Manager's Business Report™

Radio Business Report, Inc. 16 Years
July 1999

MBR Stats

A look at radio's Top 40—owners, not songs. Page 4

GM Talkback™

Congress wants to give the FCC a makeover. What suggestions do GMs have for Sen. John McCain and his Commerce Committee? Find out on Page 8

Programming & Positioning

Pride Suburban Networks' Sue Prister tells how "The Ring Around Chicago" with Pride Communications has been lucrative leveraging a network of stations from southern Wisconsin to Northern Indiana. Page 20

As the Internet grows in popularity, radio's unique ability to drive listeners to it becomes more important. The end result: Radio station websites are one hot commodity. We look at the companies that help radio websites attain their goals—whether it be greater brand recognition, audio streaming, NTR, site management or all of the above.

BroadcastMUSIC.COM

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Revenue growth slows: The pause that fails to refresh

Well, it's not all that bad or anything. Radio revenues grew 6% in April 1999 compared to the same month a year ago. That number only seems bad because it comes on the heels of several months of double-digit growth. National sales slipped the most, dipping into the red ink to record a loss of 1%. Nonetheless, April was the 80th consecutive month of positive growth.

The real gains in 1999 are expected to come later in the year anyway, as Y2K fever (and a multitude of new product launches) make for hot competition for spot time. Our forward pacing report shows that this may be beginning in earnest as the Summer approaches.

Station trading is clipping along at a modest pace, far below the frenetic dealings in the first two years after Telcom passage, but above the extremely sluggish pace of late 1998.

Finally, we have a Top 40 chart on the next page, but you will see no hot new titles or artists. Rather, you will find MBR's list of the top 40 radio station owners ranked by total listeners. — Dave Seyler

Radio Revenue Index

Radio's revenue streak hits 80

The RAB's April revenue results are in, and the overall gain of 6% over the same period a year ago constitutes the 80th consecutive month in which the number has been written in black ink. April did feature a brief (and of late, rare) visit to the red inkwell, as national sales dipped 1%. This was offset by an 8% gain in local revenue.The Southeast set the pace locally with a 10% gain. The slump in national business was general, with no region doing better than a 1% gain and none worse than a 2% loss.—DS

April 1999	Local	National
All markets	8%	-1%
East	8%	0%
Southeast	10%	-2%
Midwest	4%	1%
Southwest	8%	1%
West	9%	-2%

Jan.-Apr. 1999	Local	National
All markets	13%	9%
East	13%	15%
Southeast	16%	6%
Midwest	11%	8%
Southwest	11%	8%
West	14%	8%

Local & Nat'l revenue April 1999
All markets 6%

Local & Nat'l revenue Jan-Apr. 1998
All markets 12%

Source: RAB

Forward Pacing Report

Summer 1999 is getting out ahead of 1998's pace. According to Miller Kaplan's George Nadel Rivin, the increase in upfront sales is "a good sign, because it shows that advertisers are reading demand as strong." They're getting their schedules in place while they can.

Superduopoly Dimensions

Industry Consolidation
(as of June 14, 1999)

Superduopoly: 50.8%

Market	# of stns	percent
1 to 50	845	54.6
51 to 100	613	54.2
101 to 150	387	46.7
151 to 200	375	45.0
201 to 261	424	49.2
All markets	**2,644**	**50.8**

Total Industry: 73.6%

Market	# of stns	percent
1 to 50	1,203	77.7
51 to 100	842	74.4
101 to 150	582	70.3
151 to 200	585	70.1
201 to 261	617	71.7
All markets	**3,829**	**73.6**

Note: The "# of stns" shows the total count for stations in either a superduop or, in the case of total industry consolidation, in an LMA, duop or superduop. The "percent" column shows the extent of consolidation for each market segment.

YTD Stock Performance

The Radio Index™ moved ahead of broader stock market barometers as interest rate jitters took a toll on stock prices, particularly those of Internet and tech stocks.—JM

Company	5/28/99 Close	YTD Net Chg	YTD Pct Chg
Ackerley	18.875	0.625	3.42%
Alliance Bcg.	0.531	-0.469	-46.90%
Am. Tower	22.500	-7.063	-23.89%
AMSC	14.312	9.062	172.61%
Belo Corp.	22.062	2.125	10.66%
Big City Radio	3.937	-0.126	-3.09%
Broadcast.com	110.000	33.500	43.79%
Capstar	25.125	2.250	9.84%
CBS Corp.	41.750	8.938	27.24%
CD Radio	22.625	-11.625	-33.94%
Ceridian	33.000	-1.906	-5.46%
Chancellor	50.812	2.937	6.13%
Citadel	27.625	1.750	6.76%
Clear Channel	66.062	11.562	21.21%
Cox Radio	53.437	11.187	26.48%
Crown Castle	20.125	-3.375	-14.36%
Cumulus	17.687	1.062	6.39%
DG Systems	5.906	0.344	6.18%
Disney	29.125	-0.875	-2.92%
Emmis	46.750	3.375	7.78%
Entercom	32.625	10.125	45.00%
Fisher	61.000	-5.000	-7.58%
Gaylord	31.062	0.937	3.11%
Granite	6.875	0.875	14.58%
Harris Corp.	37.812	1.187	3.24%
Hearst-Argyle	24.750	-8.250	-25.00%
Hispanic Bcg.	62.125	12.875	26.14%
Infinity	25.562	-1.813	-6.62%
Jeff-Pilot	67.687	-7.313	-9.75%
Jones Intercable	53.500	17.875	50.18%
Metro Networks	55.625	13.000	30.50%
NBG Radio Networks	2.375	0.250	11.76%
New York Times	34.125	-0.563	-1.62%
Otter Tail Power	39.250	-0.625	-1.57%
Pacific R&E	1.125	-0.500	-30.77%
Pinnacle Holdings	18.187	4.187	29.91%
Radio One	40.250	16.250	67.71%
RealNetworks	70.875	35.000	97.56%
Redwood Bcg.	12.250	6.750	122.73%
Regent Pfd.	6.062	-0.938	-13.40%
Saga Commun.	19.875	-0.625	-3.05%
Sinclair	13.875	-5.688	-29.07%
SportsLine USA	37.187	21.625	138.95%
TM Century	0.625	0.313	100.00%
Triangle	0.170	0.138	431.25%
Tribune	78.937	12.937	19.60%
WesTower	24.250	-12.250	-33.56%
Westwood One	34.750	4.250	13.93%
WinStar Comm.	49.437	10.437	26.76%

Major Stock Market Indices			
The Radio Index™	140.990	20.330	16.85%
Dow Industrials	10559.740	1378.310	15.01%
Nasdaq comp.	2470.520	277.830	12.67%
S&P 500	1301.840	72.610	5.91%

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GM Talkback™

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Executive Editor .... Jack Messmer
Senior Editor .... Dave Seyler
Senior Editor .... Carl Marcucci
Associate Editor .... Tiffany Stevens
Associate Editor .... Karen Maxcy
Creative/Production Director .... Ronald Greene
VP Administration .... Cathy Carnegie
FCC Research Consultant .... Mona Wargo
Administrative Assistant .... April Olson

Publisher .... Jim Carnegie
VP/GM, Associate Publisher .... Ken Lee
General Sales Manager .... John Neff
Account Executive .... Beth Dell'Isola
Account Executive .... Sean Drasher

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

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

Advertising Sales Information
Ken Lee Phone: 703/719-9500
Fax: 703/719-9509
Beth Dell'Isola Phone: 770/831-4585
Fax: 770/831-2188
John Neff Phone: 703/719-9500
Fax: 703/719-9509
Sean Drasher Phone: 703/719-9500
Fax: 703/719-9509

Email Addresses
Publisher: JCRBR@aol.com
Editorial: Radiobiz@aol.com
Sales: KenLeeRBR@aol.com
JohnNRBR@aol.com
BethRBR@aol.com
SeanRBR@aol.com

Subscription: $105 per year

Lend me your ears: Top 40 owners by audience size

Chancellor enjoys a sizable lead over large-market-oriented Infinity in audience size, based on its 98-to-34 advantage in total Arbitron markets served. Clear Channel, operating a slightly smaller group than Chancellor and with a somewhat smaller presence in the very largest markets, rounds out the big three. HBC stands for Hispanic Broadcasting Corp., the new name of the Heftel group.

Total listeners is based on Arbitron's Fall 1998 survey MF 6A-12M 12+, adjusted for market size, and includes only stations in Arbitron-rated markets. The columns headed S, D, C and A refer to the number of superduopolies, duopolies, combos and standalones operated by each group. BIA rank refers to the recently-released revenue rankings from Broadcast Investment Analysts (see RBR 5/31/99, p. 5).

Rank	Mkts	Owner	AMs	FMs	Listeners	S	D	C	A	BIA rnk
1	98	Chancellor	128	319	23,771,894	65	23	8	2	1
2	34	Infinity	47	116	18,755,366	25	7	0	2	2
3	82	Clear Channel	138	269	16,563,495	56	18	5	3	3
4	17	ABC	26	17	4,699,471	4	6	0	7	4
5	12	Cox	16	45	4,053,865	10	1	0	1	5
6	13	HBC	16	25	3,675,359	2	9	2	0	7
7	6	Emmis	3	13	2,969,877	3	1	0	2	10
8	8	Entercom	15	24	2,664,153	5	2	0	1	6
9	21	Citadel	35	80	2,410,632	18	1	0	2	8
10	10	Sinclair	18	36	2,317,649	8	2	0	0	12
11	6	SBS	0	11	2,317,544	2	1	0	3	16
12	37	Cumulus	56	140	2,015,578	27	9	1	0	11
13	6	Bonneville	4	11	1,854,483	3	0	0	3	13
14	7	Susquehanna	7	14	1,683,717	3	1	1	2	9
15	10	Radio One	8	18	1,584,978	1	4	1	4	17
16	4	Greater Media	2	12	1,547,289	3	0	1	0	15
17	5	Jeff-Pilot	6	11	1,281,105	2	2	1	0	14
18	6	Beasley	8	20	1,218,953	4	2	0	0	18
19	10	Saga	13	24	864,545	4	3	3	0	19
20	7	Journal	11	23	848,038	5	1	1	0	20
21	4	Inner City	4	2	781,800	0	0	2	2	30
22	8	Buckley	9	9	707,057	1	3	2	2	26
23	2	Tribune	2	2	681,283	0	1	0	1	21
24	2	Sandusky	4	6	646,667	2	0	0	0	22
25	5	Barnstable	6	12	642,650	2	2	1	0	29
26	6	Renda	3	12	629,192	2	3	0	1	31
27	1	Arso	2	4	544,738	1	0	0	0	—
28	4	Dick	3	11	538,409	2	2	0	0	24
29	28	Salem	37	15	506,812	5	8	2	13	—
30	9	Bcg. Ptnrs.	12	18	504,096	5	1	3	0	25
31	9	Connoisseur	11	24	504,417	5	1	1	2	27
32	4	Fisher/Sunbrook	6	7	489,128	1	2	1	0	28
33	5	Blue Chip	2	11	453,117	1	2	0	2	38
34	7	Lotus	10	10	440,053	1	4	1	1	33
35	1	El Mundo	1	2	430,219	0	1	0	0	—
36	5	Sunburst	4	19	423,255	4	1	0	0	34
37	3	Simmons	4	10	419,631	2	0	0	1	39
38	4	Hearst	5	2	418,480	0	1	1	2	23
39	1	NY Times	0	1	400,162	0	0	0	1	—
40	8	EXCL	8	8	396,402	0	3	3	2	37

Sources: Arbitron, BIA, RBR Information Services Group

Non-Traditional Revenue Track

April showers bring clothing buyers?

Who wants a job when spring is just around the corner? How about a new wardrobe instead? You can't fight the flow, so just go with it. That would explain why Recruiting fell off dramatically in April as a source of non-traditional revenue for radio stations, but the seasonal Clothing segment picked up some of the slack.—JM

% of Vendor/New Business by Category (April1999)

	Nov	Dec	1998	Jan	Feb	Mar	Apr	YTD
Automotive	10.91	18.77	15.63	10.36	17.84	12.16	9.42	11.42
Food/Grocery	46.52	31.55	33.80	22.48	42.19	21.06	18.83	23.89
Leisure/Electronic	18.63	32.85	22.35	33.56	35.61	34.46	40.67	34.19
H&BC	3.99	7.64	9.00	7.62	4.24	9.37	6.94	6.62
Home Improvement	7.39	3.16	8.07	7.26	5.39	8.02	9.08	7.11
Office	7.92	4.37	8.63	2.42	2.22	4.49	0.07	2.00
Clothing	4.63	1.66	2.51	3.28	0.15	1.41	12.35	4.64
Recruiting	—	—	—	23.39	10.21	9.03	2.65	10.13

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

WorldSpace sells XM interest; XM gets new investors, including Clear Channel

Returning XM Satellite Radio to a wholly-owned subsidiary, American Mobile Satellite Corp. (O:SKYC), announced (6/8) it will purchase the equity interest held by WorldSpace for 8.6M shares of AMSC common stock, following the retirement of $75M of WorldSpace debt by XM. This, six months after WorldSpace filed with the FCC to increase its ownership in XM from 20% to 82% (*RBR* 12/21/98, p. 6).

Adding the investment dollars it needs to continue towards commercial launch in early 2001, a $250M convertible debt commitment was pledged by Clear Channel Communications (N:CCU-$75M), DirecTV (for $50M), General Motors ($50M), Telcom Ventures LLC, Columbia Capital and Madison Dearborn Partners (all three $75M). Assuming all of the convertible debt is converted into XM shares ($250M plus the $21.5M Baring Capital investment in January), American Mobile's interest would be reduced to 40%, but retains 60% of the voting power. After the $250M, an additional $672M is needed for launch.

"During the past few months, I've talked quite a bit about XM's 'best of brands' philosophy. This theme could not have been played out more powerfully than with the announcement of this quarter billion dollar funding commitment from what is truly a dream team of strategic investors," said AMSC and XM Chairman Gary Parsons in XM's investor conference last week.

XM SATELLITE RADIO

GM owns Hughes; Hughes owns DirecTV, is building XM's satellites

The synergistic "dream team" investments supply more than money. DirecTV and Clear Channel will work with XM to provide "powerful and differentiated" programming, DirecTV (which is owned by GM Hughes, the company building XM's satellites) will assist XM with its customer service, billing, distribution and conditional access expertise and Telecom Ventures, with its relationship with LCC International (LCC is building a terrestrial repeater network for XM) and experience with wireless communications.

Clear Channel, with 459 stations worth of talent and Premiere Radio Networks, is sure to get distribution when the birds launch. "At the end of the day, once this service is in front of consumers, it is the compelling programming that will drive subscribership and revenues," said Parsons. "For Clear Channel, this strategic partnership also provides a truly unique national platform, with which they can complement their other local media assets."

And, as predicted in CD Radio's (O:CDRD) 8-K filing over a month ago (*RBR* 4/26, p.15), GM has entered into a long term distribution agreement with XM to exclusively distribute, market and factory install AM/FM/XM receivers beginning with its 2002 model year cars and trucks. As stated above, GM Hughes has XM's half billion dollar satellite contract, so CD's prediction was a likely one. "We do agree with CD Radio's basic assessment that this action on the part of GM is clearly a positive validation of the satellite radio industry," said Parsons. "I think there's a reasonable expectation that other car manufacturers will follow along and make this move as well—either on an exclusive basis or with both CD Radio and XM."—CM

Clear Channel picks StarGuide Digital for store & forward

It's official: all Clear Channel stations (N:CCU) and Premiere Radio Networks will go with StarGuide Digital, which has beaten Wegener in the RFP to replace the outdated SEDAT satellite technology with its digital store and forward system. This adds 459 stations to StarGuide's current stable of 163 Infinity (N:INF) stations, plus Westwood One (N:WON).

The proposals have been under review since 1/8 (RBR 3/1, p.8). "We're looking forward to the advantages of using the new digital technology, the improved quality and extra flexibility it can give us. We're considering it state-of-the-art," said Bill Suffa, VP Strategic Development, Clear Channel.

StarGuide's "StarGuide Express" allows multiple platforms, last-minute delivery and changes of programming, localized ad inserts, and localized voice-tracked opens and closes for syndicated programming over satellite and Internet.

Says StarGuide President Jeff Dankworth: "We're excited about Clear Channel's and Jacor/Premiere's decision to use StarGuide's technology. Combined with our relationship with CBS/Westwood One and others, we now have a new digital standard for the radio industry."

The transition over to the StarGuide receiver box for Premiere affiliates will be gradual—none of the systems are close to being in place for the transition. "We've developed a plan two years in advance of the departure of our SEDAT delivery systems, so as to give affiliates and our network plenty of time to absorb a new delivery system that's clearly superior," said Premiere President/COO Kraig Kitchin. "Giving affiliates more than a year's advance knowledge gives them the ability of planning for it in next year's budget so there are no surprises." Premiere will be giving all affiliates a barter option for the new equipment when the time comes.—CM

The Lizard is big winner at the Radio Mercury Awards

Goodby, Silverstein & Partners bagged the grand prize of $100K at the 8th Annual Radio-Mercury Awards 6/10 in New York. Their winning entry for the Best Radio Commercial category was "Selling Out," developed for Anheuser-Busch as part of "Louie The Lizard" campaign. The second time grand prize winner also picked up an additional $10K in the general category for a Hewlett Packard spot.

A total of $210K in cash prizes was awarded to winners in the general, Hispanic and station-produced categories in the richest competition in advertising. Non-cash prize winner for the Best Public Announcement went to Lowe & Partners for The President's Council on Physical Fitness & Sports and The Ad Council.

The event also honored Charles Osgood, CBS Radio and TV news anchor with the 1999 Lifetime Achievement Award.—KM

Lucent announces successful DAB test; signs agreements with Nautel, Electronics Research

Lucent Digital Radio (LDR) announced it had successfully tested its FM IBOC DAB system on WBJB-FM Lincroft, NJ, an NPR station, last month (6/2). The tests showed no interference or degradation to the host analog signal. Both the analog and DAB signals were transmitted from the same antenna. The LDR IBOC exciter was tied into a 600 watt QEI Quantum 600E (same as USADR—RBR 4/19, p. 6) transmitter and combined with the station's existing Harris FM-1H3 transmitter at 11kW analog. "We [had] the analog continuing host signal over the air and then sent digital music over our exciter and had it received over the air in a computer and played it," said LDR Director of Marketing and Sales Bill Casey. "What this test is telling us is we're on track with the development of our system—we were able to put it over the live air and not impact the host signal."

Further upping the competition with USADR for an IBOC standard, LDR and transmitter equipment manufacturer Nautel have entered a testing and development agreement for its upcoming AM IBOC exciter unit with the XL and ND series. You will recall, Nautel is also working with USADR as part of its Technology and Marketing Development Alliance. It is under non-disclosure with both IBOC developers. "It's a pretty common practice in technology development to be working with multiple players, as long as information is not being passed back and forth. Most companies are very respectful of that, so this is a comfortable situation," said LDR President Suren Pai. Harris is working with both LDR and USADR in technology development and testing, but hasn't formally entered into any agreements beyond non-disclosure.

"We have agreements with both parties. As a transmitter manufacturer, we have little choice because nobody's picked a system. We assume eventually out of all this, the broadcasters are going to be broadcasting in digital, and we want them to be doing it on Nautel transmitters," said Nautel President David Grace.

While LDR's AM system is still in development, Nautel will be lab testing the prototype at its lab in Halifax, Nova Scotia over the next few months and participating in field tests in September and October. Said Pai: "We want to work with them up front, even in the design of the technology itself, just so we have their input. They need to help us understand the operating constraints so that we can design the system to work within the constraints that the operating environment poses."

LDR has also signed a JDA with Electronics Research, Inc. to co-develop combiner technology and improve efficiencies in the analog and digital combining process. LDR is using ERI's IBOC combiner at WBJB, and plans to use others in this year's FM field testing with Nassau (RBR 3/29, p.6) and other broadcasters. Pai tells MBR more development announcements are forthcoming.—CM

Free speech reigns for casino advertisers

The decision is in and it's unanimous: broadcasters do have the right to run legal casino advertisements. The Supreme Court ruled 6/14 that a ban on television and radio advertising violates free speech rights. Earlier this spring the high court heard oral arguments from the Greater New Orleans Broadcasters Association (GNOBA), challenging federal and FCC regulations that bared radio stations from airing commercials which specifically mention games of chance, such as slot machines, but allowed ads that mention hotel rates, meal specials or entertainment (RBR 5/3, p. 2). GNOBA attorney Bruce Ennis also argued that those same laws which banned ads from promoting privately-owned casinos do allow such advertisements for Native American-owned casinos.

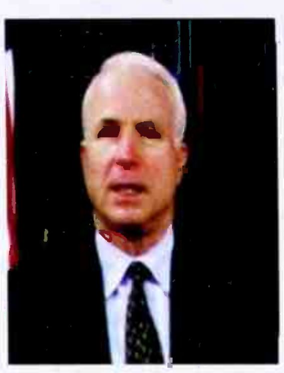
"This opinion affirms that local broadcasters be accorded the same commercial free speech rights as state lottery sponsors and newspaper publishers in advertising a legal product," said NAB President/CEO Eddie Fritts.

The justices' decision puts an end to a ban that was only in effect in some US states where federal appeals courts ruled that the regulations were constitutional. Other states have upheld the laws.—TS

McCain bill to stop FCC merger reviews

FCC Chairman Bill Kennard (D) says Congress "got it right with the 1996 Telecom Act." But apparently the Commission's implementation, on the other hand, may be way out of line. According to members of the Senate Commerce Committee, the FCC has no right to continue its practice of re-reviewing telecommunications mergers that either the DOJ or the FTC say they will not block.

Sens. John McCain (R-AZ), Orrin Hatch (R-UT) and John Ashcroft (R-MO) introduced the Telecom Merger Review Act (S. 1125) 5/26 which would allow the Commission to file comments with the DOJ or FTC, but would prohibit the FCC from imposing "any other term or condition on the assignment or transfer of the license."



"The FCC has bootstrapped itself into the unintended role of official federal deal breaker," said McCain. "The FCC is foisting needless burdens and restrictions on the merging companies that translate into higher costs for consumers."

During an FCC oversight hearing 5/26 with McCain's Commerce Committee, Commissioner Susan Ness (D) testified the agency is not duplicating the DOJ's review because "Our review is to look at public interest, which the DOJ does not consider in their analysis," she said.

McCain struck down that notion, saying everything the DOJ does in antitrust is consumer driven and in the interest of the public. "This bill is intended to...eliminate bureaucratic mismanagement while preserving essential federal review and enforcement prerogatives," he said.—TS

Competing Media

Ad spending up; radio share down

by Dave Seyler

In March, newspaper, television and radio combined picked up almost $250M in ad revenue over the previous month. Radio's gain, however, according to just-released figures from the RBR/Miller Kaplan Total Media Index, was only a modest $12M give or take, and as a result its share of the media pie dropped from 16% to 14%.

One need look no further than one category to explain this: Television. Back during the February sweeps, TV stations spent nearly $26M on radio advertising, single-handedly accounting for almost 15% of radio's total. But this kind of spending was greatly diminished in March, when television's $7.9M wasn't even a third of February's total and accounted for only about 4% of radio's total.

Otherwise, there were no outstanding gains for radio, but no outstanding losses, either. It will be interesting to see how radio fared during the sweeps season just passed.

MBR/Miller Kaplan Total Media Index - March 1999 (Expenditures in 000)

Category	Newspaper	TV	Radio	Total Media	Radio % of Total
Automotive	186,541	144,574	31,551	362,666	8.70%
Restaurants	4,193	52,169	12,352	68,714	17.98%
Department Stores	71,651	22,995	8,352	102,998	8.11%
Foods	2,860	38,423	7,023	48,306	14.54%
Communications/Cellular	38,380	28,473	14,907	81,760	18.23%
Furniture	26,144	14,652	5,979	46,775	12.78%
Financial Services	42,833	21,080	12,892	76,805	16.79%
Movies/Theater/Concerts	24,022	22,986	6,603	53,611	12.32%
Grocery Stores	14,682	9,679	6,051	30,412	19.90%
Appliances & Electronics	28,346	9,219	2,938	40,503	7.25%
Hotel/Resorts/Tours	32,650	9,723	2,748	45,121	6.09%
Drug Stores/Products	8,473	16,145	3,881	28,499	13.62%
Computers/Office Equipment	22,385	7,582	5,153	35,120	14.67%
Specialty Retail	32,405	26,174	10,712	69,291	15.46%
Health Care	11,345	14,461	7,193	32,999	21.80%
Auto Parts/Service	5,938	6,641	4,187	16,766	24.97%
Music Stores/CDs/Videos	4,431	7,813	3,493	15,737	22.20%
Transportation	14,042	5,902	4,145	24,089	17.21%
Entertainment-Other/Lottery	3,563	6,256	5,260	12,888	40.81%
Home Improvement	10,221	9,067	4,307	23,595	18.25%
Professional Services	9,036	9,676	6,775	25,487	26.58%
Beverages	2,441	12,937	8,123	23,501	34.56%
Television	8,495	4,029	7,909	20,433	38.71%
Personal Fitness&Weight Ctrs.	1,172	5,240	898	7,310	12.28%
Publications	30,272	2,144	2,924	35,340	8.27%
TOTAL	636,521	508,040	186,356	1,328,726	14.03%

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

by Tiffany Stevens

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: Saga Communications' Dave Paulus of WNOR-FM, WNOR-AM and WAFX-FM Norfolk, VA and Fairfield Media Group's Jay Mitchell of KMCD-AM and KIIK-FM Fairfield, IA.

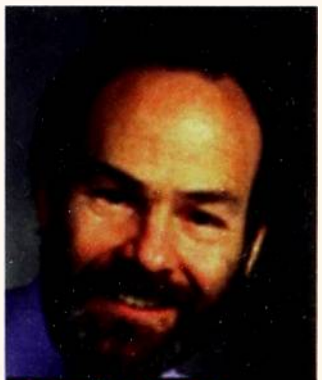
Here are this month's GM Talkback questions and the responses.

1

Congress is currently holding hearings to discuss a reauthorization of the Federal Communications Commission (FCC). What changes would you like to see made concerning the FCC?

Dave Paulus:
As Austin Powers might say, "The FCC isn't completely my bag baby." But from a GM's perspective, I'll tell you that the FCC seems very out of touch with the actuality of running broadcasting properties in 1999. The low-power FM issue is an excellent example of unrealistic expectations. The feasibility, in today's radio marketplace, of "dropping in" 10 to 30 LPFM stations in markets that are barely supporting the current existing stations is an absolute joke. It would be great to see the FCC concentrate on the success of existing stations as opposed to redesigning the landscape to support some obscure "cause" groups.

Jay Mitchell:
If you know broadcast history, you know that the Federal Radio Commission and later the FCC were chartered to police frequencies and little else. In fact, the whole "public interest, convenience and necessity" thing did not exist when these agencies were formed. Even so, over the years, of course, the charge has changed to "political interest, convenience and necessity". Now the Commission, ever responsive to political pressures (and/or the Commissioners' spouses and friends), feel compelled to do something about all these issues that have nothing to do with the original charter.


Jay Mitchell

So, what changes would I like to see? The Commission should do two things: 1. establish technical parameters to control station interference, and 2. ensure compliance to those parameters. Period.

2

In your opinion, would the public interest be better served if the FCC was a law enforcer rather than a rule maker?

Dave Paulus:
Obviously the broadcasting community benefits from an objective group reviewing the policies and procedures. But how objective is the FCC? Got me! I feel the difficulty the FCC suffers from is multiple needs of multiple interests. Digital delivery, satellite radio, LPFMs, indecency issues, etc. That's lots of interests with lots of needs.

Jay Mitchell:
See answer to question one.

3

How did you get into radio and why did you stay?

Dave Paulus:
After almost 15 years in the "biz", I'll tell you that it never gets old. From my beginnings in college radio to now, radio never fails to amaze me. Even now in the days of 400 station groups, IPOs, consolidation, cluster selling, stock prices... it still kicks a—. Why stay? For me it's simple: radio elicits emotions like no other medium. Want proof? I still get misty eyed every time the song "Forever Young" comes on the radio. Why? It's the song that came on the station as my first child was being born. Now let's see the NBC Nightly News do that!

Jay Mitchell:
My father was in radio, first as an actor and then as a station owner. So, it's in my blood. I'm not sure I had a choice-it's always what I've wanted to do, and I've done it since age 11. I stay in radio because 1. I don't know how to do anything else, and 2. because there are still a lot of upsides for those of us who think of radio as a communications and marketing device as opposed to a specific set of technologies (which always change).

Attention GMs:

If there is an issue you would like for us to explore, let us know. Or if you would like to respond to a previous question or answer, write it down. All responses may be sent to us via fax: (703) 719-7910 or email: radiobiz@aol.com. We look forward to reading your comments.

Horizon Media's Mitchell Scholar

by Carl Marcucci

As director of national radio for Horizon Media Incorporated, Mitchell Scholar works in a team environment, in concert with the media planning and account services teams. He takes buys from conception, into proposed buy schedules and through negotiations with media vendors, always striving for the best possible buy for clients such as Geico Direct, A&E and The History Channel.

Now leveraging a well-rounded career buying radio, TV, out-of-home and all types of print, Mitch started in the field in the late 70s at Ad Marketing, a barter company. He then went to Gaynor Media (a buying service), working his way up from junior to senior buyer for clients such as Bantam and Ballantine books and Ponderosa Steakhouse. He was then hired in-house by one of Gaynor's clients—Doyle, Graf and Raj—buying all media for high profile accounts like SwissAir and numerous banks. Next was FCB/Leber Katz (now True North/TN Media), working with Taco Bell and Pacific Bell for both local and national spot radio and some TV buying. He was recruited by Schering-Plough, buying radio for the pharmaceutical company for seven years, through 6/97, when the company decided to outsource all buying functions. Before being hired by HMI in 12/97, Mitch was doing freelance work for SFM Media and Grey Advertising.

Is the media mix for your clients going forward more or less for radio and why?

I joined HMI in December of 1997. In that short time radio, specifically network radio, has grown to be an integral part of our overall media mix for our client base. Radio has grown and continues to grow because of the kinds of results it produces and the success it yields. It sells itself. However, it cannot go unmentioned that its success is largely due to the expertise of all involved in making the buys.

What do you see as improvements in radio buying—spot and network?

Sales people. Without question, in my tenure in radio (20+ years) it has to be the improvement in the sales reps themselves. The enhancement in their skills can only be attributed to the amount of training they receive. No longer the forgotten stepchild of media, network radio sales reps are now well-trained, highly skilled industry experts. New technology, such as the RADAR® software, especially its new optimizer program (SOS), has also enabled the network radio buyer to be more well informed in all schedule purchase analyses and negotiations.

What would you like to see radio provide more of?

A uniform source for network radio research, be it RADAR or Arbitron, with the availability of research on computer software as well as the match of all station audience estimates to actual commercial clearances. I would also like to see better accuracy in audience estimate numbers. In defense of our media suppliers, we are offered comparable bonus weight to make good on all deficits. However, being more strategically planned will only result in higher success and less paperwork for everyone. The time spent correcting mistakes could be spent perfecting excellence.

How do you like radio vs. other media?

Your question reminds me that I suppose I am now among the "old timers" in our industry. The list of what I haven't bought is much shorter than what I have bought: radio, television, out-of-home and all types of print. I consider myself very fortunate and very well rounded. Personally, my niche, my real happiness has been in radio, all radio: local, national spot and network. Sometimes doing all three at the same time. Radio presents unique challenges in successfully reaching a designated target audience by combining the best formats, programming and/or dayparts while never straying from the client's financial parameters. It continues to remain one of the more challenging aspects of my job: to make the very best possible buys, while providing the client savings in purchasing dollars, even if only slightly. Network radio offers the added challenge of developing the best mix of both line network and syndicated programming, maximizing our client's impact in the top 20-50 markets so that campaign objectives are fully realized.

Has radio become a better reach vehicle like many are saying? Why?

Yes, especially network radio, which has become a key player in any aggressive media plan. Its continued growth as a viable reach vehicle is due in large part to networks like

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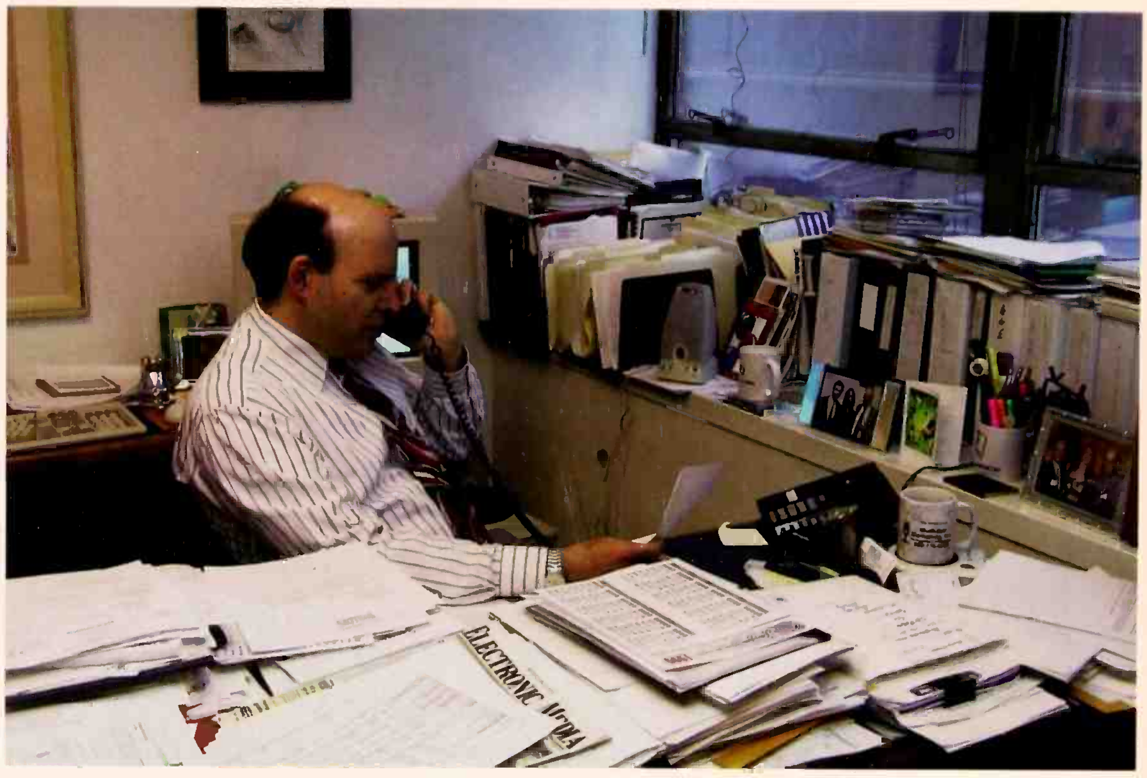
AMFM and Premiere which have enhanced their sales edge by moving into the RADAR-rated universe. Now, the buyer can expand their client's buying options by using RADAR ranker data for stations which never had network affiliation before but now do, bringing the potential of an expanded total reach into their media schedules.



What buying trends are you seeing in network radio and spot radio buying going into the millennium?

This has been a banner year for radio in general. The market is attracting many new advertisers into the media mix. Competition is increasing all the time. A trend worthy of noting is the growth seen in the upfront marketplace creating even greater demand for inventory in the scatter marketplace, which is now leading to sell-outs in certain weeks in both dayparts as well as programs. The industry-savvy advertiser would be wise to release their budgets ASAP to their buyers, giving them enough of a headstart to get into the marketplace to secure the very best inventory for their clients. My prediction is this current trend will only intensify as we approach the new millennium. It is indeed an exciting time to be involved in network radio buying.

What has the .com business done for the industry?

Anytime there is a creation of a new category in media, it makes the negotiation more competitive, driving prices higher. Though I think in some ways it is still too early to assess the true influence of ".COM" on the market place, I think its presence has boosted Network Radio into having even a stronger year than anticipated from both the upfront and scatter advertisers.

Why don't some clients like to use radio?

In 1999 we are now seeing baby boomers as grandparents. This means three generations of fascination with perhaps one of the most popular inventions of the 20th century; the TV. As such, we've become a visually-dependent world, believing that seeing is believing. For some advertisers, the belief that only hearing ads cannot be as effective as also seeing them, is something which frequently needs to be addressed. However, it is easily addressed. When it is explained that radio is the only medium which is heard in the home, the car, the stores and the office, virtually everywhere we go, it is quickly acknowledged that this medium has incredible potential for any advertiser. I am not sure that a properly informed advertiser has any dislike for radio. It's our job as buyers to make certain that the education about radio is given.

Has consolidation improved the network and spot buying climate for radio?

Consolidation has allowed broadcast companies to aggregate a pool for their resources, offering advertisers far more concise research data. In network, taking Westwood One as but one example, they pooled all of their affiliates and created a new lineup of networks, such as CNN MAX. This kind of pooling, which many other networks and syndicators have also done, provides advertisers with excellent clearances in the Top 20 markets.

What impact have new RADAR-rated network entrants had on your buying decisions?

Since the arrival of AMFM and Premiere to the RADAR-rated universe, purchases have been made more interesting because our clients are now being provided with more diverse and challenging advertising options. I view the competition it creates within the industry as a personal challenge to insure our clients reap the benefits of my ability to expand my negotiating alternatives.

Do you see any value to advertisers and agencies in having radio, TV and billboards in a market under one owner?

An emphatic yes, provided that the advertiser chooses one entity to purchase all three media types. The savings incurred through the negotiation leverage could be significant.

Generally speaking, do station clusters give you any better data and service than standalone stations?

Absolutely! There is definitely a better research base for data accumulation and presentation. Station clusters provide a distinct advantage over standalone stations, as they assuredly approach negotiations with a great deal more clout.

Have you done any group-wide buys? Would you consider doing them in the future?

To date HMI has not done any group wide buys. However, we will embrace any media concept providing it is in the best interest for our clients and maintains our competitive edge.

Do you think small owners are justified in complaining that they're being shut out of buys by the big group operators?

Yes, if only perhaps because in some cases buyers do not take the time to give the small standalone stations the credibility which they deserve. I do know, however, that complaining about lost business does not generate new business. The small standalone rep is best served by presenting their station's virtues to the buyer, some of which the group clusters cannot necessarily offer; such as better negotiated rates and/or more targeted dayparts. These can be advantages to buyers who are working to keep within budget parameters.

by Carl Marcucci

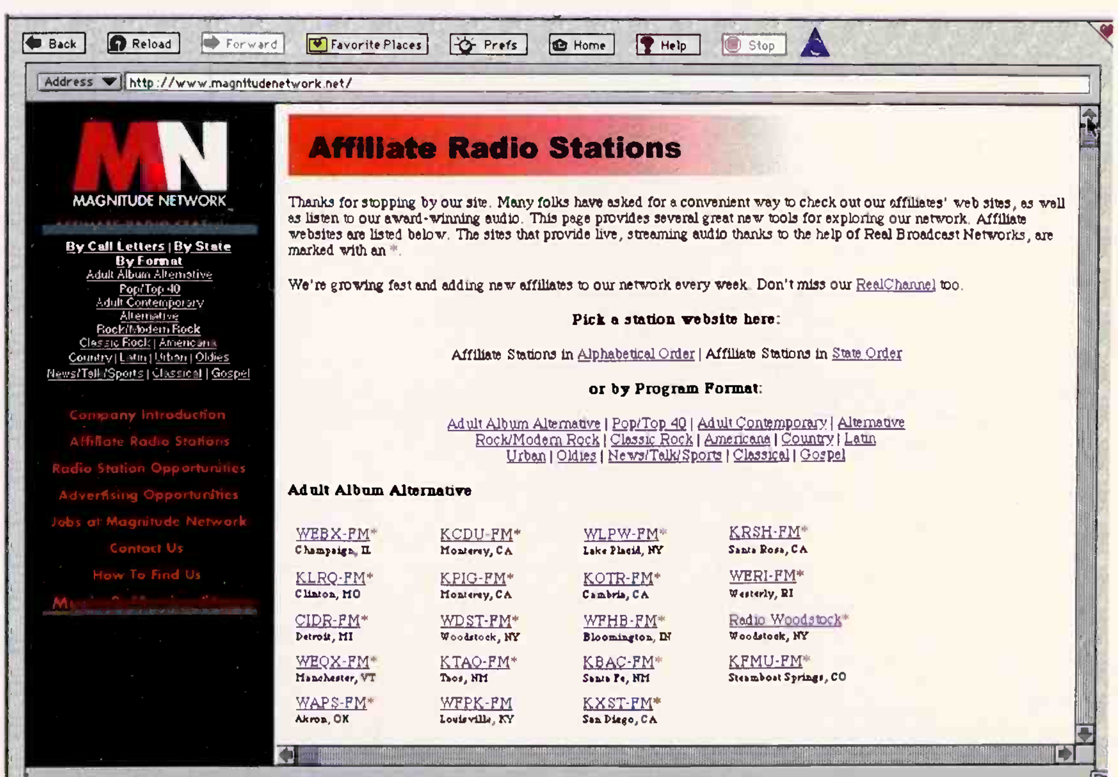
INTERNET SOLUTIONS FOR RADIO:

WHICH IS BEST FOR YOUR STATION?

As with just about everything else today, if you "aren't on the net," you're being left behind. Let's face it—just about every station owner and GM is either already leveraging a website or thinking about it. While some see the Internet as a threat to radio, others see it as a means to an end—a tool to extend the station brand and make some NTR in the process.

There are many Internet solution developers out there for radio, and even more syndicated content links available to "program" the site. Broadcasters have tried to keep up with them and are inundated with choices: to host or have the site hosted, what streaming company and technology to use, what level of management outsourcing, what e-commerce links to choose, banner ads or not, to pay for it in cash or barter—which model is best for a station's needs?

Here we take a look at some of these "model" choices—developers that offer differing combinations of revenue options, streaming options and control options. We examine the synergies of Internet and radio and the possible future of those synergies. One thing is for sure: "The Convergence" is one thing to be joined, not beaten.



Making it part of the station

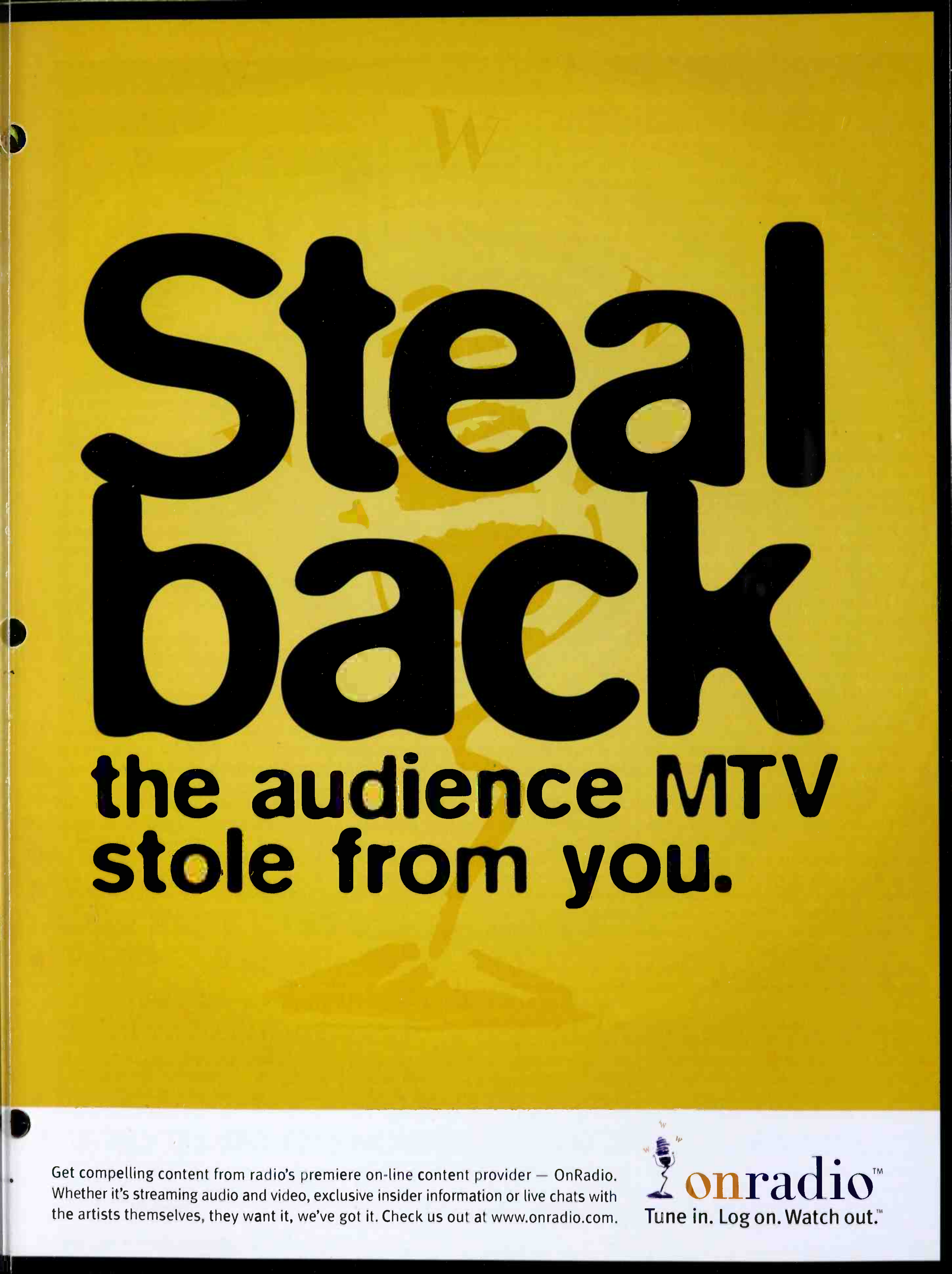
Many stations still have't embraced the web, or at least to the degree that will turn their sites into something of value. While about half of all US radio stations have sites, many tend to be pretty standard—pictures of the jocks, a program schedule list, and maybe an e-mail box. "The way web sites become valuable is they become revenue-producing, and ultimately profitable," said Greg Verdino, VP/GM, Arbitron New Media. "Which means the station needs to almost think of a Web site as a separate media property—something that drives commerce, something that's a buyable advertising property."

Radio's reach makes its sites valuable. Having the ability to drive huge numbers of cume to one on-ramp—a highly trafficked web portal—cheaply makes those sites very popular. Offering things such as couponing and classifieds through the site (which has always been newspaper territory) now gives stations another way to compete for the ad dollar. Anything to help drive traffic to a station's site helps increase revenues, listenership and potentially market share against other stations and competing media.

"What radio stations have done, because of their highly selective demographic and psychographic targeting on-air, is built a great community. What they need to do is to open up the microphone and bridge that community on-air into the Internet environment, where they have a great website that's kept fresh and current with content that that community appreciates," said Steve Carly, COO, OnRadio (RBR 1/25, p.5). His company is one that networks its 500 client sites with ads and supplies classic Internet tools like e-mail, chat, bulletin boards and custom interactive elements. OnRadio, originally launched in 1995 as "Electric Village," is a partnership with Katz Media, which reps the station-client sites.

Revenue models

There are two choices for stations and their websites: to stream audio or not and to make money or not. Let's address the money for now. Radio has a captive audience. It can find many different ways of driving people to its sites. Once they get there, what can the station do to keep them there, and make money at the same time? Digital "amusement park" comes to mind. The more the visitors go to the site, the more points chalked up for the station—for ads and for e-commerce buys like CDs and books.



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Each Internet solution has its own model. Magnitude Networks President Todd Schmidt uses cross-promotion as the selling point for both radio station and advertiser clients. "We will try to bundle our radio inventory along with our banner inventory and do more of a comprehensive promotion. We call it 'Rad-Net.' We thought there was a lot of power to be able to go to advertisers and say, 'Look, banners are great, however, what if we support it with real, live on-air advertising, that you could run a unique promotion—you drive traffic to those banners with your on-air promotion.' The on-air inventory is barter, the banner ad revenue is shared." Magnitude launched 2/97.

Another, Radio Data Group (RDG), launched 6/96, now with 250 station clients, offers the turnkey approach: "We have brought the sites up—designed from the get-go, installed software tools, hosted our network, made a part of our AdNext banner network, and are maintaining them on an active basis," said Michael Rau, RDG CEO. "We're a full service integrator. And I think an important distinguishing characteristic is that we don't endorse any of the content for buyers. Our clients are free to work with any of these people that are pitching content, including broadcast.com, OnRadio and Jam TV."

RDG's "AdNext" is a traffic and billing system for the radio station that allows it to place its own banner ads at its own rates, including invoicing. Sites are repped by 24/7 Media. "We share with stations up to 90% of the revenue that the station earns by their participation on the network. 24/7 Media places buys on the network, choosing regions of the country, demographics or music formats. Then, depending on the page views and click-throughs of the ad on the station sites, they receive a payment from us," Rau told MBR. MJI Broadcasting clears the station inventory on this barter service and stations update content themselves. RDG does have a list of content providers, but stations aren't' required to use any of them.

Most of these advertising-based models allow stations to call and get new content links established by the host-developers. Rau says his company often has to add images or navigation bars.

For these companies that form banner-ad serving networks, and the increasingly common full audio/video streaming commercials, a certain amount of control needs to be given by the station for economies of scale. With common sites served to all clients, costs go down. XML-type technology allows the station-customization. In fact, many content and e-commerce links can be station-customized in these models. Says Rau: "They have to become a client. We don't make the traffic and billing system available a la carte. They really have to give you their site to manage and host and work it into your network. Their site could change dramatically."

BroadcastMusic.com launched with 50+ stations and and Superadio-syndicated programming (John Garabedian's "Open House Party") mid-June. President John Brier tells MBR that client stations are offered exclusivity in each market from competitors and are provided ad space for local website sales. It is positioned as low/no-cost, user-friendly, easily navigable site that focuses OnRadio and music only. Free to stations, revenues come exclusively from banner ads and sharing of e-commerce. "We put all the equipment in for free, pay the licensing fees, streaming costs, phone lines and transmission fees," says Brier.

Looking to launch late this Summer with between "200 and 2,000" client stations, WebRadio.com focuses its model on streaming audio with its proprietary java-based "Emblaze" technology that requires no downloading to listen (otherwise, streaming requires downloading a player—usually Real Networks' RealAudio G2 player, Microsoft's Netshow Media player or Windows Media Technology player 4.0). Like most models offering streaming, WebRadio charges a monthly fee that can be paid by cash or barter and pays the ASCAP/BMI/Sesac copyright fees. It also provides 50/50 after-cost revenue sharing opportunities for banner ad sponsorships and offers on e-commerce link—GetMedia's (RBR 5/10, p.4) real-time, one-click music store that displays a purchasable CD as a song from that CD is streaming off the station.

"Based on statistics released in March by Odyssey Research, only 31% of the survey have downloaded or used a Real Player in last six months, only 5% were NetShow. With the Emblaze technology, anybody with a java-enabled browser, which is over 90% of the population, can access the broadcast," said WebRadio.com President Michael Weiss.

Launched 9/95, Broadcast.com (O:BCST) was the first major offering to radio stations for streaming. It continues to be the most well-known destination for Broadcast streaming products, now including 375 to 400 streaming stations and syndicated programs like Rush Limbaugh, Art Bell, Dr. Laura Schlessinger and Dr. Toni Grant. It also has a separate TV/cable video streaming side. After its IPO, success brought the stock price above $200. It has since been sold to Yahoo! for a whopping $6B.

Andy Collins, Broadcast.com's director of radio, says his model is most-focused on providing streaming for stations to increase their listener base, especially in-office. As a site aggregator, all client broadcast streaming pages can be accessed by going to Broadcast.com, and are driven there through barter spots for the service (some stations pay cash, others a combination). No banner ads are placed on client station sites, nor is any e-commerce on broadcast.com's site shared. "We try to focus on our core business, which is streaming. We are not a website development or a website hosting company. That is not our niche," says Collins.

RadioWave.com, a subsidiary of Motorola, coordinates visuals with streamed audio for its 38 affiliates. Providing a proprietary interactive player, listeners can experience "instant interactivity" without leaving the station's site. Said James Burke, VP: "We're targeting in-office listening. Every element of programming becomes a clickable event—I hear a song, I call up the player, I can instantly buy that album, and everything to do with that group. I hear a Geico commercial, I call up the player and I'm one click away from Geico's online rate quote." RadioWave launched 10/98.

Redwood Broadcasting (O:RWBD) is also establishing a national network of Internet Web sites, focusing on major-market stations. CBS/Infinity has an 18% stake in the developer (RBR 5/31, p.2). Redwood constructs, manages and maintains radio sites.

To stream or not to stream

The question whether or not to stream a station's audio is entirely subjective. There are probably more streaming pros than cons in the long run. The cons include losing diary entries in local Arbitron Radio diaries ("I was listening to the computer then, not the radio") and paying for people to listen—in some models, the more people that listen, the more it costs the station. Someone listening from the other side of the globe cannot impact local radio ratings, but many of them can impact the budget.

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On the other hand, says Verdino, streaming is valuable because it addresses several opportunities: "First, it's an easy mechanism for attracting and keeping at work listeners. It's also a good way to attract listeners who otherwise have reception problems. But the real value comes when we can monetize that, the way radio uses our traditional ratings service to price and sell advertising."

Arbitron New Media will be measuring streaming listeners and is establishing a ratings system. "Our play is pure market data, designed specifically for driving ad buying and selling. In our first release, there's no demographic data, but at some point in 2000, we are looking at a number of ways to enhance the data with demographic and behavioral elements," said Verdino.

Arbitron is working with radio web developers in a "loose alliance" in which they are essentially serving as data providers—Internet measuring will not be survey-based like for radio. Companies like Media Metrix are also available to audit and organize listening data for stations and developers for marketing purposes. The ad buying community, like for radio, prefers that listening and page view numbers pulled off stations' and developers' own servers be verifiable by impartial third party data.

Groups like AMFMi doing it on their own

Probably one of the best examples of the emerging trend of groups doing everything on their own is Chancellor/AMFM Inc.'s AMFM Interactive unit (RBR 5/17, p.3, MBR June, p.6). It's a big decision to make group-wide, and the capitalization is considerable. "I would expect more groups are going to move towards the DIY approach. Obviously, the up side on that is they retain far more control over their product—content, intellectual property and programming," said Verdino." On the other hand, I think one of the challenges a lot of groups are going to face is that there are a lot of very specific expertise required to do the web right. I don't know one way or the other whether the different radio groups have that expertise in-house and will be able to find that expertise and compete against Internet companies for it."

A hybrid approach may be best. There are services and content partnerships that can't be easily emulated within a radio group. Says Verdino: "Just a case in point...why would a Chancellor want to build their own dating service when they can partner with somebody like InXsys? There's a lot of companies out there with very niche specialties who could provide value to the radio station in a fairly transparent way."

Threat from Internet-only stations

Many are starting to recognize there's a potential threat lurking in the wings—remember in the 80's when cable became a threat to broadcast TV, as broadcast TV was looking the other way? "Internet-only radio station companies like Spinner.com and Net Radio.com who have no real-world counterpart have been very fast to capitalize on the Internet listening market, and are attracting, I think at this stage, significantly larger audiences than any radio station on the Web," cautions Verdino.

While there's a lot radio has to offer that a Spinner can't, there's a lot that a Spinner has that some consider superior to radio. "They do play commercials, but it's far less cluttered than traditional radio, but their big strength, for certain segments of the listening population, is the fact that they play music you can't hear on your radio station," said Verdino. "If you're interested in Ambient Techno, they've got a 24-hour channel Ambient Techno channel.

It appears some broadcasters are already hip to this threat, and are countering it by planning Internet-only radios of their own. Said Steve Hicks, CEO, Chancellor/AMFM Inc.'s AMFM New Media Group (RBR 5/24, p.2): "If I can go to Z-100 in New York and they are streaming their station, that can be very powerful. But to have that staff create and sell some local, Internet-only stations with their content and talent, to me is pretty exciting."

Content provider examples

• InXsys Broadcast Networks Repped by Interep, InXsys brings multimedia classifieds, auctions, e-commerce, personals/dating services and more. Client stations share in the revenues. Benefits from this and similar multimedia content links include increased traffic, given so many reasons to keep coming back.

• Popmail With almost 500 radio affiliates, Popmail is a leading e-mail conduit connecting radio stations with listeners. It is a tool to grow TSL, time spent at the site, and ad revenues from frequent visits.

• Interactive Radio Group provides entertaining 3D computer modeling of jocks for later viewing. KROQ-FM L.A. and KITS-FM San Francisco are two Interactive Radio Group clients that have included full-service web site developing and hosting. Redwood Broadcasting (see main story) has acquired the company (RBR 5/31, p.2).

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COMING IN AUGUST LPFM ISSUE COVERAGE

Taking Pride around Chicago:

The Pride Suburban Network

by Carl Marcucci

Chicagoland: in geographic terms, the metro area stretches from southern Wisconsin to Northern Indiana. Plenty of area for even sticks atop the Sears Tower to cover. Too much area for an advertiser in Kenosha, WI to want or need to reach listeners in South Bend or Gary, IN.

Jim Hooker, Pride Communications CEO, had a mission to provide localized information for listeners and create a quality product where his advertisers could get results. His long-term plan was to purchase properties that geographically surrounded downtown Chicago. This strategy would provide the platform to start the Pride Suburban Network (PSN).

In 1991, Hooker purchased WZSR-FM and WAIT-AM. These stations established coverage in the middle and western suburbs. In 1996, Pride acquired WIIL-FM, WEXT-FM and WLIP-AM, adding northern coverage. WJOL-AM, WJTW-FM, WBVS-FM, WLLI-FM and WKOT-FM (just recently sold) were next, creating the southern chain and final link, making the ring-around-Chicago complete in February 1998. A year ago this month, PSN was formed, with Sue Prister put in charge as GM. In this MBR interview, Sue explains the Y1 strategy and success of ringing Market #3.

The latest Arbitrends for Chicago show three Pride stations (WAIT, WIIL, WZSR) with ratings better that some full-market signals. How do these stations penetrate the Chicago ratings books with secondary suburban signals?

First, all of the Pride properties are licensed to the metro and can potentially penetrate the Chicago rating books individually. In fact, one of our properties, WIIL, has a signal comparable with the general market stations at 50kW.

Second, a significant population falls outside the interference free signal area that the general market stations cover. Our city grade signals cover these areas giving us access to a large number of people who are interested in stations that are more relevant to their lifestyle.

Last, Pride Communications has always strived to provide excellent programming alternatives equal to or better than the Chicago stations. To continue to strengthen our programming position we have hired a national programming consultant, Michael Anthony (formerly of the Research Group), and Dana Jang as a corporate Program Director and strategist.

How is the network sold and packaged?

Currently, the network is being sold on a regional basis to clients who have historically only advertised on the general market stations. In the past there wasn't a group of suburban properties that could generate enough ratings to be competitive with the Chicago stations so they were never considered. The network is packaged based on the clients' needs and marketing challenges. We pick the stations in the group best suited to fit that need and create a schedule. With the benefit of so many formats, it gives PSN the opportunity to effectively reach almost any demographic from 18-49 and 25-54 to 35+.

What national agencies and advertisers are your biggest clients?

Because PSN is so new we do not have a national rep secured at this point—that is a goal for 2000. We do know that another network, KQS in Boston, has been very successful selling national advertisers so we anticipate similar success.

What local/regional agencies and advertisers are your biggest clients?

Our biggest clients are those accounts that have identified suburban consumers as an integral part of their customer base. Currently we are

being supported by the biggest shops in Chicago—Leo Burnett, Y & R, Foote, Cone & Belding; Bozell, Kelly, Scott & Madison and many more.

How do the rates stack up as a network compared to a singular full coverage Chicago station?

The rates are generally lower than the general market stations, delivering a better overall CPP.

How is the inventory structured? Is there space allocated for advertisers that only want to buy one station?

Inventory has to be carefully managed because PSN guarantees placement, thus the stations have created a bank of commercial time used for network orders. Typically these regional avails come with little notice and if we didn't have this bank of time we wouldn't be able to clear it.

For clients that only want to buy one station, they would generally work with the stations direct as opposed to the network.

How is the network technically set up for ad insertion? What equipment/ vendors are used?

The network is set up on its own system at the PSN office. All insertion orders, traffic orders, confirmations and billings are run through the network office for verification and consolidation purposes. Network clients did not want the burden of added paperwork or trafficking so we created our own system. By year-end we will be on the Computer Concepts' new networking program that will give us the ability to create one invoice for all our stations.

Are any stations simulcasted?

All of our stations are programmed individually. If we are going to structure them to best serve their county with local entertainment and information, we could not simulcast them. If you review the county composition reports around Chicago, these areas have dramatic differences in make-up, thus a mass appeal or simulcast approach would not embrace our listeners lifestyle. This is the fundamental essence of why PSN differentiates itself from the general market.

How are the stations promoted—together or separately?

Each station is promoted individually to best reach their audience. PSN is marketed at the station level with the top of the hour ID. We market them all as part of the Pride Communications Network.

How is news, weather, sports handled throughout the network?

Each station tailors a local news, sports, weather and traffic report pertinent to their geographic area. We have 16 station vehicles that are dispatched daily to cover local traffic conditions, as well as a full-time news department. Meteorologists are also utilized—due to the lake effect, weather conditions can be dramatically different from area to area in the suburbs. Again, this is another reason why the network is successful at penetrating the Chicago ratings—listeners depend on our local reports because they can not get them on the general market stations. People are interested in information that affects their lives.

Pride Suburban Network Stations

WAIT-AM	Crystal Lake, IL	Standards
WBVS-FM	Coal City, WI	CHR
WEXT-FM	Sturtevan, WI	Country
WIIL-FM	Kenosha, WI	Classic Rock
WJOL-AM	Joliet, IL	Standards
WJTW-FM	Joliet, IL	AC
WLIP-AM	Kenosha, WI	Standards
WLLI-FM	Joliet, IL	Classic Rock
WZSR-FM	Woodstock, IL	AC