listeners are followers of *The Total Money Makeover* and are changing the way the family finances are being managed."

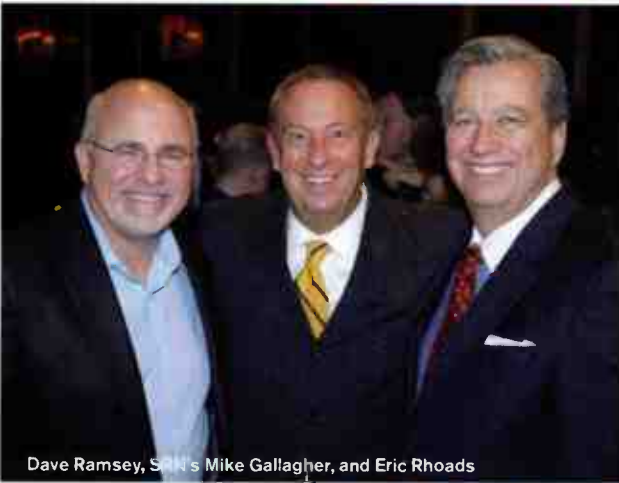
# DAVE'S AUDIENCE WILL SET A SPECIFIC LISTENING APPOINTMENT



LIVE WEEKDAYS 2-5PM/ET

24/7 Refeeds Available | For Syndication, Call 877.410.DAVE (3283) | [daveramsey.com](http://daveramsey.com)

World Radio History





Keynote speaker Arianna Huffington



Media Financial  
Media Dan Benson



Senior Media Analyst Lee Westerfield



Westwood One's Rod Sherwood and  
Intertech's Frank Murray



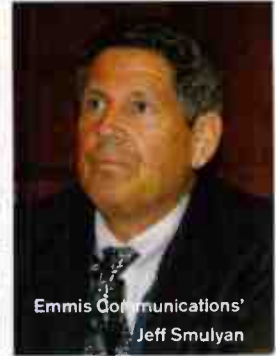
Media Venture Partners'  
Elliot Evers



Forecast Co-Chair  
Citadel's Farid Suleman



Clear Channel  
Bob Pittman



Emmis Communications'  
Jeff Smulyan



AccuRadio's Tom Hansen



Mindshare's  
Phil Cowdell



RAB's Jeff Haley



Lifetime Leadership Award recipient  
Ed McLoughlin and Broadcasters  
Foundation's Jim Thompson



# “Nobody Worked Harder Or Played Harder”

**Stu Olds, the head of Katz Media Group, died last month at age 60, and tributes quickly came in from all over the industry for one of the most beloved and respected men in radio. Here, some of the people who worked with him most closely share their stories, memories, and what they learned from Stu.**

I've been at Katz for about four years and I've probably met Stu Olds six times. Yet each time we met, he knew my name and exactly what I did for the company. Stu was genuinely interested in our conversation, and me personally. And I soon discovered in talking to others at Katz that this was par for the course for Stu.

One thing about Stu that really impressed me, and had a direct impact on my career, is how he supported my division, Katz 360. Three years ago, the media business was really struggling following a round of layoffs, cutbacks, and declining revenue. Stu was approached with the idea of starting a new digital division — the cornerstone being streaming digital audio, a medium in its infancy that had very little ad revenue and was threatened by royalty issues. But Stu believed we have to “protect and grow what we have, and extend into new areas.” So he jumped in with both feet and gave us all the support we needed. I'm proud to say that Stu's mantra was once again proven correct and he lived to see us turn a profit.

When I was promoted to VP of sales for the Katz 360 unit, Stu sent me a personal letter. It was an actual letter, not an e-mail. I have it posted on my refrigerator, right next to my kid's report cards. In that letter, he told me how happy he was that I got this promotion and how important our division is to his vision of Katz's future. He closed the note by saying “Go get 'em!”

— *Dean Mandel, Vice President Sales, Katz 360, New York*

Stu challenged us to be better as sales representatives and motivated us to win, but he also encouraged us to take necessary breaks and enjoy our families. He put tremendous energy into both his personal and professional life, and he leaves a true legacy behind.

— *Brenda Deaton, Vice President Sales, Katz Radio Group, Dallas*

Stu made work fun. No matter how daunting the task, he had a way of approaching things that made you laugh. And Stu always put family first; he totally understood if I had to leave to attend to something for my son. In his daily dealings with the people who work at Katz, Stu demonstrated his feelings about family time, his concern for each individual, and a love of this company. You could depend on him to be there for you and to make you laugh. His sense of humor and smile are what I see when I picture Stu.

— *Helen Hanratty, Director, Katz Corporate, New York*

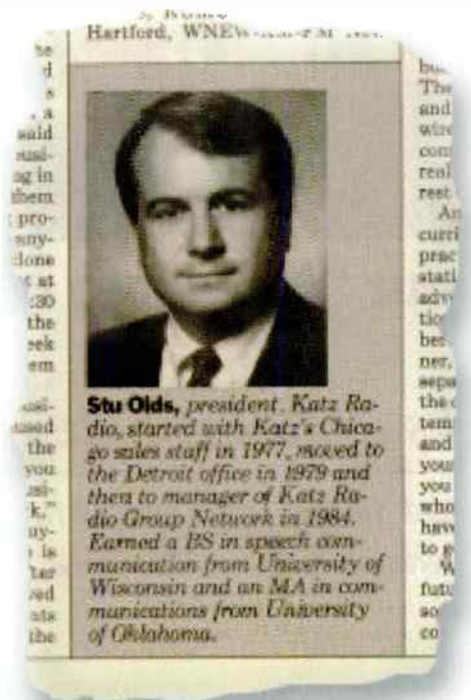


When my now 11-year-old daughter was younger, she liked to come to the office on school holidays. Everyone on our floor knew her.

One day, about age 7, she decided to wander around and give away pieces of gum and candy I had on hand. She came back a while later with about \$5 in cash, including a \$2 bill. When I asked where she got the money, she told me that she'd sold the items as she walked around. I was embarrassed — here's the head of HR's daughter selling gum to my colleagues!

The next day I mentioned it to Stu. He got this impish grin on his face. “Who do you think told her to do that? I did!” When my daughter offered him a piece of gum, he told her, “Katz is a sales organization. You can't give things away here,” and proceeded to give her the \$2 bill. Needless to say, the next time she visited she brought homemade items to sell. Stu mentored even the youngest!

— *Barbara Kurka, Senior Vice President, Human Resources, New York*



They don't make them like that anymore.  
You'll be missed more than you could ever know.



Before being employed with Katz, I was an intern in New York. Stu wanted to meet every week to see how things were going, as he genuinely cared about my experience at the company. I was impressed that the CEO took 15 minutes out of his busy day to sit down with an intern to talk about my experience and what I thought. This is something I will emulate the rest of my life. Not only did we talk about the radio business, we also talked about sports and other things of that nature. Stu went to the University of Oklahoma for graduate school and I had just graduated from Oklahoma State. We had bedlam right there in his office, giving each other a hard time about all of the schools' sports. He liked to call OSU "the other school in Oklahoma."

There was a big rivalry basketball game, "The Bedlam Series," coming up and I explained how OSU was going to win. He wanted to bet \$10. I was too scared to up the bet, thinking he might come back with a ridiculous amount that I could not afford. It was on! OSU won that close game by one point, with the final seconds ticking. The next week Sue Madden, his executive assistant, let me know that Stu had something for me. I received a hand-written note with \$10 inside, saying how much he hated doing this. He lived up his life, and loved his family, the work he did, and the people he worked with. All of that showed in his attitude and way of life.

He will always be an inspiration to me. I couldn't have asked for a greater example.

— Garrett Stone, Sales Assistant, Katz Radio Group, Dallas

In early 1984, Christal Radio was sold to Katz. While everyone working at Christal remained at Christal, I was the "player to be named later." The first real change came as Katz consolidated the unwired networks of Christal, Katz, and RKO (Republic Radio). I was told that I'd be working for a guy named Stu Olds. Now, almost 27 years later, I have so many memories of Stu — my boss, or "partner" as he liked to call it, my mentor, and my friend.

Stu was smart, funny, trusting, and caring. He was very comfortable in his role as a leader and, in that role, was a mentor to so many. His approach was subtle and giving. When the new, consolidated Katz Radio Group Network was beginning, Stu didn't say "This is what we're going to do," but rather asked, "What do you think we should do?" That created an inclusive environment that allowed for an open exchange of ideas. My "aha" moment came when I realized that the outcome of the discussion was less important than the process in which we engaged.

Stu continually challenged all of us, giving us opportunities to learn and grow. He gave us the autonomy to run our businesses



and the support necessary to succeed. Moreover, his inclusive and open approach provided the greatest gift of all — the ability to observe him. For 27 years, I've had the privilege of watching Stu with customers, with clients, with the employees of Katz. His ability to put people at ease, handle tough situations as well as the grind of the day-to-day details, taught me more than any "how to" approach ever could.

Stu Olds was one of a kind. If you were going to create an image of the perfect seller, manager, or leader, you'd just have to show a picture of Stu.

— Bonnie Press, Executive Vice President, New York

Stu was well known as a visionary leader, devoted husband and father, and caring friend. Less well known was his tremendous support of women's causes, within Katz and the industry at large. Stu was a founder of the Katz Women's Career Summit, which provided women in advertising and media from across the country with advice on career advancement, attracting some of the nation's top women business leaders to speak. He was a trustee of the Alliance for Women in Media, and his thoughtful input and guidance on its efforts to educate and advocate were always particularly valued. He encouraged the development and expansion of Katz's Take Our Daughters and Sons to Work program, which in recent years hosted not only the children of our company's employees, but also those of Women In Need mothers, who live in shelters with their children. The list goes on. When Stu was honored by the New York Women's Agenda in 2002, he joked to the women gathered that as a father of four daughters, he had no choice but to support women. But he had a choice. Countless women in our business benefited from Stu's leadership, and I'll always admire it.

— Chickie Bucco, President, Katz Direct

As a new national sales manager in Connecticut in 2002, I attempted to secure a meeting with Stu Olds. I decided to relentlessly pursue a meeting to discuss my career with the top dog in national spot radio. It took me a little time to get through. Stu agreed to lunch shortly thereafter, and we got to know each other. He wanted to know all about me, my family, and my interests. I remember that no questions were off-limits. Our conversation was anything but superficial, and we were very candid. Little did I know then that this initial encounter would turn into an annual lunch. He could have politely brushed me off, but he never did, not once. The more I got to know Stu, the more I knew that I wanted to work for him someday. His class, respect, genuineness, and poise always stood out to me.

Stu had an incredible combination of brains, emotional intelligence, intense loyalty to his people, and a belief that no matter the odds, he'd find a way to win. He believed deeply in the need to support industry initiatives and work closely with other industry leaders to drive the business forward. He also knew how to lighten things up and was a classic prankster.

Over the years, Stu and I cooperated on a number of great pranks on other Katz Media employees. My all-time favorite was when Stu was promoted from president of Katz Radio to EVP of Katz Radio Group and Bob McCurdy was promoted to president of Katz Radio. At the time, Peter Doyle was president of McGavren Guild. I had been two or three people removed from Peter on one of those old golf chain letters, so I had possession of a clean piece of Peter's stationery.

Stu and I used the stationery to "draft" a memo to Peter's staff at McGavren, titled: "Great News Re Changes At Katz." The mock memo went on to describe Stu as a great competitor who was loved by all across the radio industry, but one who had inflicted much competitive pain on McGavren over the years. It continued to explain the good news that Stu was moving on "to some corporate job" while that "no-personality number-cruncher" Bob McCurdy would now be running Katz Radio. The mock memo urged each McGavren staff member to spread the word that Katz was now certain to crumble.

To enhance the authenticity of the document, we had someone at McGavren fax it back to me. The stage was set.

Stu called Bob into his office on a phantom topic, and I came running in with fax in hand. As always, Stu played his role with complete precision. While he scanned the document, his eyes rose above the page and he gazed at Bob. He stopped reading once to exclaim, "What the hell did you do to piss Doyle off so bad?" At another point, his head rose again and he huffed, "Man, they really hate you."

McCurdy finally ripped the fax from Stu's hands. Stu and I made brief eye contact, but realized if we maintained it we'd burst out, so we looked away as Bob reeled off an endless stream of four-letter commentary about McGavren Guild and Doyle. Stu and I let this go on for about 15 minutes before we finally let Bob off the hook.

That was Stu. Nobody worked harder or played harder. There's a lesson in that for us all.

— Mike Agovino, Chief Operating Officer, Triton Media

As the honor of a few industry accolades came my way, Stu would either congratulate me in person or drop me a handwritten note. When my dad passed, he wrote me a beautiful card with words of inspiration.

I was fortunate that Stu and Mark Gray hired me back in May 2008. I learned a lot during the years I got to know, talk, and ultimately work for Stu Olds, but I probably learned even more by listening and watching this man operate this company and live his life, and for that I will be forever grateful.

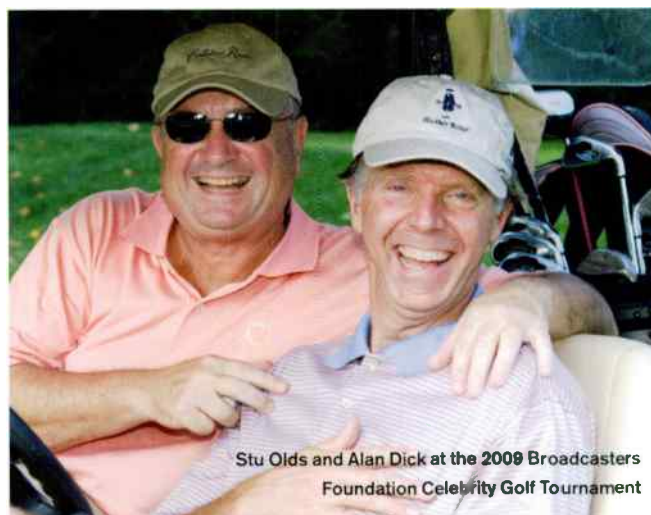
— Ed Whitman, Vice President, Director of Sales,  
Katz Tri-State Radio Group, New York

My first real experience with Stu Olds occurred in 1985. I had just been promoted to Katz Radio Research Director in New York, reporting for the first time to the new Katz president, Dick Romanick. Dick asked me to accompany Stu on an agency call in Memphis. I remember thinking during the meeting that my presence wasn't really necessary, that Stu could have handled it himself, but I did my part of the presentation and flew home.

The very next week I was suddenly invited to be part of the upper management team. I realized that the Memphis trip was an audition, and Stu was the judge. What I could not have known was that Memphis was the beginning of a 25-year relationship with someone who was equal parts boss, mentor, co-conspirator, and friend.

I began reporting directly to Stu in 1987 and have sat in the office next to his for nearly all those years. Most days my first spoken words were, "Morning, Stu." He supported my career growth into new areas, and even saved me from getting fired over an April Fool's prank!

Most people say they never saw Stu angry. I can't make that claim. Stu often said that part of my job description was to disagree with him, and I tried my best to fulfill his expectations. One particularly intense conversation started in a Texas cab, lasted through the security line at the airport, and may have ended in a left hook to my jaw if not for the fact that both of Stu's hands were filled with carry-ons



Stu Olds and Alan Dick at the 2009 Broadcasters Foundation Celebrity Golf Tournament

at the time. I went to the back of the plane pondering what I thought could be a tenuous professional future, but only a few minutes later, Stu walked back to my seat and proceeded to good-naturedly bust my chops in front of the entire section. Typical Stu.

Stu valued aggressive, competent, confident, and opinionated people who he treated as co-workers rather than direct reports. He was fiercely competitive, fiercely loyal, and a fierce practical joker. He once set me up in a scheme that took several weeks to execute. My revenge took place over three months. A part of me still believes that this is all a part of some grand master plan, and that he will still have the last laugh.

Stu Olds was that rare person who strongly impacted many, many lives on both a personal and a professional level. I can only hope that the sadness we feel at his passing is overwhelmed by an even stronger sense of appreciation, all of us so very happy to have had what we are so deeply sorry to have lost.

— Gerry Boehme, Executive Vice President, New York 



# Name The Number. Say It.

**T**he single biggest mistake made in face-to-face selling is the seller's reluctance to name the price. (I've chosen to give you non-radio examples, lest you be tempted to memorize a canned response.)

When your customer asks, "How much?" the next syllable to leave your lips should be the first digit of a number.

**"But you don't understand. That's just not possible in my business. We have to gather some information before we can name a price."**

Piffle and pooh. This is not true.

**"OK then, smarty-pants, 'How much is a one-carat diamond?'"**

Twenty thousand dollars is the most I've ever heard of anyone paying for a flawless, colorless, ideal-cut, one-carat diamond, and I can also get you a highly flawed one-carat diamond for about \$1,000, but I doubt you're looking for either of those. A truly beautiful one-carat diamond usually costs between \$2,900 and \$3,900 dollars, depending on the combination of color, clarity, and cut you choose. Some shoppers fixate on color, others on clarity, others on cut; some try to balance all three. Have you made any decisions about color, clarity, and cut, or are you open to a couple of suggestions?

See how easy that was?

If you want to:

1. reduce your customer's anxiety and
2. increase your customer's confidence in you and
3. elevate their attention and
4. make them feel comfortable and in control,

just train yourself to listen for the price question and then, when you hear it,

1. be sure no sound leaves your lips before you
2. take a breath and
3. spit out the price.

The reason you take a breath is because you aren't going to pause before you explain all the cool stuff that's included at no extra charge. Once a price is on the table, customer anxiety is eliminated, and the longer the list of things included in that price, the cheaper the price becomes in their mind.

**"What do you mean, 'customer anxiety is eliminated'?"**

Customers feel a bit anxious when they ask the price because that's usually the salesperson's cue to launch into attack-and-destroy mode. "Here, step into my office and fill out this customer information sheet. Tell us a little about yourself so we can serve you better. And be sure to include your e-mail address and cellphone number."

**"We don't do anything like that. We just want to list all the features and benefits before we name the price."**

So I'm assuming your customer asks, "How much is the mobile home next to the road?" and you say, "What a good

eye you have! That's an authentic Northfield mobile home with 6-inch stud walls, wood-burning fireplace, vaulted ceilings, color-coordinated draperies, built-in appliances, and wall-to-wall carpeting. That mobile home is fully air-conditioned, has an R-40 insulation value, comes with a 5-year limited warranty and...." Something like that?

**"Yeah, sort of."**

When you leave the price question dangling in the air like that — twisting in the wind like a man hanged for stealing chickens — the customer won't hear anything you say until you finally cut that hanged man down by naming a price. The longer you talk before you finally name a number, the more your customer thinks, "These clowns have a horrible price and they know it or they would answer my question."

**"Well, OK, but how about those times when the customer knows exactly which make and model he wants and prices are easily compared, but your company adds a bunch of intangibles and you need to make sure the customer recognizes the value of those intangibles? If you name the price right away, they'll just say, 'Thank you,' and walk away and you'll never have the chance to explain why your price is higher than the price of that cutthroat, lying, cheating, thieving, drug-dealing whore of a competitor down the street."**

Give me an example. Ask me the question that scares you most.

**"What's your best price on the new Northfield Tierra del Sol mobile home? And before you answer, we want you to know that we've already checked the price at seven other authorized Northfield dealers."**

Forty-two thousand six hundred and twelve dollars, which includes at no extra charge: delivery, tie-down, set-up, floor leveling and reinforcement in 28 key points so your floor never sags or squeaks — and we supply all the labor and materials, by the way — and we connect your new Tierra del Sol home to your water meter and septic system so you don't have to call a plumber, and then our carpenters construct a 6 x 12-foot redwood front porch for you at no extra charge and build a 20 x 20-foot redwood back deck at no charge and, finally, a beautiful two-car carport — your choice of whether it's attached to the home or freestanding. Oh, and I almost forgot: We also deliver and set up a Weber gas barbecue grill and put 20 pounds of USDA Choice rib-eye steak in your freezer as a little housewarming gift.

See what I mean when I say, "The longer the list of things included in the price, the cheaper the price becomes?"

Just take a breath and name a number. That breath lets you talk without pausing, giving you all the time you need to qualify the number you've just named.

Now go sell. **INK**

Roy H. Williams is president of Wizard of Ads, Inc. E-mail: Roy@WizardofAds.com





# Hispanic's Bright Horizon

**W**ith every new year come projections and predictions. For the Hispanic segment of the radio industry, there's particular interest in the 2010 census data, which will update counts for Hispanic and Latino populations.

Davidson Media Group Chairman Sanjay Sanghooe and CEO Felix Perez believe those numbers, along with other key factors, point to a strong future for Hispanic radio. They shared some of their thoughts with me.

## Can you give us an overview of where Hispanic radio is today?

Hispanic radio has outpaced the general market in terms of both recovery and growth prospects. While there is still skepticism about radio overall, the growth characteristics of the Hispanic market are impressive. According to the Census Bureau, the Hispanic population contributed 39 percent of the nation's population growth from 2000 to 2010 and is expected to contribute 45 percent from 2010 to 2030 and 60 percent from 2030 to 2050. Not only has radio proved to be an unusually resilient medium, but it is thriving in the Hispanic demographic.

## What factors are contributing to Hispanic radio's success?

Hispanic people have a strong sense of local and community involvement, and of their Latin culture. They treasure their roots while striving to acculturate into mainstream America. That's great in itself, but from a marketing standpoint, it's also a boon to radio and to advertisers willing to learn.

We get involved with the local community and address their needs and concerns while providing entertainment. This formula has been very successful and helped us weather recent storms better than larger Spanish-language groups, which may have to focus efforts elsewhere. Our focus on local communities has also helped us to build loyalty, which is rare in today's media world.

## What challenges have you faced in the past few years?

Davidson Media Group was not immune to the downturn in the advertising market, declining valuations, and other broad economic challenges. We also confronted difficulty in receivables as advertisers and brokers struggled to pay us. Through careful revaluation and streamlining processes, we were able to turn the corner.

We brought in new personnel to help us identify blind spots in our collections process, improve cash tracking, and institute new policies to reflect the times in which we live. We were able to turn the company around and put it on a stronger financial and operational footing. It was a team

effort at all levels, from corporate to local stations.

## How can Hispanic radio take better advantage of the Internet?

The primary reason radio groups face such a challenge in working with new media in the Hispanic space is a lack of understanding of how Hispanics think and work. Our plan is to take the model we have employed in radio and apply it online, starting from the ground up and serving our communities. The idea is not to reach people via one big one-size-fits-all laser, but with a hundred small lasers targeted specifically at local populations.

Digital platforms are a vital tool in reaching Hispanics today. Internet usage is comparable among Hispanics and non-Hispanics, and mobile usage is actually higher among Hispanics. According to Marketwire:

- Hispanics download from iTunes more than any other group.
- 54.2 percent of Hispanics visit Facebook, compared to 43 percent of non-Hispanics.
- Hulu is more popular among Hispanics (15.2 percent) than non-minorities (8 percent).
- Hispanics are more likely than any other group (51.2 percent) to do Internet research before a purchase.

## What trends do you see in the market for Hispanic radio from an M&A standpoint?

Different mid-market groups have had different degrees of success, but we feel that the market is ripe for consolidation. Valuations are finally at levels where buyers and sellers can meet at a reasonable place, and the growth potential is high. There is still some disconnect, but we believe that will disappear quickly once the census results come in and everyone is forced to take note of an underserved demographic.

Multiples for Hispanic stations could very well lead the pack at six to eight times BCF. Our own efforts have been focused on shedding non-core markets and focusing harder on our top markets, but we continue to explore all types of partnerships or strategic alternatives that can benefit us. **DK**

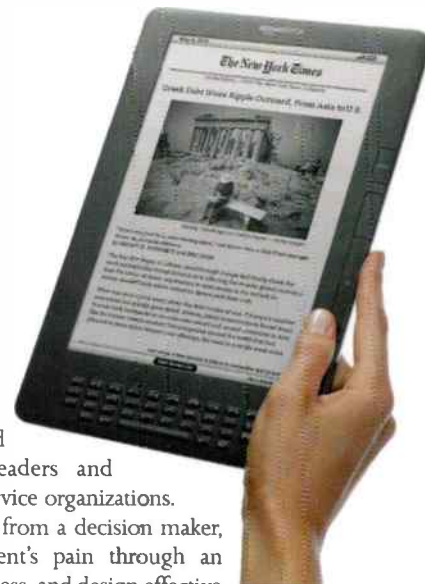


Sanjay Sanghooe  
Chairman of the Board  
Davidson Media Group



Felix Perez  
CEO  
Davidson Media Group

Deborah Parenti is VP/IGM of Radio Ink.  
E-mail: [deborah@radioink.com](mailto:deborah@radioink.com)



# Seven Trends For 2011

**1. Print Goes to the Tablet:** Touchscreens are the new newsprint. Apple and News Corp. have announced a new, iPad-only newspaper, with Rupert Murdoch investing \$30 million to create *The Daily*, a paperless “paper” available through an iPad application that will cost 99 cents per week to use. *Wired Magazine* and Adobe Digital Publishing have also been collaborating to create a new digital-magazine experience for the iPad, Kindle, and other mobile devices.

Meanwhile, the business model for distribution is becoming more competitive: Amazon.com is now paying publishers 70 percent of the retail price of their magazines and newspapers on the Kindle electronic reader — a virtual 180-degree turn from the terms the company had before with major publications like the *Wall Street Journal*.

**2. The Digital Talent Pool:** Media executives, forget everything you think you know about where your talent pool is forming. The real talent are entrepreneurial and creative, and they’re not waiting around in your lobby to get a job. They’re trying it on their own.

Media outlets will find future talent on YouTube, iTunes, or other popular audio and video on-demand sites like BlogTalkRadio.

We have encountered a number of YouTube producers who are earning six-figure incomes by creating videos on all sorts of topics, from how-tos to comedy spoofs.

NBC Universal is beginning an initiative to harness the power of the 20 most influential Twitter users in each of the 10 markets where NBCU has a local TV station. The popular tweeters will create content for NBCU’s websites, broadcast segments, and other distribution channels.

It’s important to further the education of your current team. We advise that your sales team receive online training from your digital team. Or, if necessary, hire someone to come in and show you the ropes. Keep your goals front and center weekly, and track success stories.

**3. Deal Hunters:** Deal seekers and coupon clippers, take note! Groupon is just one of many local-deal brands emerging, with growing reach and success. Other players in the space include the Dealmap, AOL Wow, Dealradar, and Yipit. Amazon.com and eBay are also investing in local retail — a significant move by ad networks that have typically been national in focus. Now there will be more local reach where radio, TV, and print have long dominated.

You’ve probably run into clients who have tried using Google AdWords, Groupon, or a major ad net like AOL to market their businesses. In most cases, buyers for these services are left to figure out how they work on their own. It’s as though a client had access to your inventory, but with no idea how reach and frequency models work. We believe radio AEs make some of the best digital sellers. Why?

a. They already know your market. In most cases, Google doesn’t.

- b. They’ve worked with business leaders and belong to local service organizations.
- c. They can sit across from a decision maker, uncover their client’s pain through an effective CNA process, and design effective advertising solutions to meet specific marketing objectives.
- d. They offer local digital assets through very specific affinity groups — your station, through its listeners, via ratings. Those affinity groups effectively leverage multiple platforms to achieve specific, customized results.

**4. Mobile Momentum:** Like radio, mobile media is instant and portable, and this year will bring some big breakthroughs for traditional media in the mobile world. Right now, radio does mobile through a one-way speaker into the car, but mobile media offers a whole new toolbox for creating a mobile brand experience for radio stations. Any radio station without a strategy for reaching mobile users in 2011 is missing a major opportunity.

**5. Social Nets Deliver Qualified Traffic:** Facebook and Twitter are significant traffic and awareness drivers, especially in tandem with traditional media. Already, many ad agencies use social media to amplify a client’s local reach and customer engagement. The low cost of marketing on Facebook and Twitter makes it hard to justify their absence from any marketing strategy. Smart broadcasters will use social networking as a way to drive Web engagement, tune-ins, and time spent viewing and listening.

**6. Power to the People:** Audience-driven television shows like *Dancing With the Stars*, *American Idol*, and *America’s Got Talent* have harnessed the power of the crowd to create compelling programming. At Listener Driven Radio, we’ve been working with radio stations to create interactive broadcast programming, and we’re seeing some fascinating effects on station ratings and website traffic. Real-time voting on music stations impacts tune-ins and website traffic. Giving your audience real-time influence on programming is natural and powerful.

**7. Target Power:** Precise geographic, demographic, and psychographic targeting is increasingly valuable, and the technologies and systems that make better targeting possible will appreciate in value in 2011. And broadcasters’ digital outlets have a unique asset: Their digital audiences are largely concentrated in a specific demo and lifestyle group. Broadcasters have an important road ahead of them in developing audience databases. Precise tracking and databasing is the first step in making targeting possible. **INK**

Daniel Anstandig is president and Jon Erdahl is VP/digital strategy at McVay New Media.  
E-mail: [daniel@mcvaynewmedia.com](mailto:daniel@mcvaynewmedia.com) and [jon@mcvaynewmedia.com](mailto:jon@mcvaynewmedia.com)



# Internet Audio: Transmitting High Quality To The Listener

In 2002, at an AES Convention in Los Angeles, Orban saw a new audio codec called aacPlus, from Coding Technologies. Shortly thereafter, we were the first to license aacPlus for Internet streaming, and the first to provide aacPlus Streaming Audio Encoder software, Opticodec-PC, which supports all possible streaming transports to reach all possible destinations.

aacPlus later became an MPEG4 International standard called HE-AAC — the high-efficiency version of AAC, the next-generation high-performance audio codec that powers Apple's iTunes.

HE-AAC was originally developed for audio downloads to mobile devices, and it's more efficient and sounds better than MP3 and WMA for a given bitrate. In 2002, almost all multi-media mobile devices and phones already supported the HE-AAC audio codec via the RTSP/RTP transport. Winamp was the first audio player to support decoding of HE-AAC for ICY SHOUTcast/Icecast2 streaming.

In 2006, Orban introduced a free Windows Media Player plug-in that provided support for all possible HE-AAC streaming transports. But it wasn't until 2010 that HE-AAC finally displaced MP3 and WMA as the primary audio codec for Internet streaming. All multi-media and smartphones, Adobe Flash, Microsoft Windows 7, and Apple iTunes/iPhone/iPad/iPod now support HE-AAC.

With HE-AAC widely deployed, it is possible to deliver very competitive audio to all types of streaming players worldwide while offering better audio quality than satellite and HD Radio.

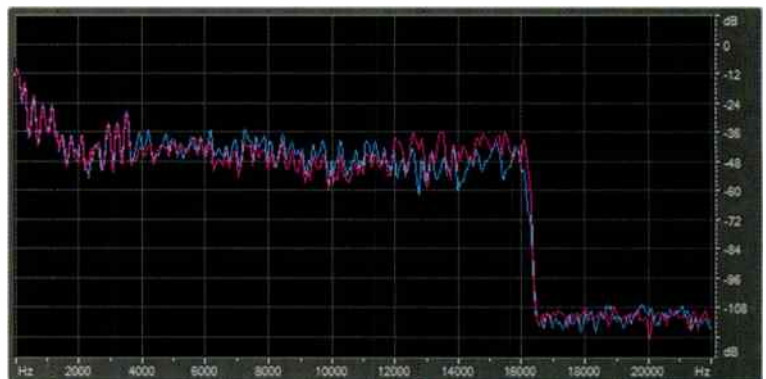
Decoding or playing HE-AAC is complicated. Because of the way the audio codec works, it must be decoded correctly to achieve wide-bandwidth, high-fidelity reproduction; it's not nearly as simple as decoding MP3 or WMA. There are many possible codec permutations and streaming transports to understand. If any of these parameters is configured incorrectly in the player software, the player may not reproduce the audio with full fidelity, or may not be able to play the program at all.

We examined many of the player apps currently available and discovered that they often sound bad. The most common problem is frequency response that extends to less than 15 kHz, even when a stream contains all the data necessary to achieve 15 kHz bandwidth, the minimum audio bandwidth required for high-fidelity sound reproduction.

(Although you may have read that 20 Hz-20 kHz frequency response is required for high-fidelity reproduction, in fact, that's overkill because 20 kHz is based on the highest frequency young listeners with normal hearing can hear when tested with pure sinewaves, not with speech or music. The 15 kHz requirement for high-fidelity

music reproduction was first established in pioneering Bell Labs experiments in the early part of the 20th century, and various researchers have verified it many times since with rigorous double-blind listening tests.)

Software developers need to understand digital audio in order to decode HE-AAC correctly. Furthermore, many player apps, including hardware appliance players, rely on streaming directories that use outdated MP3 or WMA streams, even when content providers and stations also provide HE-AAC streams. Consequently, these players will suffer from bad audio quality and poor reliability.



Software developers are routinely expected to understand programming languages. However, to build high-performance audio players they must also understand digital audio and mathematics. Choose your developer carefully!

One iPhone streaming app that decodes HE-AAC correctly and uses an up-to-date directory is StreamS HiFi Radio from Modulation Index. The spectrum plot indicates a correctly decoded HE-AAC stream. Listeners using the StreamS app will hear these streams in full fidelity, the way their creators intended.

Because your audience may now be listening to streams in public places or in cars as an alternative to AM, FM, or satellite radio, controlling the dynamic range of your stream is important. Good audio processing prior to your streaming encoder will overcome the background noise typical of these environments. If you're not using audio processing, you may lose audience to streams that are appropriately processed for real-world environments.

HE-AAC technology can be combined with high-quality audio processing to create a user experience whose audio quality is fully competitive with FM radio. Your audience awaits you. **►►**

Greg J. Ogonowski is vice president of new product development at Orban.  
E-mail: [greg@indexcom.com](mailto:greg@indexcom.com)



# Upcoming Trends In The Rep Industry

**P**icture this: The year is 1976. SRDS lists more than two dozen radio reps in its monthly book. Reps communicate orders to client stations by phone, or send them via the TWX machine. Commercial copy is sent from agency to station on tape reels. Station invoices are prepared manually. And there are no radio-expenditure reports telling us how much money the advertiser is spending. Reps sell one, maybe two stations per market, much the same way stations were being sold locally. The goal is to get the station on the buy and compete for share of dollars.

But today, broadcaster and rep consolidation have changed the face of the industry. Some say the industry has reached a “new order” that has shifted power away from advertisers and traditional media and toward consumers and new media.

## Selling Radio As A Medium

Today’s national reps are equipped with information and tools that let them respond with more agility to avail requests. We’re seeing an increase in single-point-of-contact selling — one person representing radio stations working with one person representing a national advertiser.

This approach allows enough time to elevate the conversation and spend more time solving advertiser challenges, as opposed to a media cost/efficiency negotiation. Reps become involved with the advertiser and agency earlier in the process, when decisions can truly be affected.

With a one-to-one approach, a campaign can be planned and activated in a single phone call. An agency can gain a more comprehensive understanding of the market and of current market conditions, and there’s time to brainstorm solutions and develop ideas that generate stronger sales/results for the advertiser. Markets can be chosen offensively, where the brand share/volume is high; in that situation, it follows that the brand should get a higher share of any new volume. Or, in markets where the brand is growing fast, spend against performance.

To some, this might sound like business development. Perhaps! But I’d suggest it’s better characterized as a marketing approach to sales. Today’s national rep has a great opportunity to “market” the brand of spot radio.

GM, Ford, Honda, etc. wouldn’t sell a single car if the

need for transportation hadn’t been established. Sprint, Verizon, and AT&T wouldn’t be able to sell their services if the need for communications hadn’t been established. And a radio station’s call letters won’t matter if the medium is not properly positioned and marketed first.

As radio approaches its 100th anniversary — in just 10 years — we must focus on selling the medium first. We must exploit spot radio’s reach, its targetability, its emotional appeal, its immediacy. As advertisers seek to connect to an audience through multiple touchpoints, spot radio needs to stay relevant with the advertising and agency community. Radio’s multiple touchpoints provide a rich portfolio of products and services that must be marketed to our customer base on an aggressive ongoing basis.

## Measuring Radio’s ROI

Katz Media Group is spearheading, along with industry partners, the Radio Effectiveness Project, designed to provide meaningful research to agencies and advertisers that measures the effectiveness of their specific radio campaigns, on a continuing and affordable basis.

Advertisers want to know if radio works, and how it works. But radio’s ROI has always been difficult to measure, especially when trying to isolate its effects from those of other media. Past industry efforts have proven that the medium works, but most studies have been conducted in lab or controlled settings. The results have largely been presented in generic form as one-time-only projects, and they have lacked category norms to measure against. Additionally, we’ve had no real basis to track the performance of the creative message or to recommend improvements.

Working with our partners, Katz is developing methodology to track the impact of specific radio campaigns. The initial results are providing exciting news about radio’s value as an important component for every marketing campaign.

To start, we targeted a light-spending category: the movie business. We found that radio does indeed deliver measurable results for movie advertisers, and we can gauge the impact of specific creative treatments and how they can be improved. We’ve already begun to use these results to attract more revenue from the studios, and are making plans to expand the studies to more advertisers and categories.

## Improving Ease of Execution, Efficiency & Accountability

Let’s be honest: Compared to new digital media, or even other traditional media, radio often ranks low in the minds of advertising agencies in terms of ease of execution and accountability. But improved technologies have resulted in the development of e-business solutions, bringing greater efficiencies with electronic orders, contracts, and invoices. Fewer hands touching business, re-keying data, leads to



improved accountability. Our e-business initiatives can be categorized into three broad areas:

- Facilitating of current business — delivering improved efficiencies and eliminating paper via electronic orders, contracts, and invoices
- Adding accountability, with faster and better verification of schedules
- Creating better systems to help our reps and buyers interact, especially in areas where radio gets less than its fair share

Many elements of these systems are already in place, with new features continually being added. Making radio easier to buy and extending our sales platforms to more potential customers will help us continue to expand the revenue pie.

### New Business Development

Over the last several years, reps have made substantial investments in the area of new business development, and that trend will continue to expand. Today's national radio sellers have created distinct sales units, staffed with specially trained marketing sellers, to work with agencies and marketers.

Within the ad agency, budgets, for the most part, are already established, and there is usually no "win" for planners in changing the mix. But the unique problem set for agencies still provides opportunities for the rep to partner with the agency to approach the advertiser for our mutual benefit, seeking new ideas and new executions that will isolate specific budgets and address specific advertiser challenges.

Here's a practical roadmap:

- Sell current assets, primarily terrestrial broadcast radio and interactive
- Sell to agencies and advertisers

- Target established and new budgets
- Present traditional research and new information
- Add accountability measurements
- Focus on direct-to-advertiser conversations
- Seek new sources of revenue, playing inside and outside the sandbox of media funds
- Look for new approaches, including the integration of broadcast and new media; create visual hooks to compete with television and other video
- Provide different information oriented toward accountability and ROI; pre- and post-awareness studies

Advertisers and their agencies have more choices than ever before, and plenty of issues that go along with them. There's proven versus unproven media choices, sexy and new versus traditional and bland, risk versus safe, risk versus reward, and as always, difficulty in tracking results. Radio can help!

First we must correct misperceptions, using current trends and data comparing radio to other media. Then we must market radio's continuing benefits, including daily usage, reach, and targetability. And then there are radio's newer benefits: expanding platforms and new ROI research.

Advertisers have made their voices heard. They have limited resources and many choices. We, as reps, along with our broadcast clients, must work harder, and smarter, to earn consideration for their media dollars. Furthermore, reps, like broadcasters, can no longer simply adapt to this new media landscape; we must embrace it and, moreover, lead change. As Abraham Lincoln said, "The best way to predict your future is to create it." **INK**

Bonnie Press is executive vice president of Katz Media Group. E-mail: [bonnie.press@katzadvantage.com](mailto:bonnie.press@katzadvantage.com)



## LOOKING FORWARD MEANS LOOKING LOCAL

By Lisa Sirotko-Sonnenklar

This may sound interesting coming from a national rep firm, but we believe one of the trends that will continue to emerge in the coming year will be an increased focus by advertisers to achieve results on a local level. Regardless of the scope of a national advertiser's campaign, there is still an underlying desire to connect with consumers locally. Although their messages may be global, their success relies on local engagement. We can make the medium easy to purchase nationally, but we never lose sight of the independence of our partner stations and we never tire of describing to advertisers the local niches that our stations fulfill.

The trend away from commodity selling lends itself to more concentration on individual markets and stations, telling the stories and selling the benefits — explaining why a Hispanic station in one market makes sense to capture an emerging consumer group, or why in another market, the heritage CHR station is the best choice to reach listeners that might be considered outside the demo. Let radio's stability be the story that we tell — how the success of radio is in its local effectiveness from market to market and why what works in one market might not work in the next.

Marketers are constantly seeking new and creative ideas, yet too often sales "suggestions" are made by sellers based upon their own arsenal, and not necessarily what might be in the advertiser's best interest. McGavren Guild Malls, for example, provides advertisers access to the media assets in shopping malls around the country. The synergy between radio and malls is irrefutable. Imagine, a listener awakes to his favorite radio station and hears his favorite morning jock bantering about the new model of vehicle from a manufacturer. He gets in his well-worn car to head to work and is reminded of this message again via a radio commercial. He hears a few more spots during the day in his office, and the DJ informs him that a representative from the auto company will be at the local mall along with a vehicle that he can touch, maybe even test drive, and he can also enter a contest to win the car. Imagine the possibilities for product sampling or experiential interaction with products as well. All driven by radio and experienced locally.

Another area we have identified for significant growth is the Hispanic sector. The new census numbers are expected to validate the story we have been telling for years — that the Hispanic population is much too large and too lucrative as a consumer group not to earn its fair share on advertising buys.

Some of the trends we envision for the rep industry are results-oriented localized selling, selling unique needle-moving opportunities, and the spread of dollars to better reflect the new demographic information provided by the latest census, particularly among the Hispanic community. All prove the flexibility of radio on a local level to provide unique opportunities for advertisers. Whether it's delivering a unique audience in a specific market or adapting to the specific needs of an advertiser, radio has proven its great worth in the past and will continue to do so in the future.

Lisa Sirotko-Sonnenklar is president/CEO of McGavren Guild Media. E-mail: [lisa.sirotko-sonnenklar@mcgavrenguild.com](mailto:lisa.sirotko-sonnenklar@mcgavrenguild.com)

# “Hopeful, Or Excited?”

Executives From Throughout The Industry Look To The Year Ahead

## What's ahead in 2011?

We asked some top executives from broadcast, programming, digital, and the tech side to take a look back at the year just past, through the beginnings of a business recovery and the changes that brought both tough decisions and opportunities to innovate, and — more important — at what makes them optimistic for the year that's just beginning.

### What has “recovery” meant in your part of the industry?

**Neal Schore:** While “recovery” is certainly a relative term, we have seen a number of promising signs that suggest the economy is on the upswing. If we're smart, we can capture major revenue in the expanding footprint and reach of radio. For example, online streaming audio has seen significant growth in recent months. Average active sessions are up, as is overall streaming. In fact, a recent survey from NPD Group found that 29 percent of Americans streamed music in August, up from 25 percent last March. Plus, many blue-chip advertisers are entering the space, which bodes very well for future growth.

**Zackary Lewis:** The upturn in the economy could not have come at a more opportune moment, as our company is well positioned to meet the needs of the radio industry by providing products and services that can be used to attract new advertisers and increase listenership online, or in a mobile environment.

**Caroline Beasley:** As a CFO, it's meant fewer calls from banks! The recovery is bringing revenue growth and significant operating leverage as a result of cutting our expenses so deeply in 2008/2009. We look forward to seeing our SOI continue to grow and to welcoming additional opportunities through which to further build our company.

**Rod Sherwood:** We have seen an increase in EBITDA and top-line revenue. In the third quarter of 2010, EBITDA doubled compared to 2009, and we achieved revenue increases in each of our businesses versus a year ago. Metro Traffic Radio and Television experienced double-digit growth, and Network Radio revenue increased by almost 10 percent, outpacing growth in the market according to industry analysts.



**Rich Redmond:** We are seeing more activity on capital projects that may have been on hold in the past. People are moving forward with studio upgrades and new transmitter installations. There is also more interest in the HD Radio power increase to improve coverage. I think the operative phase is cautious optimism.

**John Hogan:** CCR broadcasting revenue increased \$39.8 million (6 percent) in the third quarter. The company enjoyed an increase in average rate per minute during the third quarter and logged increases across various advertising categories including automotive, political, financial service, and health care. OIBDAN for the third quarter of 2010 increased 13 percent.

### What have you/your company done in the past few years that you never expected to do?

**Caroline Beasley:** The answer comes quickly, and the thought of it still brings a twinge to all of us. Never would we have envisioned a 15 percent employee reduction. Making it even more difficult, the downturn forced us to terminate some people who previously we would have stood in line to hire.

**Rod Sherwood:** We achieved \$60 million in cost reductions in just over a year, largely from a complete re-engineering of our Metro Traffic business, as well as other cost reductions throughout the company. It was painful, but we had no choice but to respond quickly to the situation.



**Caroline Beasley**  
EVP/CFO  
Beasley Broadcast Group



**John Hogan**  
President/CEO  
Clear Channel Radio



**Zackary Lewis**  
CEO  
Liquid Compass



**Rich Redmond**  
VP/Transmission Business  
Development and Product Line Mgmt.  
Harris Corp.

**Zackary Lewis:** Our priorities have shifted to place more emphasis on re-engineering our products and services to meet the radio industry's future (during and post-recovery) needs of attracting listeners and advertisers online versus ramping up our sales efforts to compensate for a period of slowed spending. While this may seem counterintuitive, we took this time to reflect, reorganize, and renegotiate — and the result has proven to be successful, as we are now experiencing our most profitable year to date.

**Neal Schore:** We've made a number of technology enhancements and strategic acquisitions to better address the digital, streaming, social, mobile, and other digital needs of our customers. By offering a broad range of products and services, we help broadcasters (both terrestrial and pureplay) better engage with their listeners, build loyalty, and generate digital revenue. When others were cutting, we focused on expanding the quality of our programming, content, products, and services.

**What basic principles held up through the downturn?  
What did you have to abandon or rethink?**

**Rich Redmond:** Our job is to deliver value to our customers by enabling their business goals with the appropriate technology or services. To this end, we have introduced products such as our HPX FM and HD Radio transmitter that offer market-leading power efficiency to drive lower energy bills.

**Caroline Beasley:** In addition to keeping focused on radio's ability to connect with communities, we concentrated on maintaining the integrity of our core product, both on air and online. I can't say enough about our biggest asset — our station and management personnel — who answered the call to do so much more with so much less. Facing limited resources, they were forced to rethink the art of creating successful business solutions and innovative campaigns for our advertisers.

**Neal Schore:** We've taken our dedication for driving radio's success to new heights by increasing our content, technology, and capital investment during the downturn. As a result, new, creative, and important products to drive engagement and revenue will start rolling out to our clients in early 2011. A hard reality we've faced is that we live in a digital world, and radio is an industry that is very set in its ways. However, the old adage "desperate times call for desperate measures" holds true, in that when times are really tough

we're caused to move beyond our comfort zone, be more creative, and try new things. Our client partners take those first scary steps with us, and as a result we're all further along than without the calamity of the economy. That's the silver lining. Most of all, we've abandoned the idea that things will remain the same for long periods of time. Categorically untrue.

**John Hogan:** Staying true to our basic principles proved more important than ever in a time of great disruption. During the downturn we in fact accelerated a number of key strategic initiatives that we've developed to further our strong connection to our audiences, communities, and advertisers, including launching a company-wide community engagement initiative and putting resources in place to ensure world-class support for local advertising and creative efforts.

**Rod Sherwood:** We invested in our sales forces for both Network Radio and Metro Traffic by hiring additional people

**OUR CLIENT PARTNERS  
TAKE THOSE FIRST SCARY  
STEPS WITH US AND AS A  
RESULT WE'RE ALL FURTHER  
ALONG THAN WITHOUT THE  
CALAMITY OF THE ECON-  
OMY. THAT'S THE SILVER  
LINING. MOST OF ALL, WE'VE  
ABANDONED THE IDEA THAT  
THINGS WILL REMAIN THE  
SAME FOR LONG  
PERIODS OF TIME.  
CATEGORICALLY UNTRUE.**

— Neal Schore



**Neal Schore**  
President/CEO  
Triton Media Group



**Rod Sherwood**  
President  
Westwood One

and providing in-depth training on delivering high-quality customer solutions to affiliates, advertisers, and their agency partners. Basically, we had to rethink every aspect of our business to ensure that everything carried its own weight and contributed to the profitability of the company.

**Zackary Lewis:** While building a company, it is easy to get distracted from your core competencies and, consequently, your mission, by “can we do” or “have you thought of” ideas or proposals. While every idea has value and merit, it has been important for our company to reflect inward to identify what products have brought success over the last decade, and focus our attention there — i.e., narrowing our product line to desktop and mobile

streaming verticals for the audio entertainment industry. Although we were spending resources and time on building expanded services we felt were complementary to our core competencies, unfortunately we had to put these on the shelf as the radio industry was not able to invest outside of known revenue-increasing programs.

**What are you most hopeful about in the year ahead?**

**Zackary Lewis:** Hopeful, or excited? We’re most excited about the evolution (or revolution?) of the radio industry, and setting our sights on developing innovative products that will transform how media is consumed.

**Rod Sherwood:** We are launching exciting new talk programming in January, and other new programming throughout the year. This is the core of Westwood One’s brand, and we are committed to bringing new programming to our affiliates, advertisers, and their customers.

**John Hogan:** I’m hopeful that advertisers will continue to recognize the enduring strength of our medium, and how it is really delivering and performing in this increasingly digital age — where we know that audiences who use more digital devices like iPods and satellite services listen to more radio than anyone else.

**Caroline Beasley:** The fact that we are adding personnel here and there in the company is encouraging, and we would like to see that trend continue. **INK**

Wendy Bernstein is managing editor of *Radio Ink*. E-mail: [wendy@radioink.com](mailto:wendy@radioink.com)

**WE ARE SEEING MORE ACTIVITY ON CAPITAL PROJECTS THAT MAY HAVE BEEN ON HOLD IN THE PAST. PEOPLE ARE MOVING FORWARD WITH STUDIO UPGRADES AND NEW TRANSMITTER INSTALLATIONS.**

— Rich Redmond

<p>In 2011, make the decision to advance your company’s growth &amp; efficiency by going with a leader in the field of Outsourced Financial Services</p> <hr/> <p><b>Improve Your Financial Services Function</b></p> <p>Proven, Cost-Effective Platform &amp; Procedures Fully Customizable Packages &amp; Advanced Services Accounting Services • A/R &amp; Cash Management Budgeting • Financial Reporting • Due Diligence Tax Preparation • IT Services</p>	<p style="text-align: center;"><b>Media Financial Services</b></p> <p style="text-align: center;"><b>40 Years Solid Experience In The Media Industry</b></p> <p style="text-align: center;"><a href="http://www.mediafinancial.com">www.mediafinancial.com</a></p> <p style="text-align: center;">Bill McEntee (561) 227-0601 <a href="mailto:bill.mcentee@mediafinancial.com">bill.mcentee@mediafinancial.com</a></p>
---	--





# Local Flavor

**Dan Mason is a radio guy from way back.**

Asked how he got into the business, he said, "Winning contests on radio stations as a kid in Louisville." (He once won tickets to a Beatles concert, but it was rained out.) Today, Mason is of course leading one of the most dynamic groups in radio, big stations in big markets combining a strong local focus with an aggressive spirit of innovation.

The CBS Radio president and CEO's style is energetic, and detail-oriented in a way that doesn't detract from a big-picture view of the company and the industry. *Radio Ink* is pleased to name him our 2010 Radio Executive of the Year.

{ By Editor-In-Chief Brida Connolly }

**>>What's gone right at CBS Radio this year? Anything you're especially proud of?**

We've made a lot of great progress in programming and sales, and I think the key factor is that we really haven't turned our back on local. Someone asked me the top five reasons for our success in the past year, and I said "Local" five times. I do believe that our ability to focus locally, whether on the programming or sales level, has really helped achieve success.

As far as programming goes, the FM sports stations we've launched have been tremendous this year. We've made significant gains in Detroit, we've had outstanding results in Boston, Pittsburgh is now beginning to come into its own, as is Dallas. We've put the same in Washington, DC. So that's five sports stations we've put on, and now we're in eight out of the 11 top DMAs with sports stations, and a lot of those are FM sports.

We feel good that we've accomplished that. In the monthly that was just released, WBZ-FM in Boston was number one 18-to-34 men, 18-49 men, and 25-to-54 men. And you see that same statistic show up for the Ticket, WXYT-FM in Detroit. So that's quite an accomplishment.

We've been very successful about bringing back WCBS-FM/New York, and we really saw the benefit of the results on that over this past year. It hit number one a couple of times, and I think this last book it was tied for number one with [Clear Channel AC] WLTW. We're seeing the benefits now from advertisers that are using the radio station again.

Another thing we did was increase our Top 40 platform. We're now into the second year for NOW [WXRK] in New York and AMP [KAMP] in Los Angeles.

**>>How about on the sales side?**

We've been really efficient in achieving more revenue in the female demographic. We've seen a trend over the past two years or so that more and more buys are leaning female.

Traditionally, maybe five years ago, CBS was more known for male-oriented talk and news stations. While we still have outstanding news stations, we've changed the format of those male talk stations to more Top 40, and as far as attracting men, we've got sports now.

Another thing that has really been beneficial for us is, again, not having abandoned local. We attack the local markets with a large sales staff. And we have really not cut back on the number of salespeople on the street, where our competitors have.

A lot of energy has gone into getting more automotive business and into nontraditional ways to make a lot of money. Our competitors have not spent as much in the nontraditional revenue areas. We've actually upped our expenditures there.

We've also built out a really good digital platform, to the point where we won an award last week for the new Radio.com iPad app.

**>>What is CBS Radio doing that could benefit the industry overall?**

I believe in the theory of a lot of local salespeople. I think the radio industry could benefit from going back to larger local sales staffs. There is a lot of retail still out there to call on, and you really cannot do that with just a handful of salespeople in each market.

If the industry would go back to what it was before the recession, it would help build a platform for the future. We have to have more people to cover new business development.



**CONGRATULATIONS**

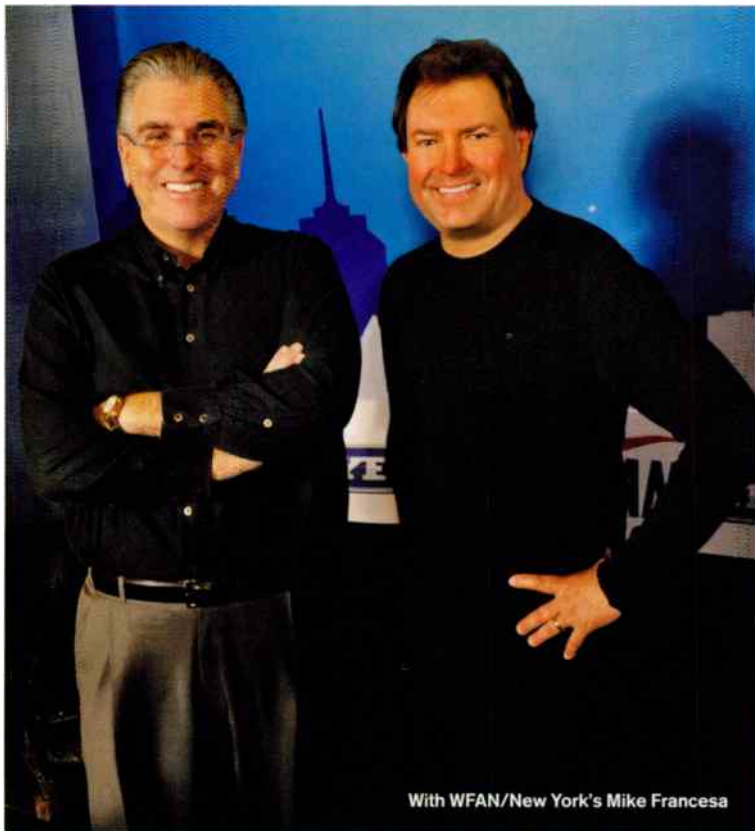
**DAN MASON**

**RADIO EXECUTIVE OF THE YEAR**



**FROM ALL OF YOUR ADMIRERS AT DIAL GLOBAL**





And the more emphasis the radio industry puts on local, the more it will pay off for them. If you get down to it, it's one word, it's just local.

**>> If you could get all radio sellers in a room, what would you tell them?**

It's all about achieving success for each client. It's about realizing that radio is a call-to-action medium. And then, to get the feet on the street. That's a lot of hard work.

**>> How about radio managers?**

The fewer things you focus on, the more efficient you will be. It's very hard for any staff to focus on a hundred different things. I would rather see them do five things very well than do a hundred things in an average way. Try to hyper-focus on what you think will drive your success, and don't overlook people.

**>> Something that came up quite a bit in our anonymous managers' forum was that there are too many distracting initiatives?**

Well, I don't even know if the word is initiative — "too many distractions" might be more accurate, because there are certain initiatives that are very effective. But there are way too many distractions from all the other things managers have to go through.

Consolidation hasn't helped that, either. It's probably caused a lot more distractions for people — just in job security.

**>> Some top-level people are saying another wave of consolidation is on the way. Do you think that's going to happen?**

I really don't see that; we have no plans for it.

**>> Can you talk a bit more about the ways CBS Radio is working to develop nontraditional revenue?**

Back when the New York Mets opened Citi Field, we had a day with sponsors in which announcers from our stations here in New York made appearances. Fans could go and see the new stadium, pay a very inexpensive price, and meet the disc jockeys and the newscasters. It benefited the sponsors, and it helped the. We did the same thing with the Dallas Cowboys when that stadium opened. So stadium openings are always good for us (*laughs*), and large events.

**>> What digital platforms are impressing you most right now?**

Consolidating the sites in the top 10 markets with news and sports. If you go to CBS New York Local or CBS L.A. Local, you'll see the accumulation of all the sites — news and sports — into one larger and more powerful brand. We believe that, when you accumulate all that traffic, and you now have the ability to put that into a basket, it's pretty impressive against other media.

**>> Where is the growth potential in digital? What is a good target for revenue you'd like to see coming in from just the digital side?**

I'd like to see digital reach about 10 to 15 percent of the company's revenue. Typically, it's about 70 percent local, about 25 percent national, and about five percent split between NTR and digital. And it would be great to not have to depend on national revenue so much. Say, 65 percent local, and the rest split between national and digital NTR. That would decrease the dependency on national business, which would be pretty good.

**>> Where do you see the biggest long- and short-term competitive challenges for radio?**

I think we compete with ourselves in a lot of ways. We have certain radio stations that haven't had a good year within our company. And if you go back and try to find out why they didn't, it's maybe a failure to staff up to the right levels, to make the minimum number of sales calls. So in the short term, the biggest company we compete with is our own self. We have to execute better.

I think all radio has got to put the emphasis back on the execution of what we do on a daily basis.

**THE FEWER THINGS YOU FOCUS ON, THE MORE EFFICIENT YOU WILL BE. IT'S VERY HARD FOR ANY STAFF TO FOCUS ON A HUNDRED DIFFERENT THINGS. TRY TO HYPER-FOCUS ON WHAT YOU THINK WILL DRIVE YOUR SUCCESS, AND DON'T OVERLOOK PEOPLE.**

Long-term, you read about WiFi coming to the car dashboard, but I want to point out that radio stations have always been in competition for the first preset on the car radio. Now it's just a little bit deeper, with people like Pandora and the other apps that will come eventually. But it's still a fight for the first preset. No matter if you had 30 or 60 competitors, it will come down to whatever the most compelling content will be. We believe that's local.

**>> Do you think radio, as it is right now, has a fighting chance to be that first preset against new competition?**

Well, we are the first preset right now. And that will never change. You'll have more players, but somebody's going to have that first preset, and it will come down to whoever has the best content. We believe, at CBS Radio, that the best chance for that content is if it's local content.

**>> Are there any regulatory or statutory changes, such as revisiting ownership limits, you'd like to see that might help radio better compete into the future?**

I'm not sure that changing the ownership limits is going to help our business. I'm not a big proponent of that. I don't know that I would use a lot of our firepower in the industry for that.

We seem to do very well in a lot of markets, whether we have three or four or eight. I can't make a correlation that we do better as the number of stations gets higher. So I don't know that that really applies to our company.

**>> Do you have any speculation on how performance royalties will play out?**

Our position has been that we enjoy the promotional aspects of radio and records working together; we provide the promotion for music and help a lot of artists, and we don't see why that position has to change.

Having said that, we've gone on record to support the NAB in trying to resolve the open issue that's at hand.

**>> What do you think radio will look like five years from now?**

I think the backbone of radio will be pretty much as it is today. Some companies will excel with digital platforms, and the technology in cars will be much better, with more applications in cars for audio. I think there will be a place for great local radio in the car. Technology will get better, and radios will be digital, so they'll become smarter. **INK**

Brida Connolly is editor-in-chief of *Radio Ink*.  
E-mail: [brida@radioink.com](mailto:brida@radioink.com)



**SIDELINES**

**WHAT RADIO STATION DID YOU LISTEN TO WHILE YOU WERE GROWING UP?** WKLO and WAKY in Louisville

**WHO HAS BEEN YOUR ROLE MODEL?** A man I worked for several years ago. His name was Glenn Potter, and he was the president of First Media, which at the time (1975) owned WPGC. Glenn taught me ethics and helped me shape so much of how I conduct myself on a daily basis.

**WHAT IS YOUR FAVORITE BOOK?** Tom Peters, *A Passion for Excellence*. I still have my copy from 25 years ago, and still find it relevant today.

**Time to Synchronize** **ESE**

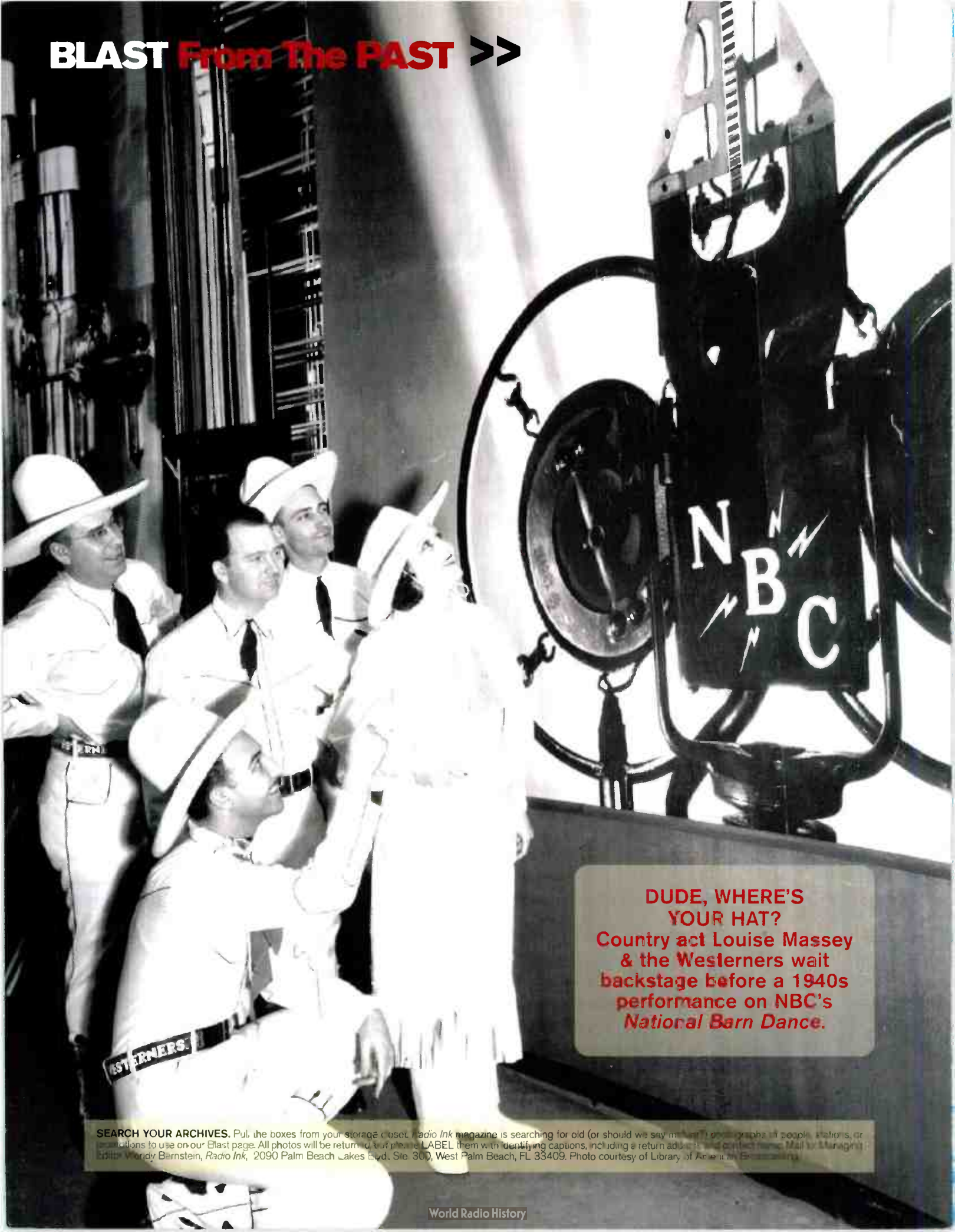
**ES-185U/NTP GPS Master Clock**

With ESE's Master Clock, you can display Universal Time Code via the 12-channel GPS receiver and generate many types of Time Code (NTP, SMPTE/EBU, IRIG-B, ESE-TC89, ESE-TC90 RS232C/ASCII, & USB), and an extremely accurate 1PPS signal.

You can also easily interface with new or existing computers, automation and clock systems. Visit [www.e-se-web.com](http://www.e-se-web.com) for all your time synchronization needs.

ESE, 142 Sierra Street, El Segundo, CA 90245 USA, Tel: (310) 322-2136

# BLAST From The PAST >>



**DUDE, WHERE'S  
YOUR HAT?**  
Country act Louise Massey  
& the Westerners wait  
backstage before a 1940s  
performance on NBC's  
*National Barn Dance*.

**SEARCH YOUR ARCHIVES.** Pull the boxes from your storage closet. *Radio Ink* magazine is searching for old (or should we say new?) photographs of people, stations, or locations to use on our Blast page. All photos will be returned, but please LABEL them with identifying captions, including a return address, and certified airmail to: Managing Editor, Wordy Bernstein, *Radio Ink*, 2090 Palm Beach Lakes Blvd., Ste. 300, West Palm Beach, FL 33409. Photo courtesy of Library of American Broadcasting.



# A Radio To Dazzle Both Advertisers & Employees

— Eric Rhoads, *RADIO INK*



Last Christmas I told you about my effort to help radio employees actually experience HD Radio. We expected to sell a few hundred units, and ended up selling 2,000.

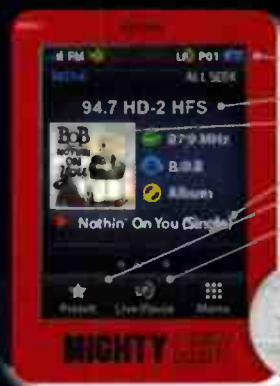
This year my vision is to help *clients* understand HD. **MIGHTY RED 2** takes HD Radio to the next level by showing clients the possibilities: Not only is this the little radio with booming HD sound, but now you can view album covers, station logos, client logos, and promo graphics on the color touch screen. **Clients will love this Artist Experience feature and want to post graphics with their ads.**

Plus, you can PAUSE a live broadcast for the first time in history, and go back to where you stopped. And you can even bookmark songs.

**Order yours today.**

Buy yours today and become part of the HD technology revolution.

**Supplies are limited.**



- HD Radio reception (FM only) PLUS FM reception
- Station name
- Album art in sync with music
- Album name
- 28 presets
- Live Pause

**Plus:** • Internal USB-Rechargeable Battery  
• Arm Band for Workout or Jogging

## MIGHTY RED™

BY ERIC RHOADS, RADIO INK®

The Little Radio with Mighty HD Sound

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



# the John Tesh Radio Show

## WOMEN LOVE TESH

*"John Tesh politely, but firmly DESTROYS the competition in our 2010 Nielsen ratings in ALL demos"*

Women 25-54 - #1 with a 15.1!!  
Persons 25-54 - #1 with an 11.4!!  
Persons 12+ - #1 with an 8.0!!

**Curt Hansen**  
Operations Manager  
Cumulus New York / Connecticut



### Intelligence For Your Life Radio

with John Tesh  
TESH.COM

*Over 360 Affiliates - Every daypart & format*

Contact: Scott Meyers • The TeshMedia Group •  
888-548-8637 or 516-829-0964 scott@meyers.net