

Small Market Radio Newsletter

The Voice of Small Market Radio


VOLUME XX • NUMBER 13 • SEPTEMBER 5, 2002


NATIONAL ADVERTISERS SAY “NO 9-11 ADS.” Perhaps you’ve received the faxes and e-mails as well: many agency clients are specifying that none of their ads run on September 11 to avoid being branded exploiters. So far, stations have heard that Coca-Cola, GM, HBO, Miller Brewing, Nissan, Target, Sears, American Airlines and United Airlines want no ads placed on that day. Others, like Ford, Kraft and Procter & Gamble, are permitting their 9-11 schedules to run as booked but don’t want to be placed near anniversary coverage.

MIXED ECONOMIC SIGNS. AGAIN. (STILL?) The monthly Conference Board consumer confidence Index stands at 93.5 for August, down about four points from July. Their Present Situation Index, charting consumer perception of business conditions, also declined, from 99.4 in July to 92.0 in August. On the other hand, the Federal report on durable goods orders—an indication of manufacturing activity—was up 8.7% in August, the biggest gain in nine months.

GOOD RADIO ECONOMIC NEWS. Standard & Poor economist David Wyss expects total ad spending in the U. S. to be up 2.7% this year and over 5% next year. Meanwhile, Bank of America analyst Tim Wallace told investors, “Most companies in our broadcast universe met or exceeded our second quarter estimates, with managements commenting that future business is gaining momentum. Political spending, combined with a turnaround in national advertising which increased by 7% in June, are boosting demand and prices.”

RIAA WHINES ABOUT CD SALES. A new Recording Industry Association of America study reveals that sales of compact discs are down 10% from the same period last year (398.1 million units vs. 442.8 million). The RIAA blames online music file-sharing for the drop.

 www.riaa.org *Editor’s \$0.02: Earth to record industry: The file-sharing heyday was before the period reported! In fact, other studies have shown that music downloads have boosted music sales. These record-company idiots are fighting a losing rear-guard battle. I hope they—and the Copyright Office and all the other idiots—come to their senses soon, or they won’t have an industry to whine about.*

MEET NEW FRIENDS IN SEATTLE. The Community Media Conference—sponsored by Reclaim the Media, describing itself as “part of a growing media democracy movement concerned about the private takeover of public broadcasting resources, corporate consolidation and homogenization of media systems, and the deregulatory rollback of public interest”—will be held at the same time as the NAB in, of all places, Seattle. Their web site proclaims, “Join us in Seattle this September as we confront the National Association of Broadcasters and their ongoing quest for greater consolidation of corporations’ power over the public airwaves.” A banner at the top of their home page says, “Nab the NAB.”  www.reclaimthemedial.org

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IN OUR 20TH YEAR

US & Canada (\$US):
• One Year \$129
• 26 Weeks \$74
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• One Year \$184
• 26 Weeks \$104
E-Mail-Only Edition (\$US):
• One Year \$89
• 26 Weeks \$49

[Online Sep 8987]

Swapping Ideas

Here are more thought-provokers from the *Small Market Idea Swap* at NAB2002 in Las Vegas earlier this year:

INTERNET PLAY BY PLAY. Jerry Hinrikus, EBC Broadcasting, Salinas, KS (jhinrikus@ebclink.com) does play by play sports on all of his radio stations, but he also runs four additional Internet-only games each week. All you need is a phone line or cell phone, a computer, and an arrangement with your local ISP or web hosting company. At the studio end, the same part-timer who board-ops the broadcast games simply turns on and off the feed at the appropriate times. All the ads are done live by the play-by-play announcer. . .they're a lot cheaper than in the regular broadcast games, but they add up. As for the announcers, Jerry uses high schoolers and other camp followers (adults with real jobs who might have done play-by-play in their youth) who do it for nothing. They may not be the best quality, but just having the games available is enough for the fans. 🖱 www.ebclink.com

KEEP IT UP! George Kimball, Finger Lakes Radio Group, Auburn, NY, reported that a study done by a professor at Ithaca College showed that in markets under the top 100, only 50% of the radio stations still had web sites. Yet Internet usage continues to grow. George says, "We as small market radio operators are going to really miss the boat if we don't take advantage of the Internet opportunities that do exist." He mentions Access Broadcasting, Eugene, OR, as an example of a company that can do a very good site for you, cheap (starting at \$129 a month, according to the Access site). 🖱 www.accessbroadcasting.com

FIVE-MINUTE MONEY. Dick Koust, KGY, Olympia, WA, contributed, "Some sponsors need a little more than a regular ad, so we've devoted five minutes of possible sale time weekdays at 8:55 a.m. for somebody who wants to come in as a guest and talk about their business. For \$195 they get their five minutes plus ten promo spots (five the day before and five the morning of) that don't advertise, they just say that soandso of suchandsuch business will be in tomorrow/today at 8:55. It started out slow, but now we have maybe two a week, with the possibility of up to five a week. You can do the math to see how much extra revenue you can get from this.

"Last Friday, for example, we had on the operator of a carnival coming to town. We talked about things like when the rides were open, what kinds of rides he had, the safety of the rides, did he ever have any accidents, and all sorts of other interesting things. Some like it so well they come on every week. We don't have a name for it, we just say, 'My special guest today at 8:55 will be . . .' People ask how we priced it? Just that it was inexpensive for what they got. Our average 30-second rate on our station is \$15-20."

FIFTEEN-MINUTE MONEY. Another session participant does something similar, only it's 15 minutes in length and she charges \$47 per week for a long-term weekly commitment; the advertiser gets one 30-second commercial in the program. For \$64 per week the sponsor gets ads in the shows on the other weekdays, too. They go after professionals—doctor, masseuse, travel agent, etc. The show is called "One-On-One with [name of professional]."

Ask Questions and Listen!

By Warren Wechsler

Our first appointment is our opportunity to begin a conversation with the prospect. But this point in the selling process is where many salespeople go wrong. Because of our excitement, and because we are most comfortable speaking about what we know, we may start telling our story too soon. Remember, people buy from those they like and trust. Our potential clients are looking for a relationship with a salesperson who is empathetic, who listens attentively and who makes them feel like an important person.



Warren Wechsler

We need to resist the temptation to begin the appointment by telling our story and describing our solutions. We'll have a chance to do that later, after the prospect has had their chance to tell us about themselves, their company and their needs. We will find that if we spend the time to ask the right questions, we'll find out what people really need and want. We are best served by probing for information about the decision-maker's goals, the company, the current situation, unmet needs and the like. We do this by active questioning and attentive listening.

THE FIVE-MINUTE INTRODUCTION. Sometimes a prospect wants to know something about us before he/she will open up. In these cases, the prospect is wondering just who we are and why we think we have the right to be there asking questions and assuming solutions.

When I called on the president of a large, family-owned office-products company, I began to ask questions only to learn that this person wanted first to know quite a bit about me. Each time I started to move the conversation to his needs and situation, he led the conversation back to me. Eventually, after I told him quite a bit about my background, my company and my programs, we began to move to a questioning-and-listening mode.

When you encounter this type of person, it is helpful to have a five-minute introduction prepared to explain who you are and what you stand for. This establishes in the mind of the prospect that our intentions are proper and that our company, products and services can meet the prospect's requirements. This short background discussion should address the following questions which the prospect is likely to have: *Who is this person? Who is this company? Why are they here today? What can they do for me? How long will this take?*

You might start off by saying, "Thank you for the chance to meet with you today. You're probably wondering just who I am, what my company does, why it is important to you and what we're going to talk about. My goal today is to share briefly what my company does and my background, then spend the majority of our time getting to know more about you, your company, your needs and how we might be of service. Okay?"

Warren Wechsler is president of Total Selling Systems, Inc., and author of The Six Steps to Excellence in Selling, from which this article was excerpted. Contact Warren at www.totalselling.com, where you'll also find lots of free (and very valuable!) sales information.

9-11 Plans

As we all know only too well, next Wednesday marks the first anniversary of the terrorist tragedies. A couple of weeks ago we offered some of the programming planned by networks, groups and individual stations—good food for thought even if you're not a network affiliate or group member. We also asked readers to let us know what they're planning. Here is what you told us, along with some further network programming.

ABC "STARSTATION." Program Director Peter Stewart says, "After much discussion and research, we will be taking a low key approach in our tribute to the heroes and victims of 9/11/2001. We will pay homage, and at the same time do our best not to open old wounds." The format will schedule a tribute vignette at the bottom of the hour from 5 a.m. until Midnight, featuring the voices of average Americans, expressing their feelings on the events of one year ago, and their hope for the future of our great country. Each vignette, about 30 to 60 seconds in length, will be followed by a patriotic song from Celine Dion, Ray Charles, Leann Rimes, Lee Greenwood, etc. Stewart says, "We will not be playing any of the special mix songs that were produced last year. Any use of actualities from the event a year ago will be extremely limited. At 8:46 a.m. ET, we will pause for one minute of silence in respect of those who lost their lives in the tragic events of the day. There will be a produced open, 60 seconds of silence, a produced close, and then "The Star Spangled Banner" will play. We *will* be playing commercials. We have had no requests from our advertisers to remove their spots. We will back off on our promotional push, but for the most part, outside of the tributes and the minute of silence, it's business as usual."

EMMIS. Individual New York stations in this group have a variety of plans. Jazz WQCD-FM will observe "moments of silence" at 8:45 and 10:28 a.m. ET, the time the planes hit the two World Trade Center towers; each silent period will be followed by a patriotic song ("God Bless America" by Celine Dion and "The Star Bangled Banner" by Whitney Houston, respectively). R&B/Soul WRKS-FM will be commercial-free (a "day of reflection"), with the news team reporting events around the city. Hip-Hop WQHT-FM will observe a moment of silence at 8:45 a.m. and will broadcast commercial-free the entire day, suspending all contesting and promotional mentions. At other Emmis stations around the country, the order of the day includes multiple-part series on the tragedy. . .coverage of local events. . .replays of local news coverage from a year ago. . .various versions of the Star Spangled Banner. . .personal remembrances. . .and salutes to local firefighters.

FREE 9-11 FEATURES. According to Rod Schwartz, Grace Broadcast Sales, "We were approached by several clients wanting us to produce a series of short features appropriate for airplay in conjunction with the one-year anniversary of the 9/11 attacks. In view of the short time between now and then, we have decided to make several of these features available without charge to *SMRN* subscribers and any commercial or non-commercial broadcast station in the U.S. wishing to air them. The features are :30 seconds in length and may be auditioned and downloaded now at our website, www.gracebroadcast.com under "Radio Features."

Write for the Ear

By Jeffrey Hedquist

This technique is so simple, so seemingly self-evident that I'm almost embarrassed to tell you about it. Almost.

We've all been told to "write for the ear" when doing radio, yet we constantly hear commercials that assume every listener has been issued a script and is reading along. This frightening belief lurks in the minds of many advertisers.



Jeffrey Hedquist

In a good radio commercial, people talk like people talk, not as if they were reading a newspaper ad. There's a certain spontaneous feel to a conversation or even a monologue in a well-written radio commercial.

Most of us have internal "editors"—those left-brain tendencies that want to tidy up sentences, correct punctuation and grammar, and make people agree with each other. . .in other words, take all the fun, energy, and conflict out of the commercial. How can you bypass the internal editor? Don't write your radio commercial, "talk" it. Speak into any kind of portable recording device instead of writing the commercial. Don't worry about length, sentence structure or even if it makes sense at first. Just start with an idea and let the words flow.

You'll discover that Mr. Editor creeps in less and less, and some of those spontaneously-recorded thoughts will actually be some of the best radio you've ever created. It's a way of accessing the right brain more directly. The time for a thought to be transformed into words on paper or on computer screen can allow a lot of the magic to be lost. Dictating is instant. Concepts that might not be accessible later on will be preserved. You can do this while your hands are doing something else—like driving or disarming nuclear devices. Later you can edit to the right length, develop characters more fully and create a beginning, middle and end.

A small recorder can be your very best investment in becoming a more effective radio creator.

By the way, I dictated this article while walking to work.

SEE YOU IN SEATTLE? I will be appearing at the NAB on Friday afternoon, September 13, from 4:15-5:15 with *Creating Commercials That Get Results—And Get Renewals!* When clients get results, they want to renew. Learn some quick formulas to help account and production people create result-getting spots in less time. *More on the Radio Show on Page 6.*

Have a question, challenge, rant or comment about radio creative? Want some feedback? Send it to Jeffrey Hedquist at Hedquist Productions, Inc. P.O. Box 1475 Fairfield, IA 52556. Phone 641-472-6708; fax 641-472-6708; e-mail jeffrey@hedquist.com. © 2002 Hedquist Productions.

Seattle Sights

The NAB Radio Show is happening in Seattle next week (September 12-14), and there will be myriad sessions that small market broadcasters will want to attend. Here are some of the stops you may want to make; for more information, visit www.nab.org/conventions/radioshow/2002. (The following descriptions are from the online program.)

Broadcast Financing for the New Millennium—Succeeding in a Changed Economy. Who will succeed in the radio marketplace in the near future? And what can be done to maximize the chance for success?

Boldly Go Where No Man (or Woman) has Gone Before. . .NTR Today. The latest RAB industry studies show that NTR has become a weapon of most top stations. The question now isn't "Are they doing it?" Rather, it is "How are they doing it and what is it they are doing?"

WWW: What's With Our Web Site? Your station web site: different year, same questions. Is it a programming tool or a trauma? How are people using it? Does it have a useful purpose? Is anybody making money?

Syndication in a Small Market. As talent pools continue to shrink in small markets, what programming opportunities do syndicated programs provide? How do you incorporate syndicated programming while still keeping the local feel of the station?

The 411 on 9/11: What Listeners Want Now. The events of September 11th affected everything, including radio programming. Learn how listeners' expectations have changed and how stations have adapted to meet these new needs.

Strategy & Budgeting: How Do We Successfully Cash Flow in a Small Market? It's no secret that making it in a small market setting has unique challenges of its own. Find out how several small market operators have learned how to make the numbers work.

Fun and Innovation Are Management Responsibilities. Is turnover a problem in your company? Is there anything you can do to alleviate the problem and keep everyone smiling? What are you doing to keep fun and innovation a part of daily work?

Radio Station Streaming: Is There A There, There? Legal experts will summarize the copyright landscape and industry representatives will provide their perspectives on whether radio stations' streaming of their signals still makes sense.

Free Advice! Join us as consultants, general managers and program directors sit down to answer your questions and share the benefit of their experience. This round table discussion puts you face to face with people who can give you new insight into your operations.

Satellite Radio: Us vs. Them. They're here. Find out what they're doing, what they're planning, how to compete against it and what opportunities are afforded by IBOC DAB as well. Get hands-on experience with live satellite radio programming before and after the session.

Find 'em and Keep 'em: Ways to Keep Your Small Market Superstars in Charming Small Town USA. What does it take to catch the big Kahunas? Our panelists are willing to share their secrets on how to find the good ones, train them and keep them around for years to come.

Creating Commercials That Get Results - And Get Renewals! When clients get results, they want to renew. Learn some quick formulas to help account and production people create result-getting spots in less time.

IBOC Rollout—Across The Industries. This panel will explore the rollout of IBOC in key industry sectors: broadcast, retail, consumer electronics, and automotive.

Women in Management: The Secrets & Challenges of Success. Find out from some of the premier women managers what philosophy, tactics and experience contribute to success.

Marketing With No Money. The marketing line on most stations' budget has become almost nonexistent. But no money doesn't mean no marketing.

Private Broadcasters: Alive & Well. The huge media conglomerates have obviously changed Radio. But is there still a place for a local competitor?

Structure, Staffing and Monetizing Web Sites: How to Profit In Cyberspace. Join us as we discuss moneymaking web sites, with those who have proven track records.

Preparing Your Radio Station for Crisis Coverage. In times of crisis, citizens turn to radio. Is your station's emergency preparedness plan up-to-date?

Revenue Resuscitator: 60 Sales & Management Ideas in 60 Minutes. Every minute will bring a new idea. And each one will be guaranteed to make people in the room money!

News and Information Partnerships. Radio is uniquely situated to benefit from news partnerships with other media. Find out how a successful partnership can serve both your audience and your station.

And Don't Forget. . . *The Opening Reception; FCC Policymakers' Breakfast* with Commissioners Kathleen Abernathy and Michael Copps; *Opening Reception* featuring keynoter Bill O'Reilly; *Group Executive Super Session* moderated by Sam Donaldson; *NAB Congressional Breakfast* featuring Congressmen Greg Walden and Jay Inslee; *Radio Luncheon* featuring super-marketer Jon Spoelstra; and the *NAB Marconi Radio Awards Reception, Dinner & Show* emceed by Jeff Foxworthy.

See You There! I'll run into you, but to be sure, contact me on my cell, 949-533-4912, any time.

Building the Future

As you can see from our special report on Page 4, we're all devoting lots of time to ensuring that our September 11 programming and business decisions are appropriate. We're doing something that has never been done before, so we're all winging it, albeit as responsibly as possible.

My own stations are pretty much going to let our networks carry most of the weight; our FM music networks will do what they do, and our news networks will handle it as well as anyone can. I haven't heard for sure from our managers, but I suspect we won't be commercial-free, although naturally we will honor requests from individual clients. I am suggesting that each of our stations (AMs particularly) do a news series featuring sound bites from local noteworthies—including fire, police and military officials—reflecting on the day.

I am concerned that anniversary coverage has the potential to spark new fears. It's happened already: my wife and I tuned into the middle of a radio retrospective and thought for a moment that something new had happened. It's important that we guard against this, and not just because of our children.

The main thing I want to see from our industry is, *Make us all proud. Outperform other media in hitting the nation's emotional sweet-spot with coverage that is tasteful and appropriate.*



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PEOPLE METER FLAP FLAPS ON. Last week, KYW/Philadelphia GM Roy Shapiro chimed in with his criticism about the Arbitron electronic surveying tool, saying, "With PPM, Arbitron basically is saying, 'We developed this great new device, and it's going to be the new measure because of the technology.' They maintain that the PPM is highly accurate in picking up listening; to that I say, Don't confuse accuracy with reliability — they are two different subjects."

And Cox CEO and outspoken PPM critic Bob Neil recently said, "My perception is [Arbitron] really tried to ramrod this thing through. . . If they took it through the EMRC [Electronic Media Ratings Council] evaluation process, they would discover that there's a lot of bad research in it. We have a lot of things to fear from this, and I say, If this is so great, why don't they go through the EMRC accreditation process? Once it's accredited, everyone's going to feel a lot better."

**THE NAB
RADIO
SHOW.**
Full Coverage Next Week

RAB CEO Gary Fries urges pragmatism, cautioning, "PPM is going to change all of the valuation currency of buying and selling radio airtime. Everything from traditional Time Spent Listening to Cume numbers to cost-per-point figuring is all going to go out the window, and a whole new set of evaluators is going to be put in place. There are going to be very different evaluators put on commercials, which means that the efficiencies that the advertiser is looking for will be totally different."

R.I.P. NAPSTER. After the bankruptcy court judge rejected BMG's proposed acquisition of the beleaguered file-sharing service, Napster finally closed its virtual doors forever. *Editor's Memorial: Napster was a full-blown change agent in the Internet Age, and its influence lives on.*

WEBCASTING TALKS: LITTLE MOVEMENT. A group of small webcasters have been talking to the RIAA to negotiate a more favorable voluntary license, they're not getting very far; the RIAA doesn't want to yield on the 15%-of-revenues rate, and they want to prevent too many webcasters from falling into the "small" category to get a better deal. According to Beethoven.com CEO Kevin Shively, as quoted in *RAIN*, "Right now, the only deal on the table is a bad deal for webcasters." www.kurthanson.com

COPYRIGHT DEADLINE LOOMS. October 20th is the date retroactive royalty payments become due, and it's clear that many, if not most, web streamers will simply shut down on that date if something doesn't give. *More on this in upcoming issues of SMRN.*

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Small Market Ideas

More from the Small Market Idea Swap at NAB2002. . .

TURNING THE TIDE ON CONCERT PROMOTERS. Due to our proximity to major New England concert venues, we get a lot of requests from big concert companies to give away tickets on the air. They think they're being generous to *give* us the tickets, but we've turned it around: "If you want to be on the station and have us give away tickets, you'll have to make a buy." We charge a flat fee of \$200-400, saying, "You give us 10 tickets and \$400 and we'll give them away." It's not tied to any spot rate. . .and they do it. [*Greg Frizzel, WMWV, North Conway, NH*]


THE EXPERT NETWORK. There's a station in Las Vegas using this title—I don't know for what—and it reminded me of a web site called AllExperts.com ( www.allexperts.com), where you can find an expert on just about anything and ask him or her a question in the field of expertise—free. (I'm a volunteer "expert" myself, in the field of radio.) Why don't we do something like this on our web sites? It would be easy to set up; invite local experts in various fields to be part of the network and charge them for the promotional value—we can promote them both on the web site and on the air, and route appropriate questions to them. In addition, we can sell a sponsorship of the web page, including promos on the air, to a third party.

When an expert does answer a question, it gives him/her an opportunity to create a new friend and to generate good word of mouth as well. (One of the participants told us that a newspaper in his area is doing this very thing: "If they can make money on it, we should be able to, too.")

HOW TO APPROACH YOUR WEB SITE. One of our participants said that they treat their web site as a newspaper. . .they sell it like a newspaper, too.

FOUND MONEY. We have an advertiser that buys a half-hour program, selling a product in an infomercial format, on weekend mornings on stations with a 55+ audience. If you sell this type of thing, they will buy a multi-week schedule; as long as they get results from the schedule, they'll stay on. We have station clients that have been carrying this show for years. It's great extra money. [*Stuart Sharpe, Regional Reps Corp., sjsharp@regionalreps.com*]

Caveat from a station: The sponsor in question runs the same program week after week, and he gets listener complaints. Stuart's response was that, first, he's just placing the show and doesn't have any control over the content; and second, presumably the reason the sponsor is not updating the show is that they continue to get response.

CORPORATE ADVERTISING. My station is in Valdez, AK—a terminus of the Alaska Pipeline—and we have a lot of big companies but not a lot of traditional advertisers, so we do a lot of NTR. We do a "Kid's Club," for example. Kids sign up and they get their birthday read on the air, a birthday card, ice cream and cake, a newsletter and a welcome packet. The whole thing is sponsored by one company for \$1,000 a month.  http://www.alaskabroadcastmedia.com/valdez_radio.htm

Calculating the Ad Budget

By Roy H. Williams

Most business owners have been taught to budget approximately 5 to 6 percent of total sales for advertising and another 5 to 6 percent for rent, or cost of occupancy. This formula, however, often results in underperformance due to too little being spent on advertising. The business owner who spends only 1 or 2 percent of total sales on cost of occupancy is seriously underspending when only 5 to 6 percent is budgeted for advertising.



Roy H. Williams

The purpose of advertising is to increase the exposure of your business beyond what is provided by your physical location. The business owner who saves money by investing in a weak location will have to advertise more heavily. A high cost of occupancy for a landmark location is often the least expensive advertising your money can buy.

Although there's no "one size fits all" formula for calculating the correct advertising budget, there is a concise formula for calculating the ad budget for retail businesses, and in my experience, the formula can easily be adjusted to serve other business categories as well.

The following formula assumes a retail business with a 50 percent gross margin:

1. Budget 10 to 12 percent of total projected sales for total cost of exposure.
2. Adjust this figure by the store's average markup (above cost of goods sold). If the average markup is 100 percent ("keystone"), then the formula is unadjusted (10-12 percent of projected sales \times 100 percent).

If the average markup is only 91 percent, then the adjusted budget for total cost of exposure will also be reduced by 9 percent (10-12 percent of projected sales \times 91 percent—see?).

Likewise, if the average markup is 150 percent, then the adjusted budget for total cost of exposure would be increased by 50 percent (10-12 percent \times 150 percent).

3. Deduct your cost of occupancy from your adjusted total cost of exposure. The balance is your ad budget.

For example, if your total annual sales are \$1 million, your cost of occupancy is \$36,000, your profit margin is 92 percent and you wish to allow for a 10 percent cost of exposure, your ad budget is $\$1 \text{ million} \times 10\% \times 92\% - \$36,000 = \$56,000$.

Excerpted from Secret Formulas of the Wizard of Ads by Roy H. Williams. For more information on Roy's books and other services, www.wizardofads.com

All About the AMBER Plan

As reported in *SMRN* and elsewhere, the AMBER alert system is gaining support among all sectors of government, the public and our industry. As important as this issue is, we feel it's worth more than a few lines. First, some information about the AMBER Plan from the National Center for Missing and Exploited Children.

WHAT IT IS. The AMBER Plan is a voluntary partnership between law-enforcement agencies and broadcasters to activate an urgent bulletin in the most serious child-abduction cases. Broadcasters use the Emergency Alert System (EAS), formerly called the Emergency Broadcast System, to air a description of the missing child and suspected abductor. This is the same concept used during severe weather emergencies. The goal of the AMBER Alert is to instantly galvanize the entire community to assist in the search for and safe return of the child.


HOW IT STARTED. The AMBER Plan was created in 1996 as a . . . legacy to 9-year-old Amber Hagerman. . . who was kidnaped and brutally murdered while riding her bicycle in Arlington, Texas. Residents contacted radio stations in the Dallas area and suggested they broadcast special "alerts" over the airwaves so that they could help prevent such incidents in the future. In response to the community's concern for the safety of local children, the Dallas/Fort Worth Association of Radio Managers teamed up with local law-enforcement agencies in northern Texas and developed this innovative early warning system to help find abducted children. Statistics show that, when abducted, a child's greatest enemy is time.

HOW IT WORKS. Once law enforcement has been notified about an abducted child, they must first determine if the case meets the AMBER Plan's criteria for triggering an alert. Each program establishes its own AMBER Plan criteria; however, the National Center for Missing & Exploited Children suggests three criteria that should be met before an Alert is activated:

- Law enforcement confirms a child has been abducted
- Law enforcement believes the circumstances surrounding the abduction indicate that the child is in danger of serious bodily harm or death
- There is enough descriptive information about the child, abductor, and/or suspect's vehicle to believe an immediate broadcast alert will help

If these criteria are met, alert information must be put together for public distribution. This information can include descriptions and pictures of the missing child, the suspected abductor, a suspected vehicle, and any other information available and valuable to identifying the child and suspect.

The information is then faxed to radio stations designated as primary stations under the Emergency Alert System (EAS). The primary stations send the same information to area radio and television stations and cable systems via the EAS, and it is immediately broadcast by participating stations to millions of listeners.

Radio stations interrupt programming to announce the Alert, and television stations and cable systems run a “crawl” on the screen along with a picture of the child. Some states are also incorporating electronic highway billboards in their Plans. The billboards, typically used to disseminate traffic information to drivers, now alert the public of abducted children, displaying pertinent information about the child, abductor or suspected vehicle that drivers might look for on highways.  <http://www.missingkids.com/>

INDUSTRY SUPPORT. As you can see, radio participation is vital to the AMBER plan, our industry association has been active in its support. NAB President/CEO Eddie Fritts testified about it to the U. S. Senate Judiciary Committee Subcommittee on Technology, Terrorism and Government Information last week. Here are some excerpts from his remarks:

The voluntary AMBER Plan harnesses cooperation between local stations and law enforcement to aid in the recovery of abducted children. To date, the program has successfully brought 30 children home.

Broadcasters are uniquely positioned to disseminate information rapidly to an entire community. No other industry is capable of broadcasters’ reach in conveying this information. Consider this: while driving in their vehicles, as many as 95 percent of adult motorists listen to their local radio stations. This, coupled with television means that local broadcasters have the ability to get information to the public with unparalleled immediacy.


Recognizing the value of the AMBER Plan, in 2001 NAB partnered with the Center and with the Department of Justice to develop an “AMBER kit” which was distributed to law enforcement units and broadcast stations nationwide in order to expand the Plan’s reach. When we began this effort last fall, there were twenty-seven AMBER Plans in place. Today, fifty-five communities, states, and regions have Plans and we expect more systems to be rolled out by year’s end.

I believe the AMBER Plan is especially significant because its growth and success have exemplified the twin traditions that have historically guided our industry: namely localism and our commitment to voluntary public service.

Anyone who has been in Washington for any length of time knows that good bills can be poorly implemented. I would like to touch upon three principles that have guided the AMBER Plan in the past and must continue to do so:

First, broadcasters are central to the plan because of our ability to disseminate information on a moment’s notice.

Second, the AMBER Plan remains voluntary and flexible, thereby allowing local law enforcement to work closely with local stations to most effectively serve communities.

Third, it is critical that the Plan continue to be used only in cases of abduction where there is imminent threat of harm.  <http://www.nab.org/newsroom/ambermain.asp>

The Art of Understatement

By Jeffrey Hedquist

Increase the believability of your radio commercials by understating the benefits. Benefits are all the listener cares about, but they have to be realistic.

Features tend to get overblown. So much of advertising is based on hyperbole. Advertisers feel they have to promote themselves as the greatest, best, cheapest, largest, most efficient, latest, coolest, most fun. After hearing claims like this a few thousand times, consumers don't buy it anymore. We (and our clients) sometimes forget this. When we continue to use these adjectives, they become part of the great wave of "commercialese" that simply washes over us. They just blend into the background and signal the listener that there's no need to pay attention. Not exactly what we were hoping for.



Jeffrey Hedquist

Do something different. Tell the truth. Simply be more conservative in the claims you make in the commercial. You'll catch the attention of the listener and increase your client's believability. With benefits we tend to be more realistic, because we're describing the effect a product or service can have on someone's life.

Ask yourself what the true benefit would be to the buyer. Then talk about the benefit in realistic terms. Let's say it's a shirt. Describe how the buyer will feel having bought it:

- "We can't promise you'll turn heads or stop traffic everywhere you go, but we can say that you'll feel cozy with the soft brushed natural cotton next to your skin, and a maybe little more confident in the well-tailored, yet rugged look."
- "How much can you save if you buy a new system during our grand opening sale? Enough to buy 12 of your favorite CDs. Now that's something to listen to."

Listeners are pretty smart. You may get more of them to respond when you under-promise and make more of them into repeat customers when you over-deliver.

Have a question, challenge, rant or comment about radio creative? Want some feedback? Send it to Jeffrey Hedquist at Hedquist Productions, Inc. P.O. Box 1475, Fairfield, IA 52556. Phone 641-472-6708; fax 641-472-7400; e-mail jeffrey@hedquist.com. © 2002 Hedquist Productions.

FEEDBACK

CHARACTERS WITH CHARACTER. As usual, you're right on target with your piece ["Ethics Lessons"] in the August 29, 2002 *SMRN*. Yes, we've had our share of "characters" in this business over the years, and as you pointed out, they have, for the most part, been people whose hearts and values were in the right place.

I'm not sure where these "new guys"—who will go to any length to attract attention—have come from, but I definitely agree that those who have been in leadership positions in large companies have not been "minding the store," and that puts us all in jeopardy.

Perhaps recent changes in management at Clear Channel, and those at Infinity that will be a result of the Opie and Anthony debacle, will bring the return of responsible people to the top of the largest companies. Maybe we'll even see some people who want to develop new high class talent in the mold of Dan Ingram, Robert W. Morgan, Dr. Don Rose, Larry Lujack and others who brought listeners to our stations instead of turning them away in disgust.

—Hal Widsten, KWED, Seguin, TX, hwidsten@kwed1580.com

LIFE AFTER PROFESSIONAL DEATH? I understand Opie and Anthony's next madcap caper is going to involve calling their old radio station on a cell phone from the unemployment line and describing how it feels for them to be screwed!

—Tom Noller, Wonderboy Productions, Seattle, WA, tnoller@juno.com

Editor's Note: Tom is a great talent who does radio in Seattle and voice work for radio and TV stations everywhere. Not only is he the voice of our own KMCD in Fairfield, but he is actually a native of Fairfield. Small world.

MORE = BETTER? On your editorial titled "What Price Consolidation?" [*SMRN* 8/8/02], I have to admit having the same feelings. No question deregulation has increased the value of my property, but to be worth more is not necessarily to be better.

There is a fine line between a free marketplace and allowing Goliath to absorb all the young Davids out there in Radioland. When the government was taking on Microsoft, I found myself rooting for Microsoft.

I think the difference is that we operate in a Government-regulated industry. Can you imagine what your electricity would cost if there was but one electric company. Competition is good. "7-7-7," "14-14-14" or "21-21-21" may not have been enough, but maybe they were closer to being right.

Speaking of regulatory, how was it the FCC could operate without regulatory fees until 1992 but not since? (Anyway, your article was good.)

—Roger Jacobson, KILR, jbcbroadcast@netins.net

How Not to Do It

With the justified and well-intentioned attention on the AMBER system (see Page 4), it might be instructive to focus for a minute on how the system can be really screwed up—not because of flaws in the EAS system, not because of errors on the part of law enforcement, but because of the abject stupidity of a big-time radio station that should know better.

As a newly-minted Southern Californian, my radio station of choice these days is KNX in Los Angeles. Tuning into AM 1070 and learning about all the brush fires, slow-speed chases and freeway shootings is a great way of tapping into L. A.'s amazing energy without actually having to set foot in the city.

For the most part KNX does a very good job with the News/Talk format, although it is dismaying to see that the corporatization of the industry has resulted in a significant decline in the technical quality of their presentation (crappy phone feeds, lousy transmission quality on the 'copter traffic reports, etc.); overall you can tell that this market #2 station is doing things on the cheap!

But management must *really* be asleep at the switch when it comes to AMBER: on several occasions the traffic reporters reported freeway slowdowns because electronic signs displayed AMBER alerts. . . *but the station itself never broadcast those alerts.* What's up with that???



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Seattle Scene

DIVERSITY ADVOCATES PICKET THE SHOW. A handful of sign-carrying picketers clustered around the entrance to the Convention Center protesting the “corporate takeover of the public airwaves.” As anticipated last week in *SMRN*, the group Fairness and Accuracy in Reporting (FAIR) staged a Reclaim the Media gathering in Seattle during the NAB. While their activities did make the local media, the group didn’t make much of an impact on NAB attendees; in fact, by our count the police and security personnel outnumbered the protestors by about four or five to one. In the *Seattle Times* coverage of the anti-NAB activities, NAB Senior VP/ Communications Dennis Wharton was quoted as saying, “It wouldn’t be Seattle without a few protestors, now would it?” On a more serious note, Wharton continued, “Even with consolidation, compared to other media, the reality is that radio has never been more diverse.”

FRITTS RESPONDS TO PROTESTORS. In his opening remarks to the Radio Show audience, Eddie Fritts said, “Let me say a word to our very vocal critics with us here in Seattle, who claim radio has become homogenized and lacks diversity. The facts show otherwise. Broadcasters know that in all respects diversity is good for radio and it is on the rise.”

GROUP HEADS UPBEAT IN SUPER SESSION. In the Sam Donaldson-hosted event at the Radio Show, five top group executives asserted that radio revenues are starting to pick up and that the future for our industry looks very good indeed. They were united in their opinion that consolidation is good for investors, advertisers and listeners, delivering increased programming diversity and marketing opportunities.

“HD RADIO IS HERE,” SAYS IBIQUITY BOSS. President/CEO Bob Struble announced at the Radio Show that iBiquity is waiving licensing fees for IBOC technology for those stations that “commit” this calendar year. (However, on the exhibit floor, none of the iBiquity reps, or those of Harris, which is selling digital AM and AM/FM units, could explain exactly what “commit” entails.) According to Struble, consumer radios will be available in 2003; industry sources tell *SMRN*, however, that a more realistic timetable is 2004 or 2005.

RADIO REVENUES APPROACH DOUBLE DIGIT-GROWTH for July, according to the RAB. Combined sales for July were up 9% over the same month last year; national was up 16% and local was up 9%. Year to date, combined were 2%, comprising 6% national and 1% local. *Editor’s \$0.02:* We’re all glad that the numbers are up, but those huge national numbers and small local numbers should be a cause for alarm. Recent history must not repeat itself: all radio stations have to focus on building local direct—the only place they have real control!

FRIES PREDICTS 5-6% INCREASE IN 2002. In his semi-annual “State of the Industry” speech at the NAB Radio Show, RAB President/CEO Gary Fries said, “Our industry is good, stable and strong, but my fear is that you will relax. It is a lot easier to grow when things have forward momentum than it is to try and stop negative momentum and turn the corner.” Fries noted that July’s year-to-year growth of 9% was “phenomenal” since last July was down 4% from the year before.

Marconis Make a Night of It

The Marconi Radio Awards were announced during a festive final evening at the NAB Radio Show in Seattle. Comedian Jeff Foxworthy ably emceed the proceedings, proving he's more than just the "You Might Be a Redneck" guy. The Marconi winners are. . .

- **Legendary Station of the Year:** WSB-AM, Atlanta, GA
- **Network Syndicated Personality of the Year:** Paul Harvey, "Paul Harvey News and Comment," ABC Radio Networks
- **Major Market Station of the Year:** WGN, Chicago, IL
- **Large Market Station of the Year:** KIRO, Seattle, WA
- **Medium Market Station of the Year:** WFMS, Indianapolis, IN
- **Small Market Station of the Year:** WKDZ, Cadiz, KY
- **Major Market Personality of the Year:** Big Boy, KPWR
- **Large Market Personality of the Year:** Jim Scott, WLW, Cincinnati, OH
- **Medium Market Personality of the Year:** Cathy Blythe, KFOR, Lincoln, NE
- **Small Market Personality of the Year:** Al Caldwell, KLVI, Beaumont, TX
- **AC Station of the Year:** WLTW, New York, NY
- **Adult Standards Station of the Year:** KABL-AM, San Francisco, CA
- **CHR Station of the Year:** KPWR, Los Angeles, CA
- **Country Station of the Year:** WFMS, Indianapolis, IN
- **News/Talk/Sports Station of the Year:** KGO, San Francisco, CA
- **Oldies Station of the Year:** WMJI, Cleveland, OH
- **Religious Station of the Year:** KFSH-FM, Los Angeles, CA
- **Rock Station of the Year:** KOZT, Fort Bragg, CA
- **Spanish Station of the Year:** KGBT-FM, McAllen, TX
- **Urban Station of the Year:** WAMO-FM, Pittsburgh, PA

Noteworthy is the metamorphosis of the Marconi Awards from a pure popularity contest into a legitimate, prestigious contest with real judges and everything. Congratulations to the NAB for improving the stature of these awards, and congratulations to all the winners.

Editor's \$0.02: We do wish that small market radio were better represented. Clearly, if all stations are graded on an absolute scale, the bigger stations will usually get most of the nods. We don't endorse awards going to undeserving stations, but perhaps as the NAB refines its new Marconi procedures the worthiness of small market radio can be better taken into account.

SMAC At NAB

The RAB Small Market Advisory Committee convened in Seattle last week, and as the only journalist member present, I hereby continue our SMRN tradition of chronicling the meeting in extreme detail. After all, we believe that what goes on at these meetings is vital to every small market broadcaster. As noted on Page 1, attendance was rather poor, but the information from RAB leaders, and the contributions of those members present, were no less important.

CHAIRMAN'S REMARKS. Committee Chairman Mike O'Brien, Bliss Communications, Janesville, WI, called on the committee to "come to a new level of interaction with the RAB." He strongly urged committee members to encourage colleagues to join the RAB, saying, "I had the thought that I would be handing my competitors the same tools I enjoy; but I would love for them to get in my foxhole and compete more effectively with newspaper, television, and so on."

MIKE MAHONE. The RAB Executive VP/Services quipped, "We're small but mighty today." He went on to say, "We've formalized the committee and now we're meeting two or three times a year. The purpose of SMAC is to advise RAB on the development of tools, services and programs. We take your advice very seriously. We try to incorporate all your suggestions; if we don't, it's only a matter of time and resources."

GARY FRIES. The RAB chief began by sharing his thoughts on September 11 of last year: "I was never prouder of radio. I was in a place where I was looking at what they were talking about. It created a whole new vision of radio and what radio could do. The New York stations did a great job with no preparation. Our industry seemed to understand at a moment's notice what to do and how to handle it. We were responsive."

Fries went on to describe his "escape" from New York by car through Pennsylvania and Ohio, trying to get a flight West: "All the way along we listened to the radio. What we were hearing was still painting the picture in our minds. In my 35 years in the business, this was the most dramatic example of what we're all about. I was never so proud of our industry. Nobody coached anybody. Everybody knew what to do."

Next, Fries's take on our industry: "There are a lot of issues. It's unbelievable how many issues are in front of the industry right now. Eventually they're going to affect you more than you think, and we need you to affect their impact on the industry."

"I don't believe the manager in New York or L.A. sees the complete picture the way you do. You participate in Little League. You hear the product that goes out every day, asking, 'Does what we broadcast reflect what we see?' Like what I felt on 9/11. It's what comes out of your stations and your observations that shape our industry. While some of you might not feel that important, you are."

Fries described a conversation he had with Clear Channel CEO Mark Mays, in which Mays said, "We cannot grow if this industry doesn't grow. We can't do it alone. We will not be any healthier than the industry is." Fries cited the conversation as example of "a new mood, 'Let's all work together.' Any time someone makes a decision to buy radio, they're in our camp. We know that nobody listens to just one station. Our goal should be first to make them radio listeners, radio advertisers, and then go after them for our station rather than belittling our competition."

While proud of the growth of membership at the RAB, Fries said, "We need more members, but not just as members. We need to make them users of the tools and services we provide. I'd like to see your very competent sales manager working with the station down the road, helping them to use PROPosal Wizard. It's simple math. If we keep the same share of the market and the market grows 20%, we grow."

Fries said he's seeing a great change in the attitude of Clear Channel and other big groups; they are more interested in working together for the good of the industry. Fries said, "We have an obligation. We have an opportunity. We need to be better. We need to be stronger. We're in the sights of many people now. Congress is concerned with consolidation, and it's not just with the bigger groups. We're a big industry now. We can't slip in under the table any more."

As for the revenue picture, Fries said, "Business is picking up at a steady pace. It's doing exactly what I thought it would do. It's slow. It's chugging like a steam engine, slowly picking up speed. From September on we have a chance to see double-digit numbers. This reflects a phenomenal effort on the part of everyone in the industry."

Fries observed, "Nothing is the same, and don't blame it all on 9/11. Nine-eleven was a symbolic wake-up call because it caused everyone to focus. But the patterns were happening in May. Airplanes were already half full; airlines were already in trouble. Auto makers were already offering 0% financing. We were seeing negative growth far before September 11.

"On September 9, looking at pacing for October, it was negative 12% in LA. Then, on September 23, it was only negative 6.9%. The impact was a lot shorter than we felt. People returned to radio more quickly. We were already in a down cycle, but radio recovered faster than other media."

Fries touched on the important issue of electronic data processing, or EDP: "The RAB is taking a leadership role in EDP. We've developed how the transition to electronic billing is going to look. There is going to be a standard recommended for stations, that will be used by advertisers and agencies. If the RAB weren't here, this wouldn't be done."

The RAB CEO is especially proud of the bureau's role in sales training—"The Training Academy has been awesome"—and in proving that *radio gets results*: "We're extremely involved with the Radio Advertising Effectiveness Laboratory [RAEL]. It's made up of the researchers from radio, advertisers and ad agencies, and its mission is effectiveness testing of radio commercials in a real-world environment. This is the first time controlled testing like this has ever been done. This is a huge issue. We need it to keep up with other media."

To be continued

Dealing with Tough Times

By Bob Doll

It was about two years ago that the business pages of the nation's newspapers announced that the gigantic furniture retailer Heilig-Meyers had gone bankrupt. It was a lesson for retailers, large and small, to carefully extend credit and stay on top of their accounts receivable. The furniture chain's demise was generally attributed to its lax credit operation.



Bob Doll

For Mack Jones, co-owner/operator of WZKB, Wallace, NC, it was a financial hit of epic proportions. In his city of license, population 3,300, Heilig-Meyers had not just one store, but two stores. Its second store did business as Value House. The Heilig-Meyers stores, plus a home-owned furniture store, accounted for 15% to 20% of the radio station's monthly gross.

In Mack's words, "In this business, like all businesses, you expect some turnover, but this was a real body blow. After the Heilig-Meyers stores closed, the independent furniture store saw no reason to continue to advertise heavily. He went from being one of our biggest advertisers to a small, occasional customer."

Mack says he took the usual steps to meet the loss of revenue. He and his one salesman (who's been with him for nine years) worked hard to serve their customers in Wallace and nine other nearby smaller towns. "I trimmed my overhead as much as I could without damaging our programming, but you can only sell little customers a little more, and you can only cut back so far."

His town was slowly rebuilding its job base after the closing, four years ago, of the town's largest industry, a textile mill which had given over 850 people steady employment. "We've got a good industrial development effort, but it's going to take a long time to find 850 new jobs."

Mack decided he'd have to develop his own businesses to fill part of the void left by the exodus of the furniture store revenue. He says, "Our radio station is housed in a 2,400-square-foot building. It was built to house an AM and an FM station. I closed the AM station in 1997; it couldn't compete for listeners with my FM station and other FMs. We knew that the AM had few listeners, and unhappily, so did our customers. It was costing \$2,000 a month to operate and it was doing very little business. I turned the license in to save the money and to concentrate strictly on the FM."

With all of his surplus room, Mack decided to create the WZKB CD Superstore, an online mail-order CD-selling operation. He is using some of his excess space to stock over 5,000 CD titles. "We fill the orders daily, so buyers get their CDs within two or three days."

His radio station reaches into six counties with a combined population of nearly 200,000. In addition to his broadcast audience, his station is carried on nine area cable systems. "There is not a CD outlet in our entire area with the stock we carry. Obviously, our music-intensive radio station is very effective in driving customers to our online CD store," Mack says. He also buys space on a Yahoo shopping site. He calls his superstore "a work in progress," but adds, "Its business is growing every month." He has received orders from every state and from Mexico, Canada, and even overseas. He says, "Like any small business, our cyber-store has to have unique offerings. In our case, that's our big stock of beach music, oldies and used CDs."

Two other WZKB internet enterprises are its Power Shopping Network (merchandise offered is traded for radio ads, then sold for cash) and Power Ads (classified personal ads are sponsored by businesses, often as add-ons to their regular radio schedules). Mack says both endeavors, like the CD Superstore, are growing.

Mack got into the radio business as a disc jockey in 1967. He says, "Like I guess everybody else who ever got into radio, my goal ultimately was to own a station. In 1990, I approached the owners here; I made them a terms offer. They said it was way to low and they told me, 'Don't come back.' A year later they called me, wanting to talk. My brother and I went to the bank and borrowed enough to make them a cash offer that was 25% less than what I'd offered them on a terms deal. Cash talks. We bought it."

Mack had two things going for him: First, he was a Dublin County native; he and his brother have owned a farm there for years. Second, from 1985 to 1995 he hosted a weekend beach music program that was syndicated on up to 50 stations in Virginia, Maryland, the Carolinas and Georgia.

Mack says, "The program had a big following on WZKB for six years before I bought the station. When satellite programming and consolidation set in in the mid-Nineties, my program was dropped by the affiliates, but it still has a big following, and lots of advertisers, on our station from six to Midnight every Saturday and Sunday night."

The balance of WZKB's programming is a blend of Oldies from the Sixties through the Nineties and current Adult Contemporary cuts; all the station's fare is programmed by Mack in-house and run on a Scott Studios digital automation system.

Mack, whose brother runs their farm, says, "Farming is a hard business. Really, it's harder than radio. In both, you have to be willing to work hard, but both businesses require the operator to love them."



Sunny in Seattle

As I write these words I am midway through a leisurely drive back down the coast from a very good NAB Radio Show. Yes, the numbers were down, but you didn't really notice. The sessions and hallways were full of enthusiastic, upbeat broadcasters. The opening reception was better-attended than the one in Las Vegas this year, or so it seemed. Despite the fact that most of us have been through Hell this past year, attendees were optimistic about what the future holds.

We face a lot of uncertainty, to be sure. In addition to an economy that can't make up its mind, we're in an uncertain regulatory time which could become even more uncertain after the November elections. (Will the Commission grant us more freedom or less? Stay tuned.) The whole Internet streaming thing is a mess. XM and Sirius are continuing to play a dirty game. (Personally I don't think Sirius is going to make it, over which I'm shedding zero tears.) The Opie and Anthony thing is embarrassing, and focuses the wrong kind of attention on the industry from the public and the regulators alike.

But the prevalent attitude at the convention can be summed up in one simple phrase: *Business as usual*. Nobody was wringing his or her hands about the challenges we face. Been there. Done that. No matter what the future brings, we'll respond appropriately. And we'll be okay. Our business is still a great place to be, and lots of us think it's going to be an even greater place in the future.



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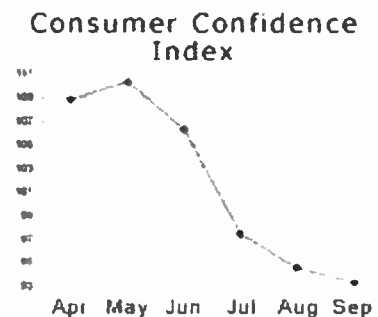
The Voice of Small Market Radio

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NAB RADIO SHOW DOWN 24% from last year, as the official tally of 3,983 is made public. Last year's New Orleans show drew 5,227. While this seems dramatic, it is not as much of a decline as was privately expressed, and is certainly justifiable in the light of the economy and the timing and travel fears surrounding the week containing September 11. *Editor's Comment: Despite lower numbers, the convention felt well-attended. . .and I think more of those who attended actually participated in the events.*

LPFM INTERFERENCE TESTING TO BEGIN in six markets this Fall: the San Francisco, CA Bay Area; the Twin Cities, MN; Hartford, CT; Sacramento, CA; Portland, ME and Rochester, MN. The FCC has retained Comsearch to conduct the research as mandated by Congress.

CONSUMER CONFIDENCE WANES according to The Conference Board, which reported that the Consumer Confidence Index was down in September for the third straight month. After an uptick from April to May, the Index fell from 97.4 in July to 93.5 in August to 93.3 in September (see chart, right). "Weak labor market conditions continue to erode confidence," says Lynn Franco, Director of The Conference Board's Consumer Research Center. "But while consumers are not as positive about current business conditions, they are more optimistic about the outlook than last month. Historically, this trend is prevalent during a recovery."



<http://www.conference-board.org/economics/consumerconfidence/index.cfm>

RADIO GROWS UP as Washington lobbying efforts intensify. We may not think of it this way, but the NAB is a major lobby. . .soon to be joined by Clear Channel, which is opening its own Capitol Hill office. Meanwhile, the NAB has announced that it will invest \$250,000 in retaining an outside PR company to, in the association's words, "address and neutralize negative perceptions about the industry."

IS ABC RADIO GOING ON THE BLOCK? Disney CEO Michael Eisner's job seems safe for now, but he has some 'splaining to do to his board, at least two members of which are out for his head. (They have already approached Infinity chief Mel Karmazian about the job, but he declined.) Eisner told analysts during a Wall Street road show last week that the radio division "wasn't sacred," and that he would sell the tiny (but profitable) division for the right price.

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TOP OF THE WEEK

RADAR 74 SHOWS TWO NEW NETS. In the September survey, covering 7/25/2001-6/19/2002, two new ABC webs, ABC Morning News Network and ABC Daytime Direction, made the grade. During the RADAR 74 survey period, 75% of U.S. consumers ages 12+ and 75% 18+ heard one or more network radio commercials in the course of a week. Among the prime audience demographics sought by advertisers, the commercials aired on the 33 radio networks reached 77% of Persons 12-34, 78% of Adults 35-49 and 71% of Adults 50+. RADAR 74 reflects the second phase of the transition from telephone to diary measurement, using 25,000 diaries and 6,000 telephone interviews, bringing the total sample up to 31,000. http://www.arbitron.com/newsroom/archive/09_23_02_radar.htm

TEENS ARE EXPOSED to magazine ads for alcoholic beverages, according to a report by the Center on Alcohol Marketing and Youth at Georgetown University, published in *The Washington Post*. In fact, teens are more likely than adults to see magazine liquor ads. The conclusion drawn by the Center, as expressed by Executive Director Jim O'Hara, is that ads should be more carefully monitored. "America's parents should be disturbed by these findings," O'Hara said. "They aren't seeing these ads but their children are because that's where the industry is putting them—in the magazines their children read." Officials of the spirits industry dispute the findings, saying that distillers only advertise in magazines that have audiences that are "mostly" old enough to drink. <http://www.washingtonpost.com/wp-dyn/articles/A57488-2002Sep23.html>

S&P ECONOMIST HOPEFUL about ad spending this year and next, predicting that total U.S. spending will increase 2.7% this year and 5.2% in 2003. David Wyss notes that radio, television and print advertising rebounds faster than magazines, which can't deliver the frequency needed in the early days of a recovery. Wyss says, "With the economy recovering this year, spending on these broadly based consumer media should improve." <http://www.standardandpoors.com>

MORE GOOD NEWS (FROM A BAD PREDICTOR). The annual Scholfeld & Associates *Advertising Ratios & Budgets* study prognosticates that telecommunications and drug companies will lead the way to a total increase in ad spending in 2003. Telecommunications-sector ad spending will grow 5.6% to \$26 billion and wireless companies will spend 12.2% more (\$7.4 billion). Pharmaceutical spending will increase 11%, driven largely by direct-to-consumer marketing. *But*, Scholfeld has an uneven track record, predicting that ad spending in 2001 would increase dramatically. <http://www.saibooks.com/help-text/ad-ratios-toc.html>

OVERHEARD AT THE NAB: SIDELINED OWNERS are getting ready to enter the game again. It seems that the big groups are re-evaluating their strategies and will begin to sell off—at realistic prices—properties that don't fit. This, and generally improving market conditions for buyers, will create an opportunity for individuals and small groups to re-enter the fray.

INTERNET LISTENING AT WORK is the norm, according to MeasureCast. According to a recently-released analysis of their weekly listening reports, Wednesday is the peak listening day and more than three-fourths of all listening takes place between 5 a.m. and 5 p.m. (PT). Less than 10% of the listening takes place on the weekend.

November Business Opportunities

The following businesses report above-average sales in November:

Appliance Stores
Carpet Stores
Children's Wear Stores
Consumer Electronics Stores
Department Stores
Discount Stores
Fabric & Sewing Stores

Factory Outlets
Furniture Stores
Jewelry Stores
Men's Wear Stores
Music Stores
Women's Wear Stores

—RAB's Top 40 Business Survey

November Promotional Opportunities

Months

American Diabetes Month
Aviation History Month
Diabetic Eye Disease Month
Epilepsy Awareness Month
International Impotence Education Month
Lung Cancer Awareness Month
National Adoption Month
National AIDS Awareness Month
National Alzheimer's Disease Month

National American Indian Heritage Month
National Authors' Day
National Family Caregivers Month
National Healthy Skin Month
National Hospice Month
National Marrow Awareness Month
Orphan Disease Month
Vegan Month

Weeks

Nov 1-7—World Communications Week
Nov 4-8—Kid's Goal-Setting Week
Nov 17-23—American Education Week
Nov 18-24—National Children's Book Week
Nov 19-25—National Family Caregivers Week

Nov 24-30—National Family Week
Nov 24-30—National Game & Puzzle Week
Nov 24-Dec 1—National Bible Week
Nov 30-Dec 7—Chanukah

Days

Nov 1—National Family Literacy Day
Nov 2—Anniversary of First Scheduled Radio Broadcast (1920)
Nov 2—Sadie Hawkins Day
Nov 5—General Election Day
Nov 6—National Young Reader's Day
Nov 7—National Men Make Dinner Day
Nov 8—National Parents as Teachers Day
Nov 11—Veteran's Day
Nov 13—World Kindness Day
Nov 14—National American Teddy Bear Day
Nov 15—America Recycles Day

Nov 16—International Day for Tolerance
Nov 17—Homemade Bread Day
Nov 19—National Community Education Day
Nov 21—National Great American Smoke-Out
Nov 27—What Do You Love About America Day
Nov 28—Thanksgiving Day
Nov 29—Black Friday
Nov 29—Electronic Greetings Day
Nov 30—Computer Security Day

—Chase's 2002 Calendar of Events

Title

I had lunch with super-manager/sales consultant Jim Taszarek in Seattle, and it prompted me to pore through some of his gems of wisdom for you. (*You can reach Taz at www.tazmedia.com.*)

NO MORE TESTIMONIAL LETTERS. While reading the Harvard Business Review, I see another example of Radio Selling Arrogance. We call them “testimonial letters.” Once again, that says it’s about *us*. Instead, let’s call them what the business world calls them: “case studies.” A case study tells what good happened to the *client*, not how cool *we* are. A Case Study one-sheet might look something like this:

- Paragraph One would be titled “The Problem.” It’s a short couple of sentences about what the client wanted to get done.
- Paragraph Two is “Action Taken.” This is a description of what we did, like the design of the spot schedule, the copy and the thinking behind it. Might include a photo from a successful remote.
- Paragraph Three is excerpts from the traditional letter, called “Results.” This is where the client says (a) what happened, and (b) “We intend to use the station again.”
- Make sure the client’s logo is on the one sheet. Use plenty of underlines and yellow highlights—therefore, print it in color.

FORGET WAL-MART! That’s what I said. Let me explain by asking you some questions:

- In your format or your station, is the category of Large Wholesale Retailer a big category? Do you do a lot of local business with Wal-Mart, K-Mart or Target? Probably not; they’re not heavy radio users, you can’t find a local decision-maker and they usually have no local budget. *Duh.*
- Why bust our butts trying to get to somebody who doesn’t want us?
- Why waste our time when there are hundreds of other places to find more money -quicker?
- Why frustrate ourselves?

Instead. . .

- Remember all those distributors, jobbers, brokers and wholesalers who call on the local retailers? Those guys are still out there, and Wal-Mart has passed them by, too. Help them with smaller niche retailers. Wal-Mart is all things to all people—grocery, lawn & garden, hardware, ready-to-wear, HBA, electronics etc. Help the local Ace or True Value hardware stores with a great campaign. They’ll find the bottomless pit of manufacturer money available for you.
- Want to get inside Wal-Mart? Then follow the people who we already know who are already doing business with them. That means, for example, Pepsi or Coke.

We’ve got to go where the fish are biting—local Direct dollars!

Small Market Advisory Committee II

In a continuation from last week, we pick up with more comments from RAB President/CEO Gary Fries.

As Fries continued to tick off RAB initiatives, he said, “Then there’s Arbitron’s Portable People Meter [PPM], where the RAB has taken a strong role. It will affect all of you. Measured markets are getting smaller. Very rapidly there will come a time when you will measure the entire universe—Nielsen is involved, and they measure the total survey area, not just the metro survey area. Eventually this will be your concern, because every county in the area will be measured. We don’t know how it will come together, but it will be important.”

Fries also reported, “After about nine years of pushing, I’ve got Arbitron to do the “40-4” plan to increase sampling size.”

He continued, “This is probably one of the most critical and opportunistic times for radio we’ve ever had. Things are changing. Everything you tried a year or two ago that didn’t work, I urge you to try again. There’s a change in the way people utilize media, and not just young people coming up. Sixty-year-old people are e-mail fanatics today, but five years ago they said they’d never use it. Technology is not migrating any more, it’s implanting itself into generations. People’s attitudes are changing.

“The efforts of the small market broadcaster are needed to move things forward. You people really see it, understand it and know how to use new technologies to advantage. Your obligation to your industry and your marketplace has never been greater.”

THE REAL PPM SKINNY. Steve Trivers, Fairfield Broadcasting, Kalamazoo, MI, asked Fries, “Will the PPM happen, and will Arbitron and Nielsen cooperate?”

Fries responded, “There is definitely going to be some sort of electronic measurement in the future. How fast, what form, and whether Arbitron and Nielsen will cooperate, I don’t know.

“The problems with the [Portable People] meter are that it won’t be worn by some women. . .it might be stuck in the purse. . .the Hispanic population doesn’t want the ‘government’ to monitor them. . .there are a lot of flaws there. But the technology will eventually prevail. There’s a Swiss device that’s a wristwatch; that solves a lot of problems.

“When will it come? Initially Arbitron was going to roll it out in ’03. . .now it’s ’05 or ’06. Why the slowdown? Because Arbitron focused so much on the technology that they lost sight of the customer. They never set a price for it. Now they’re saying, ‘It won’t be more than 100% more than the total cost.’”

RAEL REVISITED. Referring to Fries's previous comments about the new Radio Advertising Effectiveness Lab (*see last week's issue*), Cary Simpson, Allegheny Mountain Network, Tyrone, PA, urged, "We need more people to use PROposal Wizard. When we knock on more doors, we have to be effective. And we need to know how effective we are."

RAB Senior VP/Internet Services Dave Casper replied, "We have a lot of studies at www.radioadlab.com—there's a link to that site from www.rab.com. On that site there is a compendium of the radio studies done to date."

KINDLER, GENTLER INDUSTRY. Gary Fries observed that there has been a change in attitudes at the top groups: "When you merge corporate cultures, it's like merging Israel and Palestine. So Clear Channel, Infinity and other players are learning to change—become kinder and gentler toward their radio competitors. When consolidation happened, we all thought we'd stop shooting arrows at each other; but all that happened was that we started dropping nuclear weapons on each other."

EDI CURIOSITY. Mark Trotman, KHUT, Hutchinson, KS, asked RAB Executive VP/National Marketing Mary Bennett about where things stood with electronic data invoicing (EDI).

Bennet replied, "Progress is being made; we have details on www.rab.com. The language has to be common so we can all communicate. Right now it's like writing a letter in Spanish and writing a letter in English. Stations can add layers to make it as easy as possible."

Fries added, "Congress and U. S. Postal Service designed the ZIP codes. Now everybody uses them. This is the same; it's putting everybody on the same platform. We thought this would be simpler, but first you have to build the infrastructure, and it's very political."

Bennett: "It's not the political football that it was a couple of years ago. When you talk to your traffic vendors, ask them about their plans with EDI, when they are going to be ready. You have a lot more power with the vendors than we do."

Simpson: "The RAB is the only group that has the clout to say to the industry, "This is what we've got to do."

Fries: "We meet monthly with the radio committee of the AAAA. A lot of progress is being made, but there are lots of things to work out. For example, what does "equal rotation" mean? And although at one time there was a standard form, now radio contracts are all different."

We continue our reporting of this committee meeting, which took place in Seattle just before the NAB Radio Show, next week.

Really Small!

By Bob Doll

The winner of this year's Small Market Station of the Year in the NAB Marconi Awards is WKDZ (FM), Cadiz, KY (population: 2,500) in Trigg County (population 12,500). The awards were handed out on the last night of the NAB Radio Show in Seattle.

D. J. Everett bought the station in 1991 as an investment. His main occupation was manager of the Hopkinsville, KY newspaper-owned low-power television station. Three years after he bought the radio station, he bought a radio station in Hopkinsville and returned to our business full-time.

He had entered WKDZ in various NAB awards competitions during the past several years. "We were a finalist once in the Crystal Awards, but this was our first winning entry," he says.

The WKDZ winning entry shows the following happened during the past year:

- The station in conjunction with the local chapter of the American Cancer Society raised over \$150,000 in the Relay for Life. That represents the largest per capita funds collection of any of the thousands of such events staged across the country.
- The WKDZ/Lions Club Radio Auction brought in \$82,000 during a week's worth of nightly auctions.
- In a day, the station collected 4,000 cans of food for the local charity food bank.

These were three of more than fifty special events broadcast during the year. Others included

- A community Easter egg at the town's park
- A Halloween Safety Night from 6 PM to 9PM, originating at a supermarket
- 8 hours of live broadcasts for two days at the annual Trigg County Ham Festival

For its activities in behalf of area 4-H Clubs, the state's farm extension service named WKDZ the 4-H Kentucky Station of the Year.

The station's six-to-eight-thirty morning show offers a steady stream of local information. The station carries four extended broadcasts of local news daily. WKDZ carries over 60 live broadcasts of high school sports every year.

Remarkably, WKDZ operates with a staff of just four full-time and three part-time employees. Those people stay busy, not just handling their duties at the very community-conscious radio station, but in the community as well:

- Beth Mann, the manager, is president elect of the Rotary Club.
- Allen Watts, the news director is president of the Lions Club and chairman of the Trigg County Promotional Committee.
- Cindi Allen, the sales manager, is president of the Chamber of Commerce and a member of the Trigg County Ham Festival Committee.

The WKDZ staffers are very busy, but according to their boss, "It seems to be a labor of love."

WKDZ was not represented at the Seattle event to claim its award. In D. J's. words, "Everybody had a pressing commitment here. That's the kind of dedication that earned them the award."

Bob Doll is Editor Emeritus of SMRN. He is the author of Sparks Out of the Plowed Ground and A Perfect Union. Bob can be reached at (830) 379-7549; fax (830) 372-2905; e-mail bobar@gvec.net.



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CONSUMER SPENDING SLOWS. According to the U. S. Department of Commerce, personal consumption expenditures rose a mere 0.3% in August, down from 1% in July. Since consumer spending makes up two thirds of all economic activity, experts fear a double-dip recession is ahead. Meanwhile, the *Wall Street Journal* reports forecasts of 3-4% in consumer spending during Q4 this year, but declines in Q1 2003. <http://www.commerce.gov/>

**NEXT WEEK:
ANNUAL
BUDGETING ISSUE**

HOLIDAY SALES LOOKING GOOD. According to the National Retail Federation, this year's holiday sales—sales in general-merchandise, clothing, furniture, electronics, appliance, sporting goods, hobby, book and music stores occurring in November and December—should increase by 4% over last year. Last year, pundits were taken by surprise by a 5.6% increase over the year prior; in 2000 the increase was 4%. http://www.nrf.com/content/default.asp?folder=press/release2002&file=holidayforecast_02.htm&bhfv=5&bhqs=1

WEBCASTING RELIEF MAY BE ON THE WAY. House Judiciary Chairman James Sensenbrenner (R-WI) is sponsoring a bill that would extend the deadline for webcasting royalty payments to next Spring in order to allow all parties—record companies, radio stations, musicians, webcasters and legislators—the time to reach a “mutually agreeable” compromise. As we go to press, the vote is scheduled for next week. If the measure doesn't pass, the October 20 deadline remains in force. According to Rep. Jay Inslee (D WA), who has sponsored the Internet Radio Fairness Act, “I applaud Chairman Sensenbrenner for recognizing the urgent need to stay the imminent execution of Internet radio and give both sides a chance to work out a fair, equitable solution.” http://www.mediapost.com/dtls_dsp_news.cfm?newsId=183319

OLD SMUDGY SCORES CLASSIFIED BOOST. According to The Media Audit, after a three-year decline, readership of newspaper classified advertising jumped almost 29% in 2001. The research also shows significant increases in the percentage of classified readers who graduated from college. According to Bob Jordan of International Demographics, which produces The Media Audit, “College graduates, with one degree, increased from 17% to 19%, while those with advanced degrees increased from 6% to 8%. Together the two groups increased from 23% to 27% of the total classified audience,” says Jordan. Those with “some college” increased from 25.5% to 26.8%, while all those with less education declined as a percent of the group. <http://www.themediaaudit.com/>


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TOP OF THE WEEK

PPM RESPONSE RATE LOW—BUT “GET OVER IT,” SAYS PROGRAMMER. The latest test results, from Philadelphia, indicate lower response rates than anticipated—under 25%. But Saga programming chief Steve Goldstein is amused: “Potentially, there are a lot of great things that can come from this, and we should not be myopic. After all, it does seem ironic for radio broadcasters to all of a sudden embrace the diary, which they ridiculed for all these years.”

ATHLETIC UNION FLEXES ITS MUSCLES. The Indiana High School Athletic Association rules for this year indicate that if a radio station carries any post-season high school game, then it must carry at least one game of the state finals in that sport. In other words, if your station follows your local team, and that team makes it as far as the opening round of the play-offs but then loses, you still must broadcast a game in the state finals, even though the teams may be totally irrelevant to your audience.  <ftp://tperkins:perkins9150@216.37.48.55/./././web/Announcements/2002-03/2002-03%20IHSAA%20Broadcast%20Regulations.htm>

CLARENCE RICHARD “DICK” “BOOM BOOM” MCBROOM. Sad to report the death of longtime *SMRN* reader Clarence Richard “Dick” “Boom Boom” McBroom. After attending Purdue University, doing a stint in the Army and working as an investment counselor, Dick founded WNDH Radio in Napoleon, OH in 1972. Dick acquired another AM-FM station in Galion, OH, in 1976; WONW in Defiance in 1987 and WZOM in 1992. Dick’s strong belief in community involvement drove him to serve on a number of committees, including the Downtown Revitalization Committee in Napoleon, Defiance College Pilgrims Society, Bowling Green Presidents Club, Kettering Country Club of Defiance, 4-H Endowment Fund and past Trustee of the Napoleon Elks Lodge. *(Thanks to Bob McLimans, VP of Dick’s old Defiance and Napoleon stations, now in the Clear Channel fold, for providing us with the information.)*

THE END OF THE “SHOCK JOCK” ERA? According to an article in *The New York Times*, some of our industry’s more outrageous personalities are becoming less so in the wake of the brouhaha over the Opie & Anthony St. Patrick’s Cathedral stunt. Drew Lane, of “Drew and Mike,” WRIF, Detroit, MI, is quoted in the article as saying, “It’s sort of a wake-up call. I don’t think we are going to change our style, but I think we’re going to think things through more. We might run things by the program director.”

ONLINE + MASS MEDIA = RESULTS. In a study from online advertising broker Doubleclick, online advertising for an anonymous prescription drug company was compared to ads on TV, print and direct-to-doctor promotion (“detailing”). The results showed that while the company spent most of its ad budget on television (85%) and only 3% online, the Internet ads were responsible for 7% of the sales of the product. According to the study, even though online ads cost more on a cost-per-thousand basis due to their narrow targeting, they are more efficient than mass media in driving sales. *Editor’s \$0.02: While radio was not measured, I’m sure your online presence will make for an effective “booster shot” for your radio schedules. By the way, a friend of ours who produces infomercials for radio and television reports that adding a web component to a broadcast campaign will boost sales by 7% or so.*

Halloween Happenings

SPONSOR X-RAYS OF TREAT BAGS in cooperation with a local hospital.

GIVE AWAY YOUR OWN TREAT-FILLED BAGS at a local mall. Fill the bags with candy, station goodies, and coupons from stores in the mall. (Don't forget the entertainment—magicians, clowns, sports figures.)

THE MCGRUFF TRICK OR TREAT BAG is once again available from the National Crime Prevention Council. For more information, visit <http://www.ncpc.org/licensees/index.html>.

HALLOWEEN HOUSE. Starting a week before the 31st, start giving clues about where the WXXX Halloween House is located. Trick-or-treaters ask, "Is this the WXXX Halloween House?" Award special "treats" to those who ask at the designated house.

TRICK OR TREAT. When listeners hear the doorbell sound effect on the air, they call the station to either be "tricked" or "treated." Each person who calls can win a prize (like a bag of Halloween candy and a 2-liter bottle of Pepsi). [WLRB/WKAI/WLMD, Macomb, IL]

BLACK CAT SINGS CALL LETTERS. Offer a big cash prize (in fun) to the person whose black cat can sing your station call letters. Invite contestants and their felines to the station on Halloween to compete on the air. It's a, er, howl.

OTHER HALLOWEEN GOODIES. Some thought-starters:

- Run a **pumpkin-carving contest**
- Do a **Halloween costume competition** (for a twist, do one for dogs)
- Have listeners compete for the **best Halloween house decorations** and conduct a "Tour of Terror" of the winning homes
- Have your morning show **play only songs by dead people**
- Pick up some **old horror films** in the discount bin of the local video store and use them for prizes
- Compile and read on the air a **list of malls and downtown areas** in your market that are doing trick-or-treating
- Ditto the "**Haunted Houses**" in the area
- Run a **blood drive** (reminding listeners that the blood they give must be their own)

Collections—Part of the Sale

Sales representatives often believe that when you and the customer have agreed upon the details, the sale has been made. Well, the sale is not over until the money is collected. Many of you are just as accountable for collecting the money as you are for making the sale. Collecting money is uncomfortable for most people. For sales representatives, it is the equivalent of asking them to do the impossible. Except for a few individuals who seem to enjoy dealing with people in difficult situations, the process is perceived to be an unpleasant one. But there are ways to ease the discomfort and handle this delicate process effectively.

It is important in the collection process that you are clear on your objectives:

- **Objective 1: Collect the money**
- **Objective 2: Preserve the relationship**

The best time to begin the collection process is early in the sales process. Take information and perform a credit check. Identify your terms of the agreement up front. If a prospect is reluctant to provide credit information or shows concern when you state your terms, be alert—perhaps he or she is a business risk.

Despite your best efforts, you will find yourself in collection situations from time to time. To preserve the relationship, be empathetic. While there are a few deadbeats in this world, most people want to remain on good terms with their suppliers. When people get into financial difficulty, they often have dozens of creditors calling on them daily. They are embarrassed; they make promises they know they cannot keep; they get depressed; and their self-esteem drops—not a pleasant state of affairs!

Most people who make collection calls focus only on Objective 1 and lose sight of Objective 2. If you are empathetic and diplomatic in the collection process, you will be well thought of by the customer. When the customer has to allocate scarce financial resources, you will be first on the list.

Avoid insulting, threatening or fighting with the customer. Use “we” language versus “you” language. For example, do not place blame by saying, “You made a commitment. You didn’t pay and you blew it!” It would be better to say, “We had an agreement that wasn’t kept. It was embarrassing for both of us. What can we do about it?” If the customer has the ability to pay someone, you will receive priority, even if it’s only a partial payment. There is a difference between being empathetic and being a soft touch, though. Be firm but fair. Follow up on promised dates. If a check was promised on a certain date and not received, call the customer immediately. If the entire balance cannot be paid, accept any payment and set up a payment plan for the remaining balance.

Use your selling skills to persuade customers that it is better to pay you than someone else. Offer two or three repayment alternatives and ask, “Which one would make it easier for you to keep your commitment?” Or ask, “If I can get the company to agree to x dollars per month, can I get a series of post-dated checks?”

Collecting money is never easy, but your company’s survival depends on it. Your own survival depends on it!

—Hal Snyder & Richard Pryor, *It Isn’t Difficult to be Outstanding*, [out of print]

Bringing Order to Chaos

Editor's Note: While the anniversary of 9/11/01 is behind us now, it's important to stay focused on the lessons learned from that tragedy. It's especially important that we in small market radio stay focused on disaster preparedness—whether it's a cataclysmic event or something more local, like a tornado, hurricane, toxic spill and so on. Here is an opportunity for broadcasters to get free help. . .

Don Watson has built a career in news on disasters. In markets large and small, he's seen firsthand the difference preparedness can make when broadcasters are forced into wall-to-wall coverage of emergent events, on the fly and under the most horrific operating conditions imaginable.

But the president of Don Watson Media (www.newstalkradio.com), a news/talk consultancy based in Kokomo, Indiana, says it wasn't until the incomprehensible events of September 11, 2001 that he realized how few broadcasters are really up to the challenge.

“On 9/11, there was only one format on the air on nearly every station in every market—and that was news/talk,” Watson says. “Problem was, consolidation and budget constraints left few non-news stations with the resources and skills readily at hand to pull it off locally—and those without network news service were pretty much on their own.”

“Further,” says Watson, “we realized that as awful as the events of 9/11 were, there were lesser, but more likely operational risks stations faced every day for which they were ill-prepared. Severe weather, hostile incursions into station facilities, cyber-sabotage. It's a long, long list of threats that could put any unprepared station out of business for a long, long time.”

So this past summer, Watson expanded his consultancy to include contingency planning geared specifically to broadcasters—and created www.MediaDisasterPrep.com. Watson says it's the first and only fee-free Internet site providing disaster planning resources and guidance exclusively to the broadcast industry.

“At MediaDisasterPrep.com, we press the message, ‘It's only a disaster if you don't plan for it.’ And while that may sound obvious, the prospect of planning for the unthinkable is often so daunting, that many broadcasters would rather avoid the work and expense and take their chances.” So Watson and his colleagues are working to demystify the contingency-planning process, which he says has four distinct components: Preparedness, Response, Recovery and Mitigation.

SPECIAL REPORT

“Preparedness,” says Watson, “involves thoroughly and honestly assessing the threats likely to affect your operations, as well as the resources you can bring to bear in times of crisis. Response includes the action steps you’d take to stay on the air. Recovery deals with normalizing your operations after the crisis passes. And mitigation involves steps you can take before, during and after a disaster to minimize the short- and long-term impact on your facilities. It’s an iterative process throughout, since both risks and the resources for response are dynamic things—and it’s why we suggest that stations designate a Contingency Planning Officer within each department to more completely and realistically assess unit-level risks and response capabilities.”

The MediaDisasterPrep.com website contains numerous links to free help for each stage of the contingency planning process—among them a calculator managers can use to determine the economic loss they’d suffer each day they were off the air.

Watson has compiled a free list of action steps stations can take to lay the groundwork for more sophisticated disaster planning and response. It’s called QuikPrepSM; among the top 10 recommendations: updating internal and external “panic” lists for reaching key staffers and emergency managers anywhere and anytime; installing and (frequently) testing backup power and communications systems; cross-training back-office staff for air support roles; making sure everyone understands EAS protocols; and securing studio and transmitter backup sites for “hot standby.”

“When the World Trade Center towers fell,” says Watson, “so, too, did the decades-old paradigm of co-locating primary and backup facilities. Just this week, one of the tallest towers in the country, the KDUH-TV tower in Scotts Bluff, NE, came down in clear weather for reasons unknown, killing two riggers who were reinforcing the tower for new DTV antennae. Station personnel told one of our people there is no replacement for hundreds of miles around. Most communities have some broadcast redundancy. And with neighborhood aversion to new and bigger towers growing, broadcasters with proximate transmission facilities should consider mutual-aid arrangements to protect each other’s plants.”

Whatever their approach to contingency planning, station managers can make only one mistake, Watson says. “The only wrong decision is to procrastinate,” according to Watson. “Sadly, given the state of our world today, it’s not a question of *whether* there will be another 9/11, but rather, *when*. A tight budget will evaporate completely if a disaster leaves you unable to generate any cash flow.

Don Watson can be reached at MediaDisasterPrep.com, toll-free, by calling (866) 47-MEDIA. Or, e-mail him at Don@MediaDisasterPrep.com. Our thanks to reader Howard B. Price, HBPrice@aol.com, a principal in Don’s new venture, for passing this along.

RAB SMAC: Focus on Training

As part of our ongoing series, we continue with notes from the RAB Small Market Advisory Committee meeting in Seattle. This time the subject is sales training; the discussion is led by RAB EVP/Services Mike Mahone.

According to Mahone, “The RAB has many areas of focus when it comes to training. The Radio Sales Academy trains new (and experienced) salespeople. There’s also a series of programs for the more experienced salesperson. We also have a three-day management program, conducted once a quarter—more of a management leadership program, for people who are experienced managers who want to deal with the higher-level problems, like working with experienced salespeople. Now we need a program focused on entry-level sales manager, more nuts-and-bolts. What are the thoughts of the committee about what should be included in that?”

- **Mike O’Brien, Bliss Communications, Janesville, WI:** Make it a three-day course. Look at dropping some of the topics that are already in other courses.
- **Steve Trivers, Fairfield Broadcasting, Kalamazoo, MI:** How to read a P&L, set goals, selling against newspaper, keeping/training good salespeople are all “fives.” Casper will send the list to all members and get feedback that way.
- **Dick Rakovan, RAB:** How to properly fire someone—within the law; being fair. Record-keeping. Maintaining self-esteem.
- **Brad Eure, Eure Communications, Charlettsville, VA:** Creating effective commercials. How to get more information about anything.
- **Mark Trotman, KHUT, Hutchinson, KS:** Teaching the sales manager how to present to the staff how to use newspaper performance reports. There’s surprise and anger when the salesperson discovers that what the client spends in one 1/4-page ad is about what he spends on the station for a month.
- **Your editor:** Selling against the Yellow Pages.
- **O’Brien:** “First 90 days” of the sales manager position. What type of attitude should you bring to the job? What kind of ethics? Leadership style?
- **Cary Simpson, Allegheny Mountain Network, Tyrone, PA:** Sales managers go from being a player to a coach. Sales managers succeed when they make the players look good.
- **Lynn Anderson, RAB:** A new SM gets the job because he or she is competitive, usually the top salesperson. But as sales manager, he/she has to nurture. That’s a huge paradigm shift.
- **Rakovan:** You have to allow people to fail.
- **Trotman:** How to manage when the wheels fall off.
- **Simpson:** You have to know when to give up on someone.
- **Dave Casper, RAB:** The sales manager’s role in HR. Listening to problems, responding. Also, the SM needs to know more about traffic.

Gary Fries, RAB: Time was, the sales manager was the biggest transactional seller. Now the SM is managing people in an era where transactional sales aren’t what we’re after—it’s marketing expertise. Pacing. Analogy of a track star. You’re the fastest runner, but if you can’t get out of the blocks you won’t win the race. Some of our people are the best sellers but they don’t get into action. Teaching a SM pacing is vital. I used to preach “12 calls.” Two collection calls. Every day. One presentation. Fact-finding calls (information-gathering, no sale). New prospect calls. Pacing. Discipline. To manage their sales efforts.

The Price of Perfection

Big business is unraveling these days, and everybody's taking notice. The collapse of some high-profile success stories of yore (think Arthur Andersen, Enron, IMClone, etc.) have put even today's successful companies under a microscope.

A big problem in any company—and the bigger the company, the bigger the problem—is that failure is never an option. In that kind of corporate cultural crucible, human beings, who cannot help but fail sometimes, are forced to conceal said failures to keep their jobs, much less advance.

The consequence, as many companies are discovering, is that the sum of all the everyday human failures that go unreported and undetected is The Big Failure.

I've seen this scenario in radio companies, too, and not just the big ones. Management refuses to take into account the ugly truth that even the best and the brightest have their dull, not-so-great moments. We expect perfection, are disappointed when we don't get it, and go off in search of a replacement who actually is perfect—or at least more perfect than what we have.

The company culture that scores The Big Success is the one that not just allows for failure but in some ways exalts and encourages it. If failure is okay, then the little ones are reported, detected—and corrected—before they carom out of control. It's healthy. It's *human*.



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Small Market Radio Newsletter

Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 17 • OCTOBER 10, 2002

BACK ON TRACK: ANOTHER UP MONTH FOR RADIO. The just-released RAB figures for August show an increase of 5% in local/national ad revenues over the same month last year. Local was up 4% and national was up 9%. Year to date, the increase is 7% national, 2% local and 3% combined. RAB CEO Gary Fries commented, "Radio is showing signs of accelerated growth. All indicators point to continued momentum with double-digit increases for 4th Quarter. Radio is well-positioned to kick off 2003 from a strong and stable vantage point." www.rab.com

WEBCASTING STALEMATE BROKEN. After weeks of wrangling, the RIAA and a consortium of webcasters have finally agreed on music royalty fees for Internet broadcasting. The so-called Small Webcaster Amendment Act (SWAA), approved by the House Judiciary Committee, is retroactive to the passage of the Digital Millennium Copyright Act in 1998. Because an agreement was imminent, Rep. James Sensenbrenner (R-WI) pulled his legislation to impose a six-month moratorium on fees. The SWAA now goes to Congress for ratification. The deal is this: webcasters will pay either 8% of revenue, 5% of expenses or a minimum of \$2,000 annually for the years 1998-2002. For 2003-2004, they will pay 10% of revenue to \$250,000 and 12% of revenue \$250,000-500,000. If revenues are higher than that, the webcaster pays the full CARP rates. Payments are likely to begin in January. According to Broadcaster.com CEO Kevin Shively, "It's a deal I doubt many webcasters would have agreed to if they weren't at risk of their business being shut down by the CARP rates." Shively notes that the American Federation of Radio and Television Artists (AFTRA), the AFL-CIO and/or other industry groups—including the NAB?—might still oppose the agreement.

ANNUAL PROMOTIONS ISSUE

ANOTHER STUPID RADIO TRICK. This week's hot industry water-cooler buzz surrounds KUPD, Phoenix, AZ morning doofus Beau Duran, who called the widow of the late St. Louis Cardinals pitcher Darryl Kile to ask her if she had a date for a game the Cards were playing in the market. As a result of the stunt, bowing to pressure from Major League Baseball and the Cardinals, the station suspended Duran for one week.

POWELL: OWNERSHIP RULES MUST CHANGE OR DIE. When FCC Chairman Michael Powell spoke at the Goldman Sachs Media Conference in New York, he said, "Media ownership rules, if I do nothing, will be dead soon. They will not survive the judicial process." Powell noted that the Commission's ownership rules have been in place before cable television even existed, so they definitely need to be revisited. "I'm not arguing that any one of [the rules] should definitely go, but I am arguing for intellectual honesty," Powell said. www.fcc.gov

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IN OUR 20TH YEAR (Online Oct 6724)

US & Canada (\$US):
• One Year \$129
• 26 Weeks \$74
International (\$US):
• One Year \$184
• 26 Weeks \$104
E-Mail-Only Edition (\$US):
• One Year \$89
• 26 Weeks \$49

AMBER ALERT COORDINATOR POST CREATED. Last week, President Bush announced an administrative directive ordering Attorney General John Ashcroft to create an Amber Alert Coordinator within the Justice Department. The office will have a budget of \$10 million, diverted from existing funds, to develop training programs and coordinate the dissemination of abducted-child information. In addition, Bush expressed his support for the Hutchison-Feinstein legislation to establish nationwide standards for Amber Alerts. *See our "Last Word," Page 8.*

BROADCAST VETS FORM SMALL MARKET MEGA-GROUP. Three top broadcasters have formed NewRadio Group, LLC—NRG, “energy,” get it?—and have entered into an agreement to buy 22 Midwestern stations from Marathon Media. The stations are all in small markets, such as Dixon, IL and Marshfield, WI. The NRG triumvirate comprises CEO Mary Quass, former President of Central Star; COO Lindsay Wood Davis, lately EVP/Meetings of the RAB; and CFO Tami Gillmore, former corporate finance director of Central Star. Quass quenches thirst for stations with Marathon deal. The NRG threesome says the Marathon deal is just the beginning; they will continue to look for other opportunities in Midwest small market radio. *Editor's kudos: Welcome back, guys! I can't think of better, classier, nicer broadcasters than Mary and Lindsay—I don't know Tami, regrettably, but if she hangs out with the other two she's okay in my book. As I've said before, the future holds great opportunity for small market buyers, and the NRG folks represent the best of the best in radio operators. I wish them well, and encourage others to come on in—the water's getting good again.*

ONE DOWN, ABOUT FORTY TO GO. Radio's best friend in all the world—not—Sen. Robert Torricelli (D-NJ) has announced that he will not be seeking re-election. His decision probably has more to do with the scandal surrounding his acceptance of lavish gifts from a big supporter than his laughable lack of understanding of the broadcasting industry. On the heels of the Senator's ill-spirited announcement, *Time Magazine* named Torricelli “Person of the Week,” saying, “When your departure ranks as your most popular move in years, you know something has gone very, very wrong.”

MOTOROLA TECHNOLOGY CONFUSES IBOC ISSUE. Motorola has announced a new digital radio that “provides enhanced sound quality and improved signal reception for existing analog broadcasts” will be available to the public in time for the holiday season next year. Industry insiders are concerned that the Motorola version of digital, which apparently puts the quality of analog radio signals on par with satellite radio, will create marketplace confusion and stunt the growth of in-band, on-channel (IBOC) digital.

OOPS. The FCC forgot to publish its new fees in the Federal Register when they were first announced back in July, so technically the old fees are in effect until the new ones are published.


XM TOPS 200K. The satellite broadcaster claims 201,500 paying customers as of the end of September; they say they're on track to hit their goal of 350,000 by year's end.

Cable Ties

So, how's cable doing? Here are the ratings and rankings for the top 15 programs on basic cable networks as compiled by Nielsen Media Research for the week of Sept. 23-29:

Rank	Program	Network	Rating	Homes (millions)
1	NFL Football: Minnesota vs. Seattle	ESPN	6.2	6.59
2	NFL Prime Time	ESPN	3.8	4.07
3	WWF Raw	TNN	2.9	3.11
4	WWF Raw Zone	TNN	2.9	3.10
5	SpongeBob SquarePants	Nickelodeon	2.9	3.08
6	SpongeBob SquarePants	Nickelodeon	2.8	2.99
7	SpongeBob SquarePants	Nickelodeon	2.8	2.90
8	SpongeBob SquarePants	Nickelodeon	2.7	2.92
9	Fairly Odd Parents	Nickelodeon	2.7	2.92
10	Adventures of Jimmy Neutron, Boy Genius	Nickelodeon	2.7	2.91
11	SpongeBob SquarePants	Nickelodeon	2.6	2.81
12	SpongeBob SquarePants	Nickelodeon	2.6	2.79
13	Trading Spaces	TLC	2.6	2.78
14	College Football: Florida St. vs. Louisville	ESPN	2.6	2.76
15	Fairly Odd Parents	Nickelodeon	2.6	2.76

So, assuming the national-average 68% cable penetration in your market—it's likely to be lower in smaller, rural markets—basic cable's most popular show might reach all of 4.2% of your market. And while die-hard wrestling fans and kids are desirable demos for some advertisers, they're by no means every advertiser's dream. Only 68% of all U.S. TV households have cable; what's more, that percentage is dwindling with the growing popularity of satellite television systems. *Can you think of some good reasons why radio is a better buy?*

Go to the RAB web site for a copy of the *Media Fact Book* ( <http://www.rab.com/station/mediafact/mfacts02.pdf>) to get a sense of cable penetration in general; if you're a member, you can get more information about your own market. Use it well!

ANNUAL PROMOTIONS ISSUE

The sheet below—filled out by the general manager and department heads—is used to describe and cost out your stations' promotion plans for the year. Enter each promotion and then enter projected costs in the columns according to how you will allocate the costs. *Feel free to adapt and duplicate this form.*

MONTH	PROMOTION	PROGRAMMING	SALES	G&A
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Totals				

—Dean Sorenson, Sorenson Broadcasting, Sioux Falls, SD, sorenson@sbcradio.com

Creating An Annual Promotion Calendar

Having a calendar of ongoing, periodic promotions to which we can refer is a great help in managing promotional flow throughout the year.

A well-organized radio station has its promotion calendar for the coming calendar year in place before the year-end rush—by early November—but many stations reserve the planning process for January, a slower period, with the calendar running from February through January or from second quarter through first quarter of the following year.

Our 2002 Promotional Calendar will soon be available at www.smallmarketradio.com

To make the planning process easier, we offer a system for putting together your calendar that will make your life much easier. If the below steps are followed, you will ensure that—

- No previously successful promotions fall in the cracks
- No event or holiday opportunity is lost
- Past mistakes are not repeated
- Every traditionally-slow period in the year is covered

Here are the steps that we recommend to formulate such a calendar:

1. Go back two or three years and list each and every promotion done by the radio station, large and small, along with the inclusive dates of each promotion.
2. Go through the list to determine which promotions would be candidates for the coming year, and for annual events. . .and be liberal! If in doubt, keep it in.
3. Refer to a list of major holidays and make sure that each holiday is covered by one of your promotional events. If there are holidays which are not covered, add the holiday and the date of the holiday to your list. (Don't worry if you don't have a corresponding promotion yet.)
4. On a "Year-At-A-Glance" calendar, block in the promotions that could be regular events. Use a specific color ink for these events.
5. Consult any calendars of events which might be published locally—by the Chamber of Commerce or any civic groups. Fit those events into your calendar in a different color ink.
6. Make certain that you allow for major advertiser-oriented promotions for first and third quarters, where extra revenue boosts are often needed. If your station normally experiences slow periods in other months, add promotions accordingly. (Again, you may not have specific promotions for these periods yet, but log the information as you have in Step 4.)
7. Consult *Chase's Calendar of Events* for other promotable days and events.
8. Engage in a brain-storming session to fill in the blanks. Include a variety of people from your staff, including the general manager, sales manager, program director, promotions director, and any other creative types you have on staff. This session has several purposes:
 - a. To come up with specific, powerful promotions for the empty slots you've created
 - b. To weed out conflicts and superfluous activities (isn't it nice to have a surplus for a change?)
 - c. To nail down the exact dates for each promotions you've decided upon

If these steps are followed, you should find it easy to build an effective promotional game plan.

Freeze and Switch

By Jeffrey Hedquist

The techniques of improvisational theater can improve your radio writing. Read about them, take a class, join a troupe, practice, and get on stage if you want, but use these techniques. They'll give your right brain strength and agility. Here's one that can help you yield better results from your brainstorming sessions: *Freeze and Switch*.



Jeffrey Hedquist

Two players begin a scene. When they are in an interesting position or the energy of the scene has reached a peak, an offstage player yells, "freeze." The onstage players freeze, the new player tags one out, assumes that player's exact physical position (while the other player remains frozen in place) and begins a new scene, justifying in a new way the position both players are in. It's the new player's responsibility to start the new scene, not the player who remains on stage.

For this to work, the players must commit totally to the new scene, whether they believe in it initially. As one of the offstage players, you have to yell, "freeze" and jump in when the energy of the previous scene has reached a peak (or needs to be rescued because it is dying). You won't have much opportunity to prepare a continuation in advance. You may have to abandon any preplanning you've done and create something brand new "in the moment," and focus all your skills and presence on its success, as must the other player. The flexibility and acceptance you'll develop by practicing this improv technique is the key to making brainstorming work.

FOREIGN LECTURER. Here's another flavor from the world of improv to spice up your radio writing: One voice speaks a foreign language. This can be gibberish, actual foreign language copy, or, what may be the best, is a combination of foreign language with enough "Americanized" expressions interspersed to emphasize the copy points in a humorous way. A second voice "translates" what the foreign voice is saying.

Effective extrapolations of this can be to use for the first voice, a child (especially if unintelligible), someone who is emotionally involved in promoting or denigrating the advertiser, or someone who is 180 degrees away from the target market.

The voice of a competitor could be raving on about how unfair the advertiser is, while the advertiser's spokesperson calmly explains the benefits to the customer. A stern mother could be lecturing about what a waste of time a video game, or club, or activity or amusement park or movie is, while a kid explains why it's so cool. A wildly ecstatic customer can barely contain herself, while the voice of reason lists a customer benefit to match each explosive outburst. A techno-geek lists in detailed acronym-speak the features of a computer system, while the translator tells the audience what each will do for them, and how easy it is to use. A voice is distorted because they're underwater, inside a clothes dryer, speaking from outer space, stuck in a traffic jam, lost in a cave, etc., while an announcer away from the scene, explains what the voice is trying to tell us about the advertiser. The possibilities are endless.

The contrast can lead to some funny juxtapositions, an interesting spot that lends itself to repeated listening—and results!

Jeffrey Hedquist has some interesting translations of the weird messages he gets on his answering machine at Hedquist Productions, Inc., P. O. Box 1475, Fairfield, IA 52556; phone 641-472-6708, fax 641-472-7400, e-mail jeffrey@hedquist.com. © 2002 Hedquist Productions.

Opening the Lines of Communication

Employees who are informed about what is going on in their organization are more likely to be motivated to make improvements.

That's why Horner & Shrifrin, Inc. (St. Louis, Mo.) encourages its employees to communicate with each other and with managers as much as possible, according to Carie Lewis, HR manager. Here are five ways the organization encourages communication, according to Lewis:

1. A "No Risk Card" gives employees the chance to voice concerns. On the card is this note: "This card entitles the bearer to initiate candid conversation without fear of reprisal or consequence." *"It shows employees the commitment the organization has regarding open lines of communication," says Lewis.*
2. The corporate Intranet is available for employees to use. There, they can learn about what is going on in the organization and what might be coming up. Also, through the Intranet, employees can anonymously e-mail the HR manager or other managers with thoughts and concerns. The e-mail is not traceable. *Sometimes, employees are more willing to share thoughts via e-mail than in person or even hand-written notes, says Lewis.*
3. An open forum is held each year at the annual employee luncheon. Employees are given the chance to ask questions in front of the entire firm. Managers answer the questions on the spot. *You might think employees would be timid in front of an entire group or hesitant to ask managers questions that have been nagging them, but this has not been the case, Lewis notes. "It usually leads to a very spirited information exchange and a development of mutual understanding."*
4. An idea and innovation box is housed in the lunchroom. Employees can put feedback, ideas, and suggestions in the box for managers to review.
5. An employee satisfaction survey allows employees to write their thoughts about what the organization is doing right and what can be improved. *Lewis says the survey is conducted annually. Employees take an interest in participating in the survey and in other forms of communication, because their thoughts are always discussed and acted upon, says Lewis.*

You can have all the forms of communication available, but if concerns are not addressed, employees eventually will stop taking advantage of the opportunity to communicate, she says. They will not take your encouragement seriously.

—*Employee Motivation & Incentive Strategies*, www.ioma.com,
reprinted in *Omnia News*, www.omnia.com

Political Pile-On

I can just hear the conversation that took place in the West Wing: "Omigod, there's this Amber thing and it's entirely voluntary and it's working and we have nothing to do with it. We'd better get out ahead of this parade pronto." And lo, the White House begat the Amber Alert Coordinator and wrote a \$10 million blank check.

How stupid is that?

Don't get me wrong. As a rabid radio listener and freeway traveler, I have heard and seen the effectiveness of the Amber Alert system firsthand. Over 30 kids have been recovered in several states across the nation as a direct result of the program. *Thanks to broadcasters.*

It works. And it works just fine without spending \$10 million of your and my tax dollars on political posturing and Executive Office credit-taking. (In fairness, the President says that the money will come from other programs. Sure. This year and next, maybe. After that I guarantee it'll be a budget line item.)

Do you see the essential insanity of all this? We broadcasters come up with yet another vital public service, and the Feds try to grab the credit. Do you ever feel like Rodney Dangerfield?



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Small Market Radio Newsletter

The Voice of Small Market Radio

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DIVERSITY LEGISLATION INTRODUCED. Sen. John McCain (R-AZ) late today revealed legislation to promote new competitors and small businesses into the telecommunications field, including broadcasting. The bill would give sellers of telecom (and broadcasting) businesses a tax deferral when their assets are bought for cash by small business telecom/broadcasting companies. It would also encourage the entry of new participants and the growth of existing small businesses by allowing the seller to claim a tax deferral on capital gains if it invests proceeds of the sale of its business in purchasing an interest in an eligible small telecom business. NAB President Eddie Fritts is squarely behind the measure: "We strongly endorse passage of S. 3112, the Telecommunications Ownership Diversification Act of 2002. NAB continues to sponsor many programs to recruit new entrants into the employee, management and ownership ranks of broadcasting. It is our belief that ownership diversity is good for localism and good for the business of broadcasting."  <http://mccain.senate.gov>

RAB ADVANCES IN AD WARS. The latest news from the Radio Advertising Bureau reveals progress in their three-pronged attack to prove the effectiveness of radio, to make radio easier to buy, and to improve the credibility of our performance: ■ The Radio Advertising Effectiveness Lab (RAEL) helps fund real-world, in-market tests of radio advertising. ■ To make radio easier to buy and pay for, the RAB, in cooperation with the American Association of Advertising Agencies (AAAA or "Four As") and industry ratings and traffic vendors, has established a standard EDI (or electronic data interchange) file format; the objective is for all information related to the buying and invoicing processes to be transmitted electronically. ■ Now comes word that the organization, along with the Nationwide Market Revenue Measurement Advisory Committee and Miller Kaplan, Arase & Co., has established a verification program to, in their words, "achieve the highest possible level of credibility in the reporting of radio revenues." The program consists of random verifications and the formation of a special request task force for rapid response to troubleshooting situations.  www.rab.com.

GOOD NEWS FOR RADIO comes from the Communications Industry Forecast from Veronis Suhler Stevenson, spanning the years up through 2006. According to the paper, radio is the only medium that is predicted to grow "in a meaningful way" due to in-car listening increases prompted by longer commute times. Other prognostications include: ■ Music CD sales will decline and people will spend less time listening to music, making it more difficult to record companies and retailers to continue raising prices. ■ Satellite and cable TV will charge more, but satellite's increases will be higher in the coming years. ■ While high-speed Internet access will become more common as prices decrease, the modem will still connect most people to the Internet for the next few years.  www.veronissuhler.com

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• 26 Weeks \$104


E-Mail-Only Edition (\$US):

• One Year \$89
• 26 Weeks \$49

TOP OF THE WEEK

ECONOMY, NOT PIRACY. According to a new survey from Forrester Research, tough economic times and the growth of video game and DVD sales has precipitated the 15% decline in music sales over the past two years. Online music downloads have nothing to do with it, says Forrester analyst Josh Bernoff: “We see no evidence of decreased CD buying among frequent digital-music consumers,” he says.  www.forrester.com

RETHINK THE MUSIC MODEL, says prominent computer-industry pundit John Dvorak. In a recent column in *PC Magazine*, Dvorak noted, “The U. S. government should not be corrupted by the Recording Industry Association of America and should instead do more about price fixing. And let’s stop lecturing people about legality and morality. Students in particular are not moral reprobates, nor are they fools. They are pragmatists, and they stretch the rules along with their budgets. This is a crowd that worships the fake ID and is taught to question authority. So you’re going to lecture them about copyrights? Give up. Rethink your business model. The problem will be solved.”  <http://www.pcmag.com/article2/0,4149,543415,00.asp>

MAYBE IT’S THE CHEESE. Hot on the heels of last week’s announcement about NRG, the new Mary Quass-Lindsay Wood Davis project, buying up a bunch of small market Wisconsin stations comes news that another prominent broadcaster sidelined by the acquisition craze is back in the game. Jim Champlin, who has sold two separate station groups to the mega-guys, is now the COO of Badger Communications, a Marinette, WI-based owner of five stations owned by David Winters. But wait—there will be more! According to Champlin, “David wants to grow and I want to operate.” By the way, Lindsay Wood Davis told *SMRN* that his new company will be competing with Jim’s company in at least one market. *Editor’s Comment: It’s so good to hear that real, ear-to-the-ground broadcasters are returning!*  www.badgercommunications.com

FCC APPROVES iBIQUITY IBOC. The commission unanimously approved the “HD Radio” standard for FM and daytime-only AM digital standard for the U. S. That means the way is clear for broadcasters to migrate to the new system, although we all know that the rollout both on the station and consumer side will take a few years.

JUST WHEN WE GET A GOOD ONE. . . Rumors are circulating that FCC Chairman Michael Powell is being seriously considered to replace Assistant Attorney General Charles James, head of Justice’s Antitrust Division. This would mark a coming-home for Powell, who was Chief of Staff for that Division before joining the FCC.

WACKY DEEJAY MISFIRE # 1,222,039,090. The attorneys for a Kansas man accused of killing women and stuffing their bodies into barrels has asked for a change of venue after a local radio jock started handing out “Roll Out the Barrels” tee shirts in front of the court house. The judge characterized the stunt as “inappropriate,” but he ruled against the defendant.

AMBER GOES TO WASHINGTON. The “National Amber Alert Network Act” has passed the Senate (S.2896) and is now in the House (H.R. 5422). Congress is debating whether to add language about wiretap authorizations, surveillance and how to handle sex offenders.

More Spooky Stuff

TRICK OR TREAT TRAIL. The Sunday before Halloween, Z102 (KPEZ-FM), along with sister stations KHFI-FM and Oldies 103 (KEYI-FM), set up a big “trail” of candy booths, games, fun houses etc. and invite Austin kids and parents to dress up and come out for a *safe* trick-or-treating event.

The candy is donated by clients and vendors, and the local recreation centers set up games and fun houses. Each person pays \$1 to get into the “trail” (set up at one of the parks) and then they’re free to pick up candy from each booth and play all the games. All proceeds from this event go to the parks and recreations departments for their scholarship programs. Every year, more than 3,000 kids and parents show up to this fun-filled charity event. *Brigitte Vittrup, KPEZ, Austin, TX, promotions@mail.usld.net*

VIRTUAL HALLOWEEN. Z-101 has completed a successful Halloween promotion, “Virtual Trick Or Treating.” Website visitors click on the glowing Z-101 Pumpkin, then provide registration information and tell us what they are “Virtually wearing for Halloween.” The best costume description or downloaded picture was posted on the website during October.

Each registrant received an access code to come back on 10/30 and go Virtual Trick Or Treating for prizes donated by sponsors and station, ranging from DVD players to CDs, tee shirts and gift certificates. Sponsors received online logos, on-air promos and a spot schedule. *Gary Kirtley, gary@z101.net*

PUMPKIN PARTIES. Line up several establishments in your area and throw simultaneous costume parties simultaneously, with rotating live reports from all of them. If you don’t have enough jocks or want to go in a different direction, hire a Pumpkin Party Bus to hit each location.

PUMPKIN DROP. After Halloween, have listeners bring their “used” pumpkins to a big sponsor’s parking lot. Rent a crane and drop the pumpkins. Biggest splash wins, or mark off the lot and award prizes to each participant based on where the pumpkin lands. *Last two: Mark Lapidus*

HALLOWEEN ON ICE [WHEELS]. Get an ice- or roller-skating rink involved for a Halloween-season costume party/remote. The station gets 20 advertisers tied in with promos and a special ad package—\$300/month for three months—to promote “a safe and joyous Halloween.” *Larry Roberts, Sunbrook Communications*

LEFTOVER WEEKEND. After Thanksgiving, since everyone is thinking leftovers anyway, clean out your prize closet and get rid of leftover promotional items from the past year. *Bob Beck, KYYY, Bismarck, ND*

More from SMAC

This report from the RAB Small Market Advisory Committee (SMAC) meeting in Seattle begins with RAB EVP/Services Mike Mahone and Senior VP/Internet Services Dave Casper discussing the new version of PROposal Wizard:

Mahone: With the new version of the program, we're focusing on management tools. We hear you when you tell us that you want to be able to monitor all your salespeople's activities.

Casper: What's new? For one thing, as suggested at our last SMAC meeting, a continuity form to make it easier for salespeople to gather and communicate copy information. The system does a better job of sorting data. And the software is now much more stable and mature.

Our next priority is to build up the contact-management side of the program. Right now the salesperson can easily go into the system and set up a contact; the next step is that we want to be able to manage that data from the sales management side.

The question is, How do we do it? Should all the data reside at the station and be accessible through your local network, or should it reside out on the Internet? Putting it on the Internet allows you to access it from anywhere, but it doesn't reside locally at the station.

Mark Trotman, KHUT, Hutchinson, KS: I'm more comfortable with data residing in the station—either on the network or “sneaker-net” [using a floppy disk to get files from one computer to another]—rather than online.

Mahone: I'm getting the sense that people would be more comfortable with network. But I think it's safe to say that any computer network can be hacked, whereas I can build a very secure Internet site. The question is, Can I sell you on that fact?

TABLE TALK

Bill Willis, French Lick, IN: In 1995 we said the average number of impressions we all get is 1,500 per day. But now it's 3,000. That's a benefit for radio. But according to a flyer from the Nightingale-Conant people, the number of people in business for themselves is one of four, but in 1995 it was one in ten. *Bill Willis, WFLQ, French Lick, IN*

Gary Fries, RAB President/CEO: If the number of people in business for themselves is now that high, it's a terrific opportunity for radio. Those people all need business-support functions. So business-to-business is a great category for us.

George Hyde, RAB EVP/Training: You'd be surprised at the number of large market managers who will not sit in on RAB sessions with their own sales people.

Fries: Going back nine years, we've had a problem getting the sales managers and managers to even understand what we're talking about at the MLC.

Political Advertising

This is a very different political year for many of us. Primarily there are a lot more schedules being placed by those other than the candidates themselves. Many of us have received numerous calls from parties, PACs, special-interest groups and their ad agencies asking for “issues rates” (sometimes known as “full rate card”). In the thick of the political season, here are a couple of questions and answers about this growing trend:

Question: *If you are contacted by a political candidate claiming that an ad placed by an opposing candidate's political party is factually erroneous and asking you to pull the ad, can you?*

Answer: Yes, you may refuse to air ads of political parties or others that support a particular candidate as long as there is a legitimate reason to do so—if, for example, the ad contains known falsehoods. However, an ad placed by a candidate or his/her authorized committee constitutes a “use” and cannot be pulled or edited.

When confronted by the claim of a false ad placed by someone other than a candidate, we encourage you to contact the entity placing the ad and give them 24 hours to provide support for the claims, or the ad will be pulled.

Question: *Must we put issue ad information or information regarding ads placed by a political party in our political file?*

Answer: No. . .and you should *not* put that information there. We suggest, however, that a separate file be created containing the information about those ads and made available as public documents for inspection by opposing parties.

We also encourage you to inform those placing the ads that the information will be available to the public.

—Iowa Broadcasters Association

For more information, see “Know Your LUC” in our August 22, 2002 issue. For a paranoid view of the goings-on, see this week’s “Last Word” on Page 8.

What Are You Doing Here?

By Bob Doll

At this year's Marconi Awards, the finalists for Rock Station of the Year were

- KLAQ, El Paso, Texas. . .
- KQRC, Kansas City, Missouri. . .
- KQRS, Minneapolis, Minnesota. . .
- WFBQ, Indianapolis, Indiana. . .
- And KOZT, Fort Bragg, California—population 6,000



Bob Doll

It was KOZT's second trip to the finals. This year, that "big station" from a very small town walked away with #1 honors, not only to the amazement to most of those in attendance, but also to the amazement of the owners, Tom Yates and Vicky Watts, the husband-and-wife team who have been the station owners for the past dozen years.

It's been quite a trip for the young couple. When they bought the station, it was the "leftover" from a group of four operations that was being sold under financial pressure. Even though the station had just one full-time person and one half-time person, it was losing money. In Tom's words, "It really wasn't much of a station, but it was what we first-time buyers could afford. It rode the satellite. The morning man did his five hours on the board, then went to his full-time business, a local radio-TV sales and repair shop."

The new owners got to work improving the station's programming. Tom's background was on the air and in programming. He was at KMPX, San Francisco, CA when ABC established a very successful Album-Oriented Rock format there in 1971. He was associated with several similarly-programmed stations in San Francisco and Los Angeles. Beginning in the mid-'80s, he had a program consultancy and was editor of a trade magazine. When the magazine was sold to *Billboard* he decided it was time to look for a station of his own. He says he carefully looked at a dozen or more. "Finally, I found this one."

His background in programming led him to conduct extensive research in choosing a format. "The research told me there were two viable options: Beautiful Music and Adult Rock. I chose Adult Rock because I knew a whole lot about that format and felt it would provide the best results for advertisers."

Other stations in the area were on satellite, so even though it is more expensive, Tom and Vicky agreed that their station would be live and local all the time (except for overnights).

They were successful in getting a power increase from 3kW ERP to 50 kW ERP, enough power to cover all of their home county of 85,000 people. They installed a new transmitter; put in a Scott automation system, which allows them to operate live, live-assist or automated; and they

bought a building which was formerly occupied by a bar. "Our facilities are equal to many stations in big markets," Tom proudly relates.

The number one station upgrade, however, was the staff. There are five people whose main responsibilities are for on-air work. Tom Regelski, a longtime fixture on the San Francisco radio dial, appears on the air six times each morning with the news. He also covers events all over the county.

Sarah Haye, who hosts the morning music, has been on the station for five years. Kate Hayes and Marie Thompson, who do middays and afternoons, both have resumes that include stints on major stations in San Francisco, Los Angeles and Reno.

Yates explains, "They're here because they like the atmosphere we've created at our station and the pleasant lifestyle afforded by a small community like this one."

Outside morning drive, KOZT limits commercials to nine per hour—no more than three spots in each of three spot clusters. Each one of those clusters carries one brief service-type feature of local interest.

The station often does on-site remote broadcasts at events of local interest. Tom adds, "We do not carry sponsored remote broadcasts. We believe they are generally a turn-off and a tune-out for our listeners. We can't afford that, and neither can our regular advertisers."

KOZT, which calls itself "The Coast," has undertaken numerous community service projects. The most unusual is a 300-watt noncommercial radio station at nearby Mendocino High School. KOZT supplied some of the equipment and assisted in purchasing the remainder at discounted prices, station personnel supervised the student construction, and Vicky taught classes to prepare the highschoolers to operate their station.

One of the station's longstanding community services is an annual benefit concert featuring a half dozen local rock groups. The groups and others appear on the station's two-hour Wednesday night Local Licks program, featuring CDs by local groups and hosted by Yates. "We have a collection of several hundreds of these CDs. Many of them are very good. We choose the six best each year to perform at our concert. The gate goes to the aid of grade school music programs, which have had to be cut back because of shortfalls in school funding."

The Marconi dinner in Seattle, where they learned of their award, was a singular event for Tom and Vicki. "I was with a lot of people I used to work with in big markets," Tom says. "This thing of working for your community gets you awards now. Back years ago, you did it to keep your license."

Bob Doll is Editor Emeritus of SMRN. He is the author of Sparks Out of the Plowed Ground and A Perfect Union. Bob can be reached at (830) 379-7549; fax (830) 372-2905; e-mail bobar@gvec.net.



Are We Being Set Up?

Maybe it's just me, but I am noticing way more political ads being placed by entities other than the candidates themselves this year. The parties, the PACs and the special-interest groups are stepping up, placing ads endorsing their guys, paying full rate..

We in radio are loving it. We still get the money up front—you're being stupid if you don't—but it's on the rate card. None of that silly LUC stuff here!

Which leads me to ask, why wouldn't more of this advertising, and these funds, be funneled into the candidate's coffers, where the ads would cost a lot less?

Maybe it's just my paranoia, but I can't help but wonder if this is more than it seems.

With all the politics surrounding campaign reform, and the bleating of our Congresspeople about how much money they're spending on their campaigns in electronic media, could this all be part of a grand plan? Could it be that when it comes time to argue for cheaper (or free) campaign ads, they want to complain about the exorbitant rates they paid this year?

Since I'm mostly ignorant of election laws, I will assume there's another reason. Still. . .



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Small Market Radio Newsletter



Small Market Radio Newsletter

The Voice of Small Market Radio

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SMALL WEBCASTER BILL DELAYED. Sen. Jesse Helms (R-NC) has blocked the passage in the Senate of a bill designed to give small Internet streamers relief from the big royalty fees set by the Copyright Office. The House version of the bill, "Relief for Small-Business Webcasters" (H.R. 5469), has already passed. According to a Helms aide, "The small webcasters that we heard from in North Carolina did not feel like they had been part of discussions. They were concerned that even under this bill they would not be able to survive." *More info, Page 4.*

NEW RAB BOARD CHAIRMAN is Susquehanna Radio's David Kennedy. His two-year term begins January 1, 2003. *Editor's Note: David is a real radio guy. Congratulations to him.*

THE DAWN OF THE DEAD INDIE. Amid the controversy over the use of independent record promotion people and firms (indies) comes word that Cox Radio has announced that it is not renewing any of its current indie contacts when they expire. According to Cox President/CEO Bob Neil, "The record companies have expressed a desire to work directly with the stations, and we are granting them their wish. It is our hope that the record industry will show their commitment by forging even stronger ties directly with our stations."

WELL, THEY HAVE TO DO SOMETHING. Rumors continue to circulate that ABC Radio is on the block and the parent company is quietly but actively courting suitors. At first Disney CEO Michael Eisner has said he'd sell the division "for an irrational price," but at subsequent meetings he's said he'd sell "for the right price." With ABC trailing in the TV ratings and underperforming in almost every way, the profitable radio division, while small, is an attractive business. Meanwhile, Eisner has said that he's in favor of merging ABC's news operation with that of AOL Time Warner-owned CNN. Eisner said the merger would give ABC access to CNN's global audience, CNN would gain ABC's presence in the 110 million U.S. TV households, and the combined operation would save a lot of money.

NONCOM SLAPPED. Calvary Bible College station KLJC-FM, Kansas City, MO, has been cited by the FCC for running out-and-out commercial announcements—but no fine. The Commission said, "A sanction is appropriate. However, we do not believe a monetary sanction is necessary to redress the instant rule violations and instead conclude that an admonishment is sufficient at this time."

RADIO ONE REBORN as Waitt Radio Networks as multimedia mogul Norm Waitt (Gateway, radio stations, web sites, movies [*My Big Fat Greek Wedding*]) acquires the faltering but innovative net.  www.waittmedia.com/wrm/wrm.html

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December Business Opportunities

The following businesses report above-average sales in December:

Appliance Stores	Jewelry Stores
Book Stores	Life Insurance
Camera Stores	Men's Wear Stores
Children's Wear Stores	Mobile Home Dealers
Consumer Electronics Stores	Movie Theaters
Department Stores	Music Stores
Discount Stores	Office Supply Stores
Drug Stores	Shoe Stores
Fabric & Sewing Stores	Sporting Goods Stores
Factory Outlets	Supermarkets
Fast Food	Tire Dealers
Florists	Women's Wear Stores
Furniture Stores	
Hardware Stores	

—RAB's Top 40 Business Survey

December Promotional Opportunities

Months

Birthday Month of Game of Bingo (1929)	National Stress-Free Family Holidays Month
Christmas Events	Safe Toys & Gifts Month
National Drunk and Drugged Driving Prevention Month	Universal Human Rights Month

Weeks

Dec 1-7—Cookie Cutter Week	Dec 15-21—International Language Week
Dec 1-7—Tolerance Week	Dec 26-Jan 1—Kwanzaa

Days

Dec 1—World AIDS Day	Dec 20—Underdog Day
Dec 2—Pan American Health Day	Dec 21—Humbug Day
Dec 7—Pearl Harbor Day	Dec 21—Winter begins
Dec 10—Human Rights Day	Dec 25—Christmas
Dec 10—National Children's Memorial Day	Dec 26—Boxing Day (Canada)
Dec 14—International Shareware Day	Dec 31—New Year's Eve
Dec 15—Bill of Rights Day	

—Chase's 2002 Calendar of Events

What's It Gonna Take?

*One of the high points of the NAB Radio Show was the keynote appearance of master marketer Jon Spoelstra, president of the Professional Sports Division of Mandalay Entertainment and author of *Ice to Eskimos and Marketing Outrageously*. Here are some tidbits from his most recent book.*

There are twenty-nine teams in the National Basketball Association. Of these twenty-nine, only three or four, at most, are thinking during the off-season about winning the championship. These three or four teams ask themselves, "What's it going to take to win it all this year?"

Pat Riley, president and head coach of the Miami Heat, thinks championship. If the Heat goes to the NBA finals and gets beat, Riley considers the season unsuccessful. It's win the championship or nothing. Other coaches don't look at it this way. They think about improving their record or advancing one more round in the playoffs.

Hooray for those who think, plot and dream to win it all *this* year.

Most businesspeople are thinking, "How can we make our budget numbers?" or "How can we improve our profit over last year?" They are asking the wrong question.

What if you asked the following question at your company: "What's it going to take to be the best company in our industry *this year*?"

You don't have to be a CEO or business owner to ask this kind of question. You could ask, "What's it going to take to become the best marketing department in the industry *this year*?"

I'll give you an example. In the late 1980s, when I was general manager of the Portland Trailblazers, I assembled the coaches and player personnel managers and asked the question, "What's it gonna take to win the championship this year?"

Logically, it was a foolish question. This was the era when Magic Johnson and Kareem Abdul-Jabbar were leading the Los Angeles Lakers to regular championships. When the Lakers didn't win, Larry Bird and the Boston Celtics did. So how stupid was my question?

We talked for two hours. We made a list of players who might be available. We came away from the meeting with assignments for each of us to start making inquiries. Later, one of the assistant coaches told me, "I've been in a lot of player personnel meetings over the years, and this was the best. We actually talked about winning a championship and what that would take."

Did I think we had a chance to win the championship that year? Not really. But I knew we had no chance to improve unless we set the target higher than what was comfortable.

What About Internet Royalty Payments?

Many readers have received letters recently from “SoundExchange” in which that company purports to be the collecting agency for Copyright royalties for online streaming of music. The letter says, “Services that webcast or simulcast songs to listeners under the statutory license at any time during the period October 28, 1998 through August 31, 2002 must remit payment for all of those transmissions.” The deadline given was October 20, 2002—last Friday.

Most readers whom we’ve contacted have not made the payment, for one or both of two reasons: they had questions about the legitimacy of the letter, and/or they were thinking that the rates and terms might change in the light of legislation now pending.

Here is an informed opinion from David Oxenford, Shaw Pittman, LLP (david.oxenford@shawpittman.com), courtesy of Iowa Broadcasters Association:

Under the provisions of the Digital Millennium Copyright Act (DMCA), the Copyright Office has adopted rules for the payment of royalties for the use of music on the Internet. These royalties are different from the payments that you make to ASCAP, BMI and SESAC, which go to the composers of the music. The new royalties, which apply only to non-broadcast digital transmissions (like those on the Internet) are to be paid to the artists who appear on a recording, and to the copyright holders of those recordings (usually the record companies).

These fees are retroactive to October 1998 when the DMCA was adopted. The Copyright Office has set October 20, 2002 as the due date for all fees for anyone who has streamed music on the Internet between October 1998 and September 1, 2002. For those still streaming, fees for later months will be due 45 days after the month in which the streaming was done (e.g., the fees for September 2002 will be due on November 15). For stations that did not track the number of songs played during that period that they were streaming, the Copyright Office has stated that stations which have music formats should assume that they streamed twelve songs an hour. The NAB and a number of broadcasters have argued that broadcasters should be exempt from paying these royalties for Internet transmissions that are simply retransmissions of a radio station’s over-the-air signal. Thus far, that argument has been rejected by the Copyright Office and the District Court, although an appeal of the District Court decision is still pending. The NAB has requested that the Copyright Office stay the due date for royalty fees for broadcasters until after that appeal was decided. The requested stay was denied.

Thus, under the ruling of the Copyright Office, royalty fees for the streaming of broadcast signals are due on or before Sunday, October 20. Instructions and a form to be used to file these fees can be found at <http://www.soundexchange.com/soa.cfm>. There are numerous questions about this, and many stations may not have the information to complete the form. For instance, many may not have tracked their listenership. Because of these and many other uncertainties, including the best way to approach this fee given the uncertain status of the litigation, *each station should consult with their own counsel.*

Blow the Competition Away with Radio Advertising

To begin with, let's all understand that most businesses advertise for one or more of the following reasons:

1. Their competition is advertising.
2. A media or manufacturing representative tells them they should advertise.
3. To make sales.

Of course, the third reason listed, to make a sale, is the only reason to advertise.

Some feel radio advertising is the most personal way to communicate with your customer other than face to face in your store. There are a few things to consider, because it seems that when most retailers advertise on radio the station profits more than the dealer who's running the ads.

Although it is true that many dealers have profited from radio advertising, many times, too many times, money is wasted because of misunderstanding the medium of radio.

Nine points you need to consider and fully understand to profit from radio advertising:

1. **Pick the right station at the right time.** Radio advertising is one of the most intangible purchases you make. No one ever knows how many prospects are listening at any specific time. But you can increase the odds that your target market is listening by doing a bit of research. Only advertise on stations that hit your target market and determine when your target market is listening and run radio spots only at those times.
2. **Radio rates are negotiable.** Radio, unlike newspaper, which must purchase additional newsprint when you run an ad, has a fixed cost. Their rent, electricity, labor cost and so on will remain the same even if you do not run an advertisement. Throw away the rate card and negotiate and barter to get a better deal.
3. **Radio stations overlap markets.** Today there are so many radio stations with so many different formats for your customers to listen to that it is very difficult to determine which station is right for you. You must test the market with advertisements that can be tracked by types and quantities of sales made. This testing takes time and money, but once you determine the proper place for your advertising dollars, increased sales and savings abound. Also test by asking your customers what radio stations they listen to, and when.
4. **The "something else" factor.** Radio station representatives will tell you that 96-98% of all adults will listen to the radio sometime during the day for several hours. What they fail to mention is that most people are doing something else while listening, like making breakfast, driving an automobile, working at their job, taking a shower and hundreds of other attention-grabbing and -holding activities. Radio becomes a background for all of these other activities, and your advertisements become background. Plus, your prospect cannot go back and refer to a price, an address or the hours you are open.

To prove my point, try this quick experiment: Ask someone if they listened to the radio today, at home during breakfast or on the way to work. If they did, ask them to name you one, just one, advertiser they heard and what the ad offered. You will be surprised how many do not remember a single one.

5. **Repetition, repetition, repetition.** Radio ads gain impact through repetition. Your ads have to be scheduled so they will impact the same listeners (your target market) at the same time as often as your budget will allow. This is achieved in one of two ways:
 - a. **Vertical advertising.** Instead of running four ads a day for six days and getting lost among other advertisements, run 24 ads in two days. This creates excitement, as it appears something very special is happening. You get a repetitive effect, because every time the listener turns on the radio they hear your advertisement.
 - b. **Same time advertising.** Advertise at the same time each day, as your target market will be listening at the same times each day.
6. **Out-promote (not out-spend) the competition.** Be more creative. Never, never, never let the radio representative write your ad. Do it yourself. Who else has as big a passion for your business? Or use a professional advertising writer. The station advertising representative is, at best, a salesperson.
7. **Use your own voice or someone who is part of your organization.** Preferably, use someone the customer will identify with your business whenever they call or shop your store. Never, never, never use the radio station's announcers. They are doing everyone else's ads, including your competition's, and you do not want to sound like everyone else. Plus, who will read your ad copy with more enthusiasm for your products and services?
8. **Event marketing.** Use radio only for special events. Concentrate your advertising spots during short periods of time. Dominate the station with two or three ads an hour. Create the perception that something really, *really* special is going on at your store.

Do not buy package deals with spots spread all over the station's entire time schedule. Remember, it doesn't matter how cheap or inexpensive the ad costs. If no one is listening (especially your target customer) the ad is of no value.
9. **Elements needed in your recorded advertisement.** Excitement in your voice. . . excitement in your offer. . . a chatty headline. Write and read your ad as if you were talking to one person face to face. State your offer at least three times. State your store name at least three times.

Radio advertising can be a great part of your advertising package when used to sell your target market. Take as many of the variables out as possible and continually test your effectiveness.

—Bob Janet, www.bobjanet.com, *Southern Jewelry News*, www.southernjewelrynews.com,
courtesy of Larry Fuss, Delta Radio, lfuss@deltaradio.net

Editor's Comment: Memo to Gary Fries: Would somebody from the RAB please take Mr. Janet out back and beat some sense into him? While we love his premise, we shudder at his advice.

The Myth of 18 to 34

Eighteen to thirty-four: for decades, conventional advertising wisdom has attached the adjective “coveted” to this slice of the viewing audience. According to an analysis by the former NBC News president Lawrence K. Grossman, advertisers pay an average of \$23.54 to reach 1,000 viewers in that age bracket, versus \$9.57 per 1,000 over the age of 35. And since commercial television, whatever else it may be, is fundamentally a system for delivering audiences to advertisers, network executives lose a lot of sleep trying to figure out what will hold fast the slippery attention of people in their late teens, 20s and early 30s.

The odd thing is, there’s no real reason for it anymore.

People over the age of 50 account for half of all the discretionary spending in the United States. Proportionally speaking, there are more of them than there ever were, and they are voracious cultural consumers. They watch more television, go to more movies and buy more CDs than young people do. Yet Americans over 50 are the focus of less than 10 percent of the advertising.

Even the argument that most pop culture is for young people because young people consume the most pop culture has begun to fall apart. ESPN’s highly promoted X Games was outperformed this summer on the network’s primary channel by the bargain-basement Great Outdoor Games, a decidedly non-youth-oriented event featuring lumberjack contests and the talents of various sporting dogs. Over the last decade, the proportion of the national moviegoing audience between the ages of 50 and 59 doubled, while the proportion of teenagers shrank steadily. The percentage of CDs sold to consumers over 45 doubled as well.

And yet the romanticization of youth persists: the adjective “coveted” has been joined by the phrase “hard to reach” as a justification for the premium advertisers continue to pay to speak to the 18-to-34 crowd. Put aside for the moment the fact that these so-called hard-to-reach young adults spend an awful lot of time with the TV on—men between 18 and 24 watch more than 20 hours a week, according to the Nielsen people; put aside the fact that those young X Games rebels come plastered head to toe with corporate logos. What logic suggests that, because there are proportionally fewer young people than there used to be, because they have less money than they used to and because it’s harder to separate them from that money than ever, advertisers should spend more money trying to court them? It would make as much sense to say that advertisers really ought to pay top dollar for viewers who don’t have any spending money at all.

They’ll catch on eventually. But advertising is a vast mechanism, risk-averse and inertia-driven, and like most multibillion-dollar industries it changes course with all the agility of an oil tanker. And so, for now, the polestar of the target demographic endures. It has gone from an ecstatic confluence of societal change and economic opportunity to a fusty business institution.

—Jonathan Dee, *New York Times Magazine*, October 13, 2002

Dried Up

We finally succumbed. As of the end of this month we will no longer be streaming our radio station. As a true believer, this was a most difficult decision to make, but as a business person, it was the only decision that made sense.

By rough estimate it would cost us about \$6,000 a year to continue to stream this station—and it's not even a music station—factoring in the cost of the streaming service and the minimum licensing fees to ASCAP, BMI, SESAC and the Copyright Office (see Page 4). For a small business, and one deriving absolutely no additional revenue from its webcast, that doesn't make a whole lot of sense.

To give you an example of how the deck is stacked against us, take our situation: using the Copyright Office formula and coming as close as we can—since our providers have not been able to tell us how many actual “performances” we have had—we would owe about \$200 for one year. But the minimum fee is \$500! The same holds true of all the music licensing organizations: the minimums are obscenely in excess of the actual calculated fees for a small station like ours.

I greatly admire people like the NAB's Eddie Fritts and his devoted team for being able to talk to the clueless clowns in government with a straight face (and without strangling them). I have little admiration for those who seek to destroy an entire budding industry for no good reason.

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

08/28/2003

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Small Market Radio Newsletter

Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 20 • OCTOBER 31, 2002


AP IMPROVES RATES. At last week's meeting, the Associated Press Board approved a 2.9% rate increase for all newspaper and broadcast members effective the first of next year.

ART BELL HANGS UP HIS CCRADIO. The Premiere Radio Networks star has announced that he will fully retire at the end of the year due to his chronic debilitating back pains. Currently Bell does three nights a week. Regular guest host George Noory, who has been doing three nights a week, steps in as the full time host of Coast to Coast AM, with Barbara Simpson doing weekends. But Bell won't be gone altogether: he plans to guest-host for Noory from time to time.

WACKY (BUT UNINTENDED) DEEJAY STUNT # 3,423,895. A couple of weeks ago, syndicated morning duo John Boy & Billy played Queen's "Another One Bites The Dust" coming out of a news story about the DC-area sniper. According to producer Randy Brazell, the occupants of the studio didn't catch the gaffe until an affiliate called. Rather than call more attention to the situation, the team decided to let it go without comment.

BUT RADIO DID HELP CATCH THE GUYS. The syndicated show "The Truckin' Bozo," which originates from WLW, Cincinnati, OH, broadcast a description of the DC snipers' car, and one of their listeners tipped off authorities.

NEW TALK RADIO DISTRIBUTOR OPENS SHOP. United Talk Radio is a new syndicator looking for local hosts ready to go national. According to a press release, "United Talk Network has been created specifically for independent program producers with shows that may be successful in a single market but with the possibility of expanding to markets around the country or new 'upstart' programs with something to say." UTR has built state-of-the-art studios in San Francisco with interview booths, voiceover booths, call-screener workstations, digital production studios and ISDN lines.


HOMEGROWN MULTIMEDIA. According to a new study from BIGresearch and the Retail Advertising and Marketing Association (RAMA), more than half of Americans regularly consume more than one medium at a time. About 60% of males and over 67% of females watch tv while they surf the Net, for example; 51% of males and 52% of females read newspapers while listening to the radio. According to RAMA President Tom Holliday, "Today's consumers are hearing overlapping messages from advertisers. If consumers are watching television while surfing the Net, it becomes increasingly difficult for marketers to know how to craft a message and reach their customers. It also creates new dilemmas for media planners and buyers. Simultaneous media usage changes all the rules."  <http://www.bigresearch.com>


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• One Year \$129
• 26 Weeks \$74
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• One Year \$184
• 26 Weeks \$104
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• One Year \$89
• 26 Weeks \$49


TOP OF THE WEEK


HIGHER MARKETING BUDGETS NEXT YEAR? A Patrick Marketing Group study of top marketing executives show that 49% will increase their marketing budgets next year; only 19% say they will decrease their budgets. Thirty-two percent of those who plan an increase say they'll raise budgets 5-10%. The executives say the projected increases are due to widespread belief in improved economic conditions and the need for companies to increase presence after a couple of years of laying low.  www.patrickmarketing.com

GOOD NEWS FOR RETAILERS AND RADIO. According to the National Retail Federation (NRF), consumer spending during this year's holiday season is projected to rise 2.6% over last year. The NRF *Holiday Consumer Intentions and Actions Survey* indicates that the average consumer plans to spend \$649 on gifts and goodies. On the other hand, a third of the respondents say they'll spend less this year than last. The survey also noted that consumers choose retailers according to sales and discounts (40%) and merchandise selection (24%). Seventy-seven percent say they'll shop at discount chains, 53% will shop at department stores, 46% online and 45% at specialty retailers.  www.nrf.com

WACKY DEEJAY STUNT # 3,423,896. A couple of weeks ago, Bob Adams, the morning host at KIKX, Twin Falls, ID, played a homegrown parody song making fun for the position taken by the Sierra Club against dairy farming, using the descriptive term "fairy" as a rhyme. Adams was suspended; the station said that their morning jock "crossed the line with offensive name-calling."

ALCOHOL ADS HIT BELOW THE DEMO. A new report from the Center on Alcohol Marketing and Youth at Georgetown University indicates that underage drinkers are more likely than adults to see magazine ads for liquor. Kids 12-20 see 45% more beer ads and 27% more liquor ads than adults 21 and older. According to Executive Director Jim O'Hara, "America's parents should be disturbed by these findings. They aren't seeing these ads but their children are because that's where the industry is putting them—in the magazines their children read."  <http://camy.org>

PANASONIC SIDES WITH SIRIUS. Panasonic is launching its line of Sirius Satellite Radio radios; the receivers enable FM-equipped autos to pick up Sirius programming. The Panasonic Universal Adaptor Kit retails for \$230 and will be available this coming January. Self-contained Sirius-ready Panasonic units will retail for \$160.  www.siriusradio.com

NEW XM RADIO GETS OUT OF THE CAR. The "SKYFi" radio is manufactured by Delphi; it's a plug-and-play satellite receiver that, according to the press release, "offers the features listeners have been yearning for and plays in the car, home, office, or virtually anywhere a subscriber wants to enjoy XM's 101 channels of revolutionary programming." The unit retails for \$130 for the receiver and remote control, but does not include a required home or vehicle kit, which adds another \$70 to the package.  www.xmsatelliteradio.com

Promotional Ploys

CAN YOU ADAPT THIS? From MediaPost comes a description of a promotion done by Taco Bell during the recently-concluded (Go Angels!) World Series:

World Series batters who stepped up to the plate and knocked one out of the park had the chance to feed America—all of America. Taco Bell Corp., the company that encourages Americans to “Think Outside The Bun,” ran an “outside the park” offer.

NEXT WEEK: The *Real* Budgeting Issue!

Due to an editorial error, the Budgeting Issue we intended to run a couple of weeks ago morphed into a truncated Promotions Issue. Next week we'll present the actual Budgeting Issue, with page after page of good tips for setting up your 2003.

During the San Francisco world series games, if any player from the Giants or Angels hit a home run and struck Taco Bell's 15-foot floating “Free Taco Here” blimp, every American resident would have the opportunity to feast on a free Crunchy Beef Taco.

“What better way to celebrate America's favorite national pastime than with America's favorite taco?” said Greg Creed, Chief Marketing Officer, Taco Bell Corp. “Only one team will win the Series, but with our ‘Think Outside the Park’ offer, everyone can win.” And everyone would have Taco Bell on their mind.

The target was strategically placed in McCovey Cove stadium. If there had been a successful splashdown hit, the target would have been removed.

EVENT PLAYS. Even if your station doesn't have the rights to an event or even access to it, you can make that event yours.

- Prior to a rock concert, run a “Best Banner” contest encouraging listeners to unfurl signs saying, “[Your station] welcomes [act] to [city or venue].”
- The banner trick works well for other types of events, especially sporting ones.
- Get a bunch of giant balloons with your call letters on them, inflate them and turn them loose on the crowd during the concert. Medical supply houses (believe it or not) are good sources for these; you can also do a simple Google search on “giant balloon.”
- Have your staff (in logo wear, of course) outside the venue giving away station logo items; bonus points if the items are thematically tied to the event (or team or act).
- Wherever crowds gather, your staff can be there. Give away stuff, serve coffee and doughnuts, whatever. Make friends and influence listeners!

Learning the Lingo

As a marketing consultant it's important to be fluent in the jargon of other media. Here are some terms to learn:

Bulletin: In outdoor advertising, a paper or painted board that's 14 feet by 48 feet

Double-burn: In newspapers, two images superimposed on one another, one usually lighter than the other—as when a photo is overlaid with type

Double-truck: Two facing, connected newspaper pages, including the “gutter” or part in the middle

Dupe: A duplicate of an original (used in many media)

Gutter: The space between two facing newspaper pages

Half-tone: A print image converted to dots of various sizes

Head bust: An error in a newspaper headline

Dickies: Spots or imperfections on paper

Knock-out: When a printed area is cut out to drop in an image of something else

Pick-up: When a newspaper runs an ad again that it has run before—a repeat ad or ad element

Poster: Any outdoor advertising sign with paper on it. Eight-sheet posters have a copy area of five feet by 11 feet; 30-sheet posters have a copy area of 10.6 feet by 22.8 feet. (There is no relationship between the number of sheets and the number of feet, it's just convention.)

Posting: Applying paper to an outdoor sign

TOP: “Run of press,” referring to advertising that appears in the body of a newspaper

Spade: Pronounced “spay-de-a,” this is an ad or editorial material that wraps around another newspaper page

Spiff: In print, a special temporary incentive or bonus

Switch business: Newspaper advertising business switched from a normal daily schedule into a special section

TMC: Total market coverage—a product (like a shopper) that is delivered to homes that do not subscribe to the newspaper (although it may also be inserted in the paper)

—*Genitor*, Gannett Corp.

FEEDBACK

JUST INCREDIBLE. The incredible piece by Bob Janet in your last issue (Bob Janet, “Blow the Competition Away with Radio Advertising,” 10/24/02) was a breathtaking treatise on how to absolutely, totally foul up a radio campaign.

Sadly, these are the attitudes we are dealing with all too often, and “experts” like Mr. Janet are only adding more fuel to the fire with their ignorant opinions such as these.

Although to be fair, some points such as frequency and personalization are on track.

—Patrick Pfeiffer, KSJB, Jamestown, ND, mrradio@daktel.com

WHO? Who is Bob Janet? How can someone be so wrong in so many ways? Does he have real influence on any advertisers?

Your Editor’s Note was right on: Somebody needs to bring this guy out of the dark ages and show him reality. Unfortunately, his ideas are still followed by too many radio stations, and that’s why so may advertisers think radio doesn’t work.

Plus, how about applying accountability to ALL advertising media? That challenge works for us. Thanks for reading.

—Bob Hampson, WBRN, Big Rapids, MI, rhampson@wbrn.com

WE’RE HERE TO HELP. Several very helpful articles recently. “Play-by-Play from a Pro” is an excellent help for a beginner or an old pro.

“50-Plus Marketing” gives us great ammunition for those who seem to think there’s something bad about having an older audience. (I never did understand why advertising agencies are so hung up on their quest to focus on the younger listeners.)

And, “Know your LUC” is a very good summary of things we should be aware of at this time.

—Frank Luepke, KIWA, Sheldon, IA, frank@ncn.net

NEW STREAMER. We just got up and running with streaming, and of course the RIAA issue and all the other crap with the recording industry has made up our minds that we will not carry any music. So we turn the switch on and off carry our information and sports programming. Go to www.kbrx.com and click the “Listen Live” button. Our main reason for streaming our signal is our news and sports programming, but it would be nice to just let it run all the time. We are looking at rebroadcasts of our news and sports to air during the day or evening, and we are looking for other programming to put on so that we can be on most of the day.

—Scott Poese, KBRX, O’Neill, NE, scott@kbrx.com

Basketball Broadcasting Tips

Before you broadcast any game, make sure your phone lines are working. Check everything out ahead of time; go to the school, even if you were there last year. If the call is long distance, find out if there is a code you have to punch in. Some schools have key systems and you can't hook up your equipment. (I use the Marti at home and phone on the road.)

Always meet the coaches, athletic director and principal. Get the lineup or roster faxed to you ahead of time. Ask the administrators permission to broadcast the games. Let them know when you'll be there. Don't show up unannounced. (We don't pay a fee but some schools are going to this. Be nice and you may not have to ever worry about a fee for use of a phone line. Good PR is the key to good relations.)

Watch a practice or two. Find out what players to watch—who might be the 6th, 7th and 8th players off the bench. Interview the coach before and after the games.

At half time of the boys' game, interview the girls' coach. He or she is out of the locker room and this helps you fill time—plus it keeps the listeners around at the half. At the end of the boys' game, interview the boys' coach (our post-game lasts 20 to 30 minutes). We try to do both coaches, starting with the visitors' coach; that way he can get on the bus. Remember, the first thing the listeners do when they get in their car is turn the radio on.

Have your board op listen to other games. If you don't have a turner in the control room, get one—to get scores of other games. Give the scores at half time and at the end of the game on a scoreboard show.

Play by play tips: Don't call numbers; call names and call them often. Give the score every time someone scores, and give the time often. Remember, the only thing the listener really needs to know is, What's the score?, Who's leading?, How much time is left on the clock? and What quarter is it?

Describe the gym—but never in a negative way, especially if you're on the road; bad PR will mean you'll never be welcomed back. Describe the crowd. Why is the game important? For the district or regional standing, rivalry, etc.

Tell every player's name on the roster, including the manager, water boy, etc. Name the cheerleaders and their sponsor. Get a bio on the coach. Does he or she teach? If so, tell the listeners.

Describe the action. I uses phrases like "pulls the trigger," "lets it fly," "three if it goes" when the ball is shot.. describe how far out ("15 footer"). Don't yell, but sound interested and excited.

—Paul Tinkle, Thunderbolt Broadcasting, Martin, TN, ptinkle@aeneas.net

A Historic Month

By Bob Doll

This month the FCC, by a unanimous vote, adopted the iBiquity Digital Radio digital standard. The stage is set for radio audiences to enjoy music on FM with CD quality, and AM quality equal to current FM quality—free of static, fading, power line noise and other interference.



Bob Doll

It's a dream radio engineers have pursued since the beginning of our industry over 80 years ago. But for AM listeners the new service is limited to the daytime hours only. The iBiquity engineers are wrestling with the problem of the skywave, which carries signals farther during the non-daylight hours.

I am told it would be possible to carry a digital signal with all of its benefits to the market area of the average 5,000-watt (or less) station. The problem is the 50kW stations that enjoy highly profitable overnight business from programs targeting long-distance truck drivers and buyers of commercial religious programs.

There are some who believe the skywave problem is not solvable. They contend the laws of physics will keep nighttime digital transmission of AM signals from ever being possible. The iBiquity engineers think otherwise. Solving that problem is surely a priority issue for them, since iBiquity's owners include all of the major radio station groups, whose holdings include valuable AM stations.

Even though the nighttime problem has not been solved, WOR, New York, NY, which has marked a lot of firsts during its history, began broadcasting a digital signal (daytime only) earlier in the month.

On FM, about 75 stations in major markets expect to be broadcasting digitally by early next year. The addition of the digital signal to their analog signal costs reportedly about \$75,000 per station.

In addition to broadcasting a higher quality signal, iBiquity Digital Radio offers the additional benefit of data transmission. Many of the digital radios which will be introduced at the Consumer Electronics Show in early January have a small-screen TV receiver for receiving data, which could include titles and artists of the song being broadcast. It might also include on-demand sports scores, weather reports, market reports and advertising material—it would be possible for a listener to get more information about an ad he or she heard on the radio.

Radios capable of receiving digital radio could be sold for as little as \$20.00.

How long will it be before AM and FM radio evolve from analog to digital? Judging from the marketplace's acceptance of technologies like the VCR and DVD, ten to twelve years seems within the range of possibility. If you have an investment in a radio station, this is one thing you'll want to keep your eye (and ear) on.

WE NOTE WITH SADNESS the passing of Ron Voss, a close friend since the early days of *SMRN*. During his half century in radio, Ron did it all: air personality, salesman, manager and co-owner. He was also for a time a jingle salesman for the old William B. Tanner Company and set up man for Radio Retailing Network's "69 Cent Dollar" and "Radio Shopping Show." Ron told me shortly before his death at 68, "Everybody doesn't get rich in this business. But there are few things you can do where you can make a good living and have a good time making it." His survivors include his wife Gay who worked with him for much of his radio career and brother Gary, who operates WHPO, Hoopeston, Illinois.

Bob Doll is Editor Emeritus of SMRN. He is the author of Sparks Out of the Plowed Ground and A Perfect Union. Bob can be reached at (830) 379-7549; fax (830) 372-2905; e-mail bobar@gvec.net.



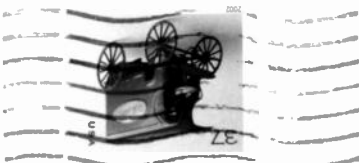
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The Voice of Small Market Radio


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BILL COSBY TO NAB2003. It's not too early to start thinking about and budgeting for the big NAB Spring show in Las Vegas, April 5-10. An exciting first-ever event for the show is a special one-night performance by the legendary Mr. Cosby at the Bellagio Hotel and Casino on Sunday, April 6. For more information about the show,  www.nab.org.

Annual Budgeting Issue

CONSUMER CONFIDENCE SLUMPS. According to The Conference Board, consumer confidence dipped again in October to its lowest level since 1993. The news prompted a drop in the stock market and speculation that the Federal Reserve will cut interest rates. The uncertain Mid-East situation and unemployment worries are blamed for the confidence lag. Another indicator that worried investors: two reports showing a drop in chain store sales.

 www.conference-board.org

ATTENTION EARLY SHOPPERS. According to a recent online poll conducted by Terra Lycos, consumers are starting their holiday shopping much earlier than the traditional day after Thanksgiving. Forty-one percent have already started shopping; 25% plan to wait until the day after Thanksgiving, while 26% plan to wait until December. About 60% of the respondents say they'll spend less this year than last, citing concerns about the economy.  www.terralycos.com

VOTERS APPROVE COVERAGE, OPPOSE FREE TIME. According to a nationwide poll conducted in late October by Wirthlin Worldwide, 43% of registered voters believe that local broadcasters are providing "too much time" to election coverage; 40% say broadcasters are giving "about the right amount" and only 15% say it's "too little time." The poll also revealed that 44% of voters feel that local broadcast election coverage is the "most helpful" in selecting candidates, compared to 18% for print. And 71% oppose government-mandated free airtime for political candidates, versus only 26% in favor; two thirds of those polled feel that free political time would simply be used for attack ads rather than informational, issues-based ones. And three quarters felt that if the pols got free airtime, they'd simply use the money for something else.

 www.wirthlin.com

PREMIERE CLEANS HOUSE. Premiere Radio Networks has announced it will eliminate over a dozen offerings and lay off 100 people in the process. Left on the cutting-room floor: *American Top 40 Flashback: The '80s*, *Audio Timeline*, *Butchers*, *Beats and Breaks*, *Extreme Cuts*, *Fifth Floor*, *Guestlink Interview Service*, *Incredible Country*, *Jim Cramer's Real Money*, *MJI Hot AC Image Kit*, *Noise Generator*, *Premiere Platinum Prep Service*, *Rockline*, *Rhythm Top 30 Countdown with Ellen K*, *Spotlight On Specials*, and the *Girlly Sheet Prep Service*.

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[Online Nov 0349]

Talking Turkey

MEN'S DAY. “Men’s Day at Champion Chevrolet” takes place the day after Thanksgiving, the biggest shopping day of the year, to attract men to the dealership. The angle is, “Don’t be a wimp and follow your wife around at the mall this year. Be a real man and come test-drive a truck at Champion Chevrolet with other men!” We set up a big-screen TV so no one will miss any football games. Everyone can register to win the TV, and we throw in other men-type prizes like season basketball tickets and gift certificates to a local men’s shop.

—Sue Jordan, Clear Channel Radio, suejordan@clearchannel.com

FILL THE MAYFLOWER. Listeners are invited to come to sponsor locations and donate non-perishable food items for the needy. The radio station broadcasts live remotes at the sponsor locations daily from mid-November through Thanksgiving.

The goal is to fill a 48-foot Mayflower moving van with food, all of which goes to a local food-distribution charity.

Tie in your local/regional Mayflower company. Then sell sponsorships to any and all businesses: sponsors get participation in all signage, on-air promotional announcements, and a remote from their businesses.

—KRCH/KMFX, Rochester, MN, www.laser1017.net, www.foxcountry.net

THE DAY AFTER THANKSGIVING is a monster sales day for most retailers. Go to the biggest department store in your town and help them stretch that sales volume back to Wednesday. Sell an all-day pre-Thanksgiving radio remote. Do the “Mountain of Coke” or other promotion encouraging people to stop in and pick up their soft drinks for the holiday. . .and also enjoy after-Thanksgiving special prices *before* Thanksgiving at the department store.

—Dean Sorenson, Sorenson Broadcasting, sorenson@sbcradio.com

TURKEY SHOOT. Have listeners write in to win a free Thanksgiving turkey from a participating sponsor. Sell advertisers a “Turkey Shoot” package consisting of a certain number of ads, and each sponsor has a turkey given away in their name during the contest. Make up a rotating cart with various animal sound effects—a duck, a goat, and so on, along with a turkey. (For an extra fillip, put a cuckoo clock on the tape as well.) Select cards from all those submitted by listeners, call them, and put them on the air. The jock asks if they’re ready to “go turkey hunting,” plays a shotgun sound effect, then plays the animal-sounds tape. If the turkey sound comes up, the player wins a turkey; if it’s another sound, the player wins a consolation prize. Variations on the theme: have listeners call in to win, or have them register at participating sponsor locations.

—WLRB/WKAI/WLMD, Macomb, IL, www.radiomacomb.com

The Account Draft

This week we got an e-mail from a reader who wrote, “I have on staff a very territorial sales rep. This rep has about 300 plus accounts on her list. (I know that’s about 200 too many.) Does anyone (or you) have a system—a good, fair system, that won’t run my sales rep off, that I can implement to move customers around?”

Another issue: if a new business opens up—let’s say in her home town—she wants to add it to her list, but she may not do anything with it for several months, much less get them to buy. (The excuses are numerous—I’m still working with them, I’m working with the home office, the owner is out of town till next month. . .you name it, I’ve heard them all.)

My favorite way of taking care of all of the above is the “Account Draft,” as used by Dean Johnson of KWAT/KIXX in Watertown, SD.

Here’s how it works:

1. Any account that has done business with the station in the past four months is on the “protected” list.
2. Each salesperson picks five accounts as “inactives.” These are also protected.
3. Every other business in the community goes on the master list.
4. Each salesperson’s name goes into a hat.
5. The manager pulls from the hat a salesperson’s name and he or she chooses an account from the master list.
6. This process continues until each salesperson has chosen one new “draftee.”
7. Then Steps 4-6 are repeated four more times (five times in all).

The upshot is, all the salespeople end up with their active list. . .five inactives they want protected . . . and five brand new accounts.

If all goes as it should, during the following week each salesperson will make a call on five new prospects. That means your station will enjoy five serious pitches per salesperson, times the number of salespeople you have, that probably wouldn’t have happened otherwise.

If the draft process is repeated every 90 days, hoarding of accounts becomes difficult if not impossible.

Small Market Group Budgeting

Dean Sorenson of Sorenson Broadcasting evolved a systematic approach to budgeting which he applied to all his stations. The process began at the beginning of October, when his "home office" sent to each station manager a packet with. . .

- A budget timetable
- The current year budget, triple-spaced to serve as an input sheet
- Details of accounts for the eleven months prior
- Account descriptions, for reference
- Sales history
- Current monthly payroll
- Payroll history
- Salary worksheets
- Budget worksheets
- Planning sheet for advertising and promotions (*see Page 5*)

Here is the timetable SBC used for putting the budgets together:

TASK	TARGET DATE	RESPONSIBILITY
Sales goals prepared, with plan	October 15	CEO, Manager, Sales Manager
Expense budget draft completed	November 10	Manager, Key Staff, Comptroller
First draft of complete budget assembled	November 17	Comptroller
Review first draft and prepare second draft if needed	November 24	Manager, Key Staff, Comptroller
Assemble second draft	November 29	Comptroller
Individual station budget meetings	November 30-December 21	CEO, Manager, Comptroller
All budgets finalized	December 22	CEO, Manager, Comptroller

Combo Budgeting

Steve Trivers, WQLR, WQSN & WKZO, Kalamazoo, MI (616-385-2757, fax 616-345-1436) has a fiscal year which runs from July 1-June 30. "This is a blessing," Steve says, "because we have two 'New Years.'"

Steve does twelve-month sales forecasts every six months, which gives him the opportunity to fine-tune the numbers—making the forecasts "rather reasonable." His stations also have a five-year plan.

The first step in budgeting revenues is to get individual goals from the salespeople. The sales manager does this, helping the salespeople shape their goals, account by account.

Once Steve has addressed the "What are we going to take in?" question, he looks at the question, "Where are we going to send it?" Expense budgeting is done just once a year, prior to the start of the fiscal year.

Starting about 60 days in advance of the new fiscal year, Steve and his people begin by looking at the line items from the year just ending; they run a 10-month year-to-date P&L to get monthly averages, and they also look at month-to-month fluctuations as well. This helps them to estimate the needs for the upcoming year, line by line, month by month.

All the department heads are involved in their individual budgets. As Steve and his department heads are coming up with numbers, they write a narrative for each line item—how the number is derived, what it includes, and so on. The narrative stays attached to the budget throughout the year, so everyone can see what is happening.

One key area of focus is the promotion budget. Steve and his promotions director come up with a detailed plan of all promotions, and their costs, for the upcoming year. Steve believes in keeping promotions totally separate from the sales effort: "Otherwise you end up with a lousy promotion and unhappy advertisers."

Another key area is the capital expenses. He and his chief engineer discuss needs in that area and put them into the budget.

The budget is nailed down by late June, "but often we're fine-tuning it even a couple of weeks into the 'new year.'"

Perhaps unusual in this electronic age, Steve does all his budgeting work in longhand—"I've got to use a pencil and eraser. It makes the figures more real." Ultimately the numbers do get into a computer, of course, thanks to Steve's comptroller.

Month-to-Month Revenues

The table below, courtesy of Miller, Kaplan, Arase & Co. (<http://www.millerkaplan.com>), will help you plan your month-to-month revenue goals. It shows the average local and national revenue for each month of the year as a percentage of the total annual revenue, based on a national analysis.

This table provides a valuable cross-check with your own year-to-year figures. Here is one way to use this information:

1. Take your month-to-month performance over the past one, two or three years and increment that performance or average performance by a certain percentage to arrive at Version 1 of your monthly goals for next year.
2. Decide on an overall annual goal for next year, and then apply the percentages from the table below to arrive at Version 2 of your monthly goals.
3. Compare the two versions of the monthly goals, and adjust them to arrive at your final monthly goals.

PERFORMANCE ANALYSIS—SEASONALITY BY MONTH			
MONTH	PERCENTAGE OF YEARLY TOTAL		
	LOCAL	NATIONAL	TOTAL
JANUARY	5.97%	5.51%	5.88%
FEBRUARY	7.29%	6.46%	7.10%
MARCH	8.36%	8.49%	8.39%
APRIL	8.39%	8.80%	8.48%
MAY	10.27%	9.78%	10.15%
JUNE	9.20%	9.74%	9.31%
JULY	8.12%	7.65%	8.02%
AUGUST	8.36%	8.34%	8.38%
SEPTEMBER	8.20%	8.76%	8.32%
OCTOBER	8.71%	8.90%	8.77%
NOVEMBER	9.16%	9.23%	9.17%
DECEMBER	7.98%	8.34%	8.06%
TOTALS	100.01%	100.00%	100.03%

Promotions Cost Form

The sheet below was filled out by the General Manager and his/her staff at Sorenson Broadcasting to describe and cost out their stations' promotion plans for the year.

MONTH	PROGRAMMING	SALES	G&A
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Totals			

Changing of the Guard

It is with mixed emotions that I report to you the departure of Jill Watson as our managing editor and the arrival of Greg Baum in that same post. Jill has been a vital part of *SMRN* for the past number of years (what is it, Jill, seven or so?). She has been so conscientious, so reliable and so good at her job that I've been able to focus on editing and advertising and little else. I will miss her and her contributions mightily.

But typical of Jill's commitment, she found the perfect successor. Like Jill, Greg is a self-reliant, can-do person who has proved to be a very fast learner; like Jill, he is a great representative of our business to our readers and advertisers, putting good service above all. Jill has been working with Greg these past few weeks and I doubt anyone has even noticed the transition, as smooth as it has been.

Our production director *par excellence*, Karen Wetherill, continues to grace us with her talents. It's become a weekly game of ours to see how many mistakes she can catch in the newsletter; I'm proud of the weeks where she only finds one or two, rare as those occasions are.

These wonderful people make it a pleasure to bring you the newsletter every week, and I thank them for their contributions. Without them you or I wouldn't have nearly so much fun with it.



5:0

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08/28/2003

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Web Site www.smallmarketradio.com • November 7, 2002



Small Market Radio Newsletter

Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 23 • NOVEMBER 14, 2002

FCC ADOPTS NEW EEO RULES. The Commission hopes the third time is the charm when it comes to equal opportunity employment. The new rules feature a three-pronged approach, but avoids the controversial issue of collecting race and gender information. NAB President/CEO Eddie Fritts commented, "Broadcasters share with the Commission the goal of increasing opportunities for minorities and women. NAB and local stations have instituted new and innovative programs to accomplish that goal. However, NAB has long been concerned with over-regulatory EEO rules that create undue paperwork burdens, particularly on small-market broadcasters. It appears today's new rules have done little to reduce these burdens. NAB will closely study the text of the item before commenting further." *For more information, see Page 5.*

BASIC CABLE IS BACK. Advertising-supported cable television demonstrated a gain of 12.6% during the week of October 28–November 6 over the same week (#6) from last year, making it the third straight week of prime time gains. According to Nielsen data, ad-supported cable reached 29.7 million homes that week. Meanwhile, the seven broadcast networks tanked that week, led by Fox's decline of more than 25%.

RAB2003 REGISTRATION UP MORE THAN 50%—EARLY-BIRD RATE EXTENDED.

The RAB, subscribing to the adage, "Where there's smoke, pour on gasoline," has extended its special member fee of \$425-per-person rate through Thanksgiving, "to assist Radio stations as they enter the final stages of their 2003 budgeting process." So far, registration for the 1003 Sales, Management and Leadership Conference is running 50-75% ahead of the last two years. According to RAB EVP/Training George Hyde, "When we announced our first extension of the early-bird rate through early November, our member services phone lines became flooded with calls. As the majority of stations are currently in the process of completing or receiving approval for their budgets, the additional time is invaluable to completing that process and allows stations the time needed to get in on the early-bird rate." After November 28, the members' fee goes to \$525. RAB2003 is in New Orleans, January 30-February 2, 2003.

MAGAZINE REVENUES UP. As various media recover from a rather poor couple of years, the increases can look dramatic. The latest medium to declare the recession over is magazines, where, according to the Publishers Information Bureau, total magazine advertising revenue for the month of October increased 7.5% compared to October of last year. The only category to lose ground vs. last October was apparel and accessories. Big gainers included home furnishings and media, which both topped 20 percent gains. Pharmaceuticals continued to be the print industry category of the year with a 23 percent jump. Even the tech category, which has been suffering through a dismal year, posted a four percent increase.

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IN OUR 20TH YEAR

US & Canada (\$US):
• One Year \$129
• 26 Weeks \$74
International (\$US):
• One Year \$184
• 26 Weeks \$104
E-Mail-Only Edition (\$US):
• One Year \$89
• 26 Weeks \$49

[Online Nov 0349]

Giving Thanks, RAB-Style

Gratuitous Plug: As regular readers know, we're big on membership in the Radio Advertising Bureau. I hear from friends in other media about their sales support organizations, and it's clear that the RAB is an extraordinary resource. Do yourself a favor and call 800-232-3131 to talk about membership, and ask for a test-drive of www.rab.com, a truly awesome tool for the radio sales professional. To give you an idea of what rab.com can do for you, I logged on and went to the promotions area and selected "Thanksgiving." Here is just the tip of the iceberg:

BOWLING WITH TURKEY. At a local bowling alley, participants bowl with actual frozen turkeys (make sure they are well wrapped!). Winners receive turkey and other dinner items like stuffing, cranberries, etc. A local supermarket makes a good sponsor here. Try tying in meat company coupons for free bowling. *WJFI-FM, Ft. Wayne, IN*

CARE FOR A DRUMSTICK? Here's an idea developed by a Bay Area radio station: with the Thanksgiving season coming up why not hold an out of the ordinary fund raiser for your town's local food shelter by auctioning off drumsticks. No, not drumsticks served with gravy and cranberries, but authentic drumsticks from some of the world's most famous rockers. Do the bidding on-air, but please explain rules explicitly before the auction as well as during. *RadioWeek*

COOKING. In the week or two before Thanksgiving, invite listeners to call the station on cue to relate their favorite tips, tricks and recipes for preparing the traditional holiday turkey and other seasonal delicacies. Get a supermarket to sponsor the call-in segments and to provide selected callers with free merchandise coupons as appreciation gifts. The segments might go like this: "If you've got a Thanksgiving recipe, call me with it now to receive two fresh pies of your choice from your neighborhood A&P." The call, recorded during a record, is played back after the air personality billboards it by saying, "Wolfgang Puck is on the line with the recipe for what he calls his Turkey Piccata on Pumpkin Puree. We'll talk with him right after this from A&P. . . ." Suggest in your promos that those intending to call should jot down all the details in advance so they won't forget to mention any critical step or ingredient once they're on the air. The air personality should also write down the particulars, assuring that the audience has time to do the same and to keep a record of the formula for later reference. *Jon Sullivan's Radio Promotion Bulletin*

SPOT WXXX'S GOBBLE. During Thanksgiving season many stations give away turkeys, so why not put a twist on the promotion to stand out from your competition? In the weeks prior to Thanksgiving, invite your listeners to phone in and "gobble" on the air. Record all gobblers on tape along with their identification. During the three days prior to Thanksgiving, play a gobble every hour (without revealing the identity of the "turkey"). If the listeners who originally made the recordings recognize their voices, they must call the station and properly identify themselves to win a free turkey. *RadioWeek*

The Economy Comes Back; Old Smudgy Fights Back

This week's *Sales* page is what they call a "backgrounder" in the news business. . .some information about the economy, and about the print medium, that can help you help your clients.

"ECONOMY SHOULD GAIN MOMENTUM." According to James C. Cooper and Kathleen Madigan in the November 4, 2002 *BusinessWeek*, "A funny thing happened on the way to economic collapse [the May-July stock-market plunge]: Consumers kept buying cars and homes, and many companies showed good gains in third-quarter profits. More fundamentally, the economy continued to enjoy some benefits that have been constants over the past year or more. Namely, robust productivity growth helped to lift both real household incomes and profit margins. . . To be sure, the economy didn't weather the market's Summer slump totally unscathed. As a result, the economy began the third quarter strongly, but finished at a weaker pace.

"But before investors, consumers and executives resurrect their double-dip recession fears, they should remember that the monthly pattern of activity in this quarter will set the stage for 2003 growth. And since demand, especially by consumers, shows no sign of petering out, skimpy inventories will spur industrial orders and output. Add in the constant pluses of good productivity gains and low interest rates, and it is easy to see how the economy will end the fourth quarter on a stronger note, a positive trend for growth in early 2003."

NEWSPAPERS SCRAMBLE FOR YOUNGER APPEAL. Gerry Khermouch and Joseph Wilder write in the October 28, 2002 *BusinessWeek*, "Young people thumb their noses at daily newspapers. *Booooooring*. Only 39% of people in their early 20s read one, vs. 58% of baby boomers. And when they do, it's more likely to be an alternative weekly.

"After fretting for years, newspapers are trying to do something about it. They're launching spin-offs, special sections and web sites. They want young staffers to set an agenda that tilts toward music, sports and sex.

"In one of the boldest examples yet, the *Chicago Tribune* plans to launch a tabloid, called *Red Eye*, by early November. The 25¢, five-day-a-week morning paper, named to suggest the always-on-the-go lifestyle of its hoped-for readers, will be sold on newsstands and out of bright red vending machines. Using news from several Tribune Co. papers, plus special content from young writers, it will aim to offer tight, bright reads on the news of the day and fun stuff to do in the evenings.

"It's meant as a quick read for the train or the bus. No story will jump to another page. Notes Christine Wood, head of a Newspaper Association of America program that helps papers read young readers, "The content must be written by youth for youth." Yeah, but will it lure them back from the Net?"

100 Channels, But Where Are the Subscribers?

At 69 years old, the white-bearded man is a tad mature for satellite radio's target demographic group. Yet the remainder of his profile fits like a well-worn cowboy hat: he logs more miles on the nation's highways than most truck drivers do, and he spends much of his time there tuned to the radio. He is not the type to spend money frivolously, but he is happy to pay \$10 a month for programming that is largely free of the commercials that now saturate the conventional AM and FM bands.

"I think it's a bargain," said the traveler, who happens to be Willie Nelson, the singer. He bought an XM satellite radio system last fall for his tour bus, after hearing about the company's new 100-channel nationwide service. "It's got music you just can't hear on the commercial stations."

Although listeners of some public radio stations can find diverse programming in a dozen or so genres, those who tune in to satellite radio can choose from as many as 60 musical categories, such as Mr. Nelson's favorites, Hank's Place and Frank's Place, which feature the music of Hank Williams and Frank Sinatra. XM's competitor, Sirius, even offers feeds from the BBC and C-Span, as well as National Public Radio programming.

XM and Sirius estimate that they need at least four million subscribers to achieve the cash flow to cover operating expenses. Each company says it expects to reach those subscriber goals within about two years, mostly through sales to new-car buyers who purchase satellite-enabled radios that automakers are now installing in thousands of their vehicles.

If the companies achieve their subscription goals, satellite radio would be among the most rapidly adopted technologies in the United States. Independent researchers have less optimistic projections. The Yankee Group, a telecommunications research firm in Boston, expects satellite radio to reach about nine million subscribers by its fifth year, about the same as the growth of satellite television but far less than that of broadband Internet.

Industry experts also point out that satellite TV providers like EchoStar and DirecTV struggled for nearly a decade before gaining enough subscribers to become profitable. Making consumers pay for radio service—something they can always receive free—could take longer than the companies predict. "These build-it-and-they-will-come projects take a lot of time to become accepted by consumers," said John Stone, a satellite industry analyst in New York who does not expect either company to become profitable before mid-2006.

Executives at both companies say they are cutting costs. But cost-cutting won't sustain the companies if subscribers don't begin signing up soon. And recent announcements about new digital radio products developed by iBiquity Digital and Motorola, which improve standard radio signals and add some features similar to those offered by satellite radio, like digital readouts of song titles, may cause consumers to hesitate in deciding which radio technology to choose.

—Adapted from an article by Alex Markels, *New York Times*, 11/3/02

The New EEO Rules

In a Second Report and Order, the FCC established new equal employment opportunity (EEO) rules and policies for broadcasters and revised its EEO rules for multichannel video programming distributors (MVPDs), such as cable and satellite TV operators. The rules prohibit discrimination by broadcasters and MVPDs. They also require these entities to provide notice of job vacancies and to undertake additional outreach measures, such as job fairs and scholarship programs, while at the same time affording them enough flexibility to create the programs most effective for their communities. Specifically, the Second Report and Order adopts the following three-pronged outreach recruitment requirements, as they relate to broadcasters:

- *Prong 1:* widely disseminate information concerning each full-time (30 hours or more) job vacancy, except for vacancies filled in exigent circumstances;
- *Prong 2:* provide notice of each full-time job vacancy to recruitment organizations that have requested such notice;
- *Prong 3:* complete two (for broadcast employment units with five to ten full-time employees or that are located in smaller markets) or four (for employment units with more than ten full-time employees located in larger markets) longer-term recruitment initiatives within a two-year period. These include, for example, job fairs, scholarship and internship programs, and other community events designed to inform the public as to employment opportunities in broadcasting. The Commission also adopted the following record keeping and reporting requirements: collect, but not routinely submit to the Commission:
 - (I) listings of all full-time job vacancies filled by the station employment unit, identified by job title;
 - (ii) for each such vacancy, the recruitment sources used to fill the vacancy (including, if applicable, organizations entitled to notification, which should be separately identified), identified by name, address, contact person and telephone number;
 - (iii) dated copies of all advertisements, bulletins, letters, faxes, e-mails, or other communications announcing vacancies;
 - (iv) documentation necessary to demonstrate performance of the Prong 3 menu options, e.g., job fairs, mentoring programs;
 - (v) the total number of interviewees for each vacancy and the referral source for each interviewee;
 - (vi) the date each job was filled and the recruitment source that referred the hiree; place in the station public file annually a report including the following:
 - (I) a list of all full-time vacancies filled during the preceding year, identified by job title;
 - (ii) recruitment source(s) used to fill those vacancies (including organizations entitled to notification of vacancies pursuant to Prong 2), including the address, contact person, and telephone number of each source;
 - (iii) a list of the recruitment sources that referred the people hired for each full-time vacancy;

- (iv) data reflecting the total number of persons interviewed for full-time vacancies during the preceding year and the total number of interviewees referred by each recruitment source;
- (v) a list and brief description of Prong 3 menu options implemented during the preceding year.

The Rules also call for the Licensee to submit the station's EEO public file report to the Commission as part of the renewal application and midway through the license term for the Commission's mid-term review for those stations subject to mid-term review (television stations with five or more full-time employees and radio stations with more than ten full-time employees). EEO public file reports for the preceding two year period will be required because broadcasters have two years in which to complete the Prong 3 menu options. Broadcasters must also post the current EEO public file report on their web site, if they have one.

Although the Commission declined to change the small business size exemption, the new rules provide limited relief for entities in smaller markets. Such entities will be required to implement fewer Prong 3 menu options than stations in larger markets, based on the fact that smaller markets might lack the resources to support some of the activities contemplated in Prong 3.

The EEO rules will be enforced through review at renewal time, at mid-term for larger broadcasters, and through random audits and targeted investigations resulting from information received as to possible violations.

The Commission noted that the broadcast and MVPD EEO rule and policies adopted November 7th are consistent with the decision of the U.S. Court of Appeals for the District of Columbia Circuit Court in MD/DC/DE Broadcasters Association v. FCC (2001). The court struck down the EEO program requirements for broadcasters adopted by the Commission in 2000. The court had found that Option B of the 2000 rule was subject to, and could not withstand, strict scrutiny because those broadcasters that elected to design their own programs under Option B were required to report the race and gender of each job applicant. The court found no constitutional defect in Option A of the 2000 rules. Finding that Option B could not be severed from the rest of the rule, however, the court vacated the entire rule. The new program requirements adopted today are substantially similar to the Option A requirements upheld by the D.C. Circuit.

The Commission deferred action on the collection of data concerning the race/ethnicity and gender of the workforce of broadcast and MVPD employment units. Such data would not be used to determine compliance with the EEO rules adopted today. The Commission said it expects to act on these forms before the next filing deadline, September 30, 2003.

The Commission also issued a Third Notice of Proposed Rulemaking seeking comment on whether and how to apply the EEO rule to part-time positions. The Commission said that the current record was insufficient to provide a basis for making that determination now.

If broadcasters, MVPDs, or members of the public have questions about the new rules and forms and how they will be implemented, they are encouraged to contact the Media Bureau for guidance at the numbers listed below, or the general number for the EEO staff, 202-418-1450.

—Traffic Directors Guild of America, tdga@earthlink.net

“Sportscasters”

By Jeffrey Hedquist

Another game from the world of improv adapted for radio: a play-by-play announcer and a color commentator describe an ordinary activity as if it were the Game of the Week.

- Voice 1: Looks like another thrilling Saturday night here at Bob’s apartment. He’s hunkered down in front of the TV. . .reaches for the remote. . .
- Voice 2: Doesn’t he know that The Lizard Lounge has two live bands tonight?
- Voice 1: Guess not. He flips from one channel to another. . .this IS exciting.
- Voice 2: And that drinks are half price?
- Voice 1: Bob’s going for a second helping of popcorn!
- Voice 2: He could be meeting someone magical tonight at the Lizard. . .

You can expand this approach to make it a movie review, a documentary, a game show, a soap opera or a newscast. Contrast the quality of life with and without the advertiser’s products and services, or make an ordinary activity larger than life (better, more exciting, healthier, more fun) because of the benefits the advertiser provides.

- SFX: Thunder
- Music: Dramatic, anticipatory, mysterious
- Announcer: You feel the rumbling from deep within. The fiery pangs of hunger that only one thing can quench. You stumble to the refrigerator, open it. . .
- Music: Huge crescendo
- Announcer: And behold your salvation. . .the Pepperoni Avalanche Deluxe from Jerry’s Kitchens. . .the take home pizza that won’t leave you wanting. . .more.

INSIDE STORY. Yes, it’s improv time again. Remember when this column used to be about radio? It still is. If the world of improv can contribute just one more technique to help us create better radio, then it will have been worth it.

Write a dialogue spot. The two characters interact, but their *real* thoughts are spoken by their own voices filtered and/or echoed, or by one or two other voices playing the “inside” voice(s). Each time a main character speaks, the “inside” voice says what the character is *really* thinking.

Focus: Create contrast between what the main characters say and what the “inside” voices tell us —i.e., if the two main characters are in conflict, the “inside” voices might make them secretly attracted to each other, or vice versa. The advertiser’s product or service can change or improve the relationship.

For example, if a couple were about to kiss, the inside voices might be desperately wishing that a breath mint would be ingested by both. At any point in the dialogue, the main characters can “get” the message the inside voices were expressing.

During the scene, the radio audience is eavesdropping and anticipating possible outcomes, thereby increasing their involvement with the commercial and hopefully, with the advertiser.

—© 2002 Jeffrey Hedquist, Hedquist Productions, Inc., jeffrey@hedquist.com

In Defense of Older Sellers

When you've gone to enough conventions and you've talked to enough broadcasters over the years, you realize that there are a couple of sure-fire, never-fail discussion topics: "I can't find any good salespeople" is one, of course, but what about the other? It's, "I've got a couple of salesmen (they always seem to be men) who've been with the station for years, they have all the good accounts, and they don't want to work that hard."

Not wanting to work that hard—that's a bad thing?

In most sales professions, if you are any good and you stick around long enough, you reach a level where the annuities continue to roll in even if you don't work that hard. Why is this considered to be evil in our business?

What kind of a signal are we sending to the young guns? Don't they want to know that their hard work will eventually be rewarded with lots of money and, well, less hard work?

I submit that from Day One we should be teaching our salespeople how to work less hard to achieve the same results or better. Napoleon Hill maintained that you don't need to work more than six hours a day to succeed. Maybe we need to figure out how that's done.



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Small Market Radio Newsletter

The Voice of Small Market Radio

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ADELSTEIN FINALLY TAKES HIS SEAT. At long last, the Senate has confirmed President Bush's nomination of ex-Tom Daschle aide Jonathan Adelstein to the FCC. The delay ensued after Democrats blocked the nomination of Dennis Shedd to a Federal judge post, leading to several months of stalling on Adelstein. NAB President/CEO Eddie Fritts commented, "NAB strongly supported the nomination of Jonathan Adelstein to the Federal Communications Commission, and we're delighted that he has been confirmed. Jonathan's background in public service and his firm grasp of broadcasting and telecommunications issues will serve him well at the Commission. We look forward to working with him."  www.fcc.gov, www.nab.org

IS RADIO LESS DIVERSE? A DIVERSITY OF OPINION. According to a just-released study by the Future of Music Coalition (FMC)—a group comprising musicians, attorneys and technologists—says, "The radical deregulation of the radio industry allowed by the Telecommunications Act of 1996 has not benefitted the public or musicians. Instead, it has led to less competition, fewer viewpoints and less diversity in programming."  <http://www.futureofmusic.org/research/radiostudy.cfm>

THE INDUSTRY RESPONDS. The NAB wasted no time in responding to the FMC study, making several points not apparent in the study itself. According to the NAB, "A large portion of the substance is based upon a highly flawed public opinion survey, was released in May, done with a sample of 500 respondents. Some of the results in the survey lead one to question the randomness of the sample. . . Many questions posed reflect the preexisting opinions of its authors, a fact that would cause any scientific pollster to disregard the study's results. Since the data is in conflict with a voluminous amount of information put forth by other organizations, it's clear that the questions in the FMC survey were framed in a biased manner. Therefore, this survey has little credibility. . . The inaccurate conclusions made in this report are refuted by numerous governmental and respected research organizations, including a November 2003 report by Bear Stearns, a September 2002 Federal Communications Commission (FCC) white paper, and a July 2002 Arbitron/Edison Media survey. Clearly, any critical examination of this issue requires one to examine the entire body of data before drawing conclusions on the issues contained in the FMC 'study.'" *Details on Page 4.*

FMC RESPONDS TO NAB RESPONSE, saying, ". . . the NAB has not addressed our analysis on any serious level."  <http://www.futureofmusic.org/research/fmcresponse.cfm>

Editor's \$0.02: It's the Battle of the Special-Interest Groups! With all respect to our industry and the NAB, with which our loyalties lie, in actual fact there are valid points made by both sides.

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IN OUR 20TH YEAR

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[Online Nov 0349]

Holiday Cheer

A few ideas to get you started; we'll have more soon.

MONEY MAZE. Depending on your budget, you can make this one as big as you want. It's an old reliable that creates excitement while allowing you to get a big bang from a small budget. And by calculating the odds you can control the number of big prizewinners. Here's how it works:

Caller ten gets to enter the Money Maze. Just for qualifying, they get to keep the entry-level prize no matter what happens. Let's say we're FM 107 and caller ten just won \$10.70. Now the caller can try for \$50 by entering the maze, they have the option of going straight, right, or left. A cart with random cuts will announce the acceptable direction. Let's say the caller says "straight;" if the random cart says "straight," the caller wins \$50. The caller has the option of keeping the \$50 or risking it for the \$100 level. (The levels might be \$50, \$100, \$500, and \$1,000.) No matter what happens, they at least get to walk away with the original \$10.70 prize.

MONEY TREE. We did this in December and it generated us \$12,000 extra dollars which is great for a small AM station. We put \$1,150 (our frequency) on a Christmas tree in cash—\$100's, \$50's and \$20's. We encased the tree in glass.

We signed up sponsors and ran the promotion for three weeks; each sponsor got the tree in his or her business for one day, so customers could see it and register. We ran promos on the air telling where listeners could sign up. We held the drawing from a bank—which was also a sponsor and which housed the tree overnights.

This one was good for the clients and their customers; it also got the station a lot of attention. We even got the local newspaper to put the winner's picture in the paper. It is an easy and very profitable promotion.

—Marcella Stuart, WCRK, Morristown, TN, Sweetmeis@aol.com

HOLIDAY HOTLINE. This simple promotion is well suited to a variety of categories, including major department stores and shopping malls.

The concept provides shoppers with gift ideas as close as their telephone—all that's required is a telephone line and answering machine. In the case of a single outlet, featured products or manufacturers are rotated. In a mall setting, various stores are showcased and rotated.

One good feature of a holiday hotline is that it gives callers last-minute shopping ideas. In addition, this promotion can be backed up with a point-of-purchase shopping list that's composed of all featured manufacturers and/or stores.

Win-Win

We had a situation arise at one of our stations that is all too common: A client supplied us with a ratty tape of his store's jingle with a stretched tape that produced a pronounced "wow." We pointed this out to the client, but he insisted that we use the tape.

The classic discussion ensued: programming wanted to block the airing of the tape, citing quality concerns. Sales wanted to air the tape, citing customer and business concerns. As usually happens, for better or worse, the sales point of view prevailed.

Fortunately, our program director took another tack. He repaired the spot by replacing the offending passage with the same phrase as it was sung earlier in the jingle. He then burned the repaired jingle onto CD and the salesperson presented the client with the result. The result: everybody's happy.

Sure, it took some extra work, but more important, it took some extra perspective. By understanding the importance of both product quality and customer satisfaction, and refusing to compromise on either, the PD was able to find a solution that satisfied both.

Of course, not all situations are so easy to fix. What about the client-submitted commercial that out-and-out sucks, and the client doesn't hear it that way and digs in her heels?

Yes, there are extreme examples of inflexibility involving an all-or-nothing judgment call. But the majority of situations fall in the middle, where a win-win solution might be possible if approached creatively and broached diplomatically.

There's that client who insists on doing his own ads, and he's no Lee Iacocca. Even if the presentation isn't the best, I'm a believer in client-delivered commercials. . .so how about having him say just a few key words—like his slogan: "I'm Joe Blow and nobody beats my deals!"—and building a professional spot around him?

There's the client who has her spots produced at another station—or worse, by a so-called "agency"—and they time out to :37 or :42. Nowadays there's an easy answer to that one: *get digital*. Cool Edit and Sound Forge and SAW permit you to compress audio down to a fixed length (within limits) without affecting the pitch.

My message to programmers and producers: *There is a way to uphold the quality of your product, but it involves compromise and seeing the client's point of view.*

My message to sales people and managers: *There is a way to uphold the level of customer service, but it involves compromise and seeing the programmer's point of view. It's more trouble, but it's worth it!*

Are We Diverse Enough?

In their report, FMC puts forth a number of assertions that other studies have shown to be myths.

Myth: Diversity of programming on radio's airwaves is decreasing. Fact: Radio diversity has been, and is in fact, increasing.

- The FMC study actually makes this point: "From 1996 to 2000, format variety increased in both large and small markets."
- An FCC report finds that song diversity has remained largely the same since 1996.
- A Bear Stearns paper examining format diversity concludes that the Telecommunications Act of 1996 has led to an increase in format diversity by 7 percent (1996 to 2001), resulting in more than 250 formats.
- An examination of the number of Spanish speaking stations before and after the Telecommunications Act of 1996 shows that prior to the Telecommunications Act there were 400 Spanish language stations. Today, there are more than 600.

Myth: The Telecommunications Act of 1996 has made radio ownership an oligopoly. Fact: With nearly 4,000 separate companies owning radio stations in America, radio is one of the least consolidated mediums.

Consider other mediums:

- Five music labels account for 84 percent of album sales.
- A handful of movie studios account for 99 percent of industry revenues.
- In cable TV, the top 10 MSOs account for 89 percent of industry revenues.
- By way of contrast, the top ten radio station owners account for 49% of industry revenues.

Myth: Consumers are dissatisfied with radio. Fact: According to Arbitron/Edison Media Research (which uses more reliable samples of 3,000 respondents compared to FMC's 500):

- Three-quarters of Americans use radio every day;
- 95% of Americans tune into local radio weekly;
- Almost 70% of consumers say that radio gives them news and information they value;
- Almost 75% say "radio does a good job of playing the kinds of music they like";
- 66% say that radio is where they turn first for new music;
- 30% of respondents are using radio "more frequently" compared to other media;
- And, radio trails only TV as the medium consumers cite as "most essential" to their lives.

The Coalition asserts that radio listenership is in rapid decline due to consolidation. Clearly, however, Americans continue to value radio even as the arrivals of cable and satellite television, the Internet, VCRs, DVDs, Personal Video Recorders, and other new media have vastly widened consumers' range of entertainment choices.

All of these points are further evidenced in the following studies:

- Radio Market Structure and Music Diversity; Federal Communications Commission; September 2002. http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-226838A18.doc
- Format Diversity: More or Less; Bear Stearns; 11.04.02. <http://www.nab.org/FormatDiversity/FormatDiversity - More from Less.pdf>
- Internet 9: The Media and Entertainment World of Online Consumers; Arbitron/Edison Media Research; September, 2002. <http://www.arbitron.com/downloads/19Presentation.pdf>
- Has Format Diversity Continued to Increase? BIA Financial Network; 06.03.02 <http://www.nab.org/Newsroom/Issues/ownership/FormatDiversity060502.pdf>

We also recommend that you examine these articles on format diversity, available at NAB's website at <http://www.nab.org/FormatDiversity/You%20Make%20the%20Call.pdf>. Clearly, there is a preponderance of evidence indicating that radio remains vibrant, diverse, and local. Bottom line: the Future of Music Coalition's study was written to promote an activist agenda with a disregard for objectivity.

An Advertising and Marketing Company

By Bob Doll

Until June of this year, KWED, Seguin, Texas (1 kW day/249 W night) was a radio station. Then it changed its stance by offering its advertisers time in the 24-hour-a-day AM station *and* space in a daily free-circulation tabloid, *The Seguin Daily News*, plus exposure on two internet sties, www.kwed1580.com and www.seguindailynews.com.



Bob Doll

Since 1972, KWED had distributed a daily news sheet, similar to those appearing in other small towns around the country, to local restaurants, stores and public buildings. Hal Widsten recalls that when he became KWED manager six years earlier, “I thought I’d scrap it. I’d been at another station where something similar had bombed. But I found out that it was producing ad revenue each year equal to a month’s radio billing—about 8½% of our total revenue. We improved it a little and got good comment on it. It proved to be well worthwhile doing.”

Six years after Widsten arrived at KWED, his owner told him he wanted to sell the station to invest more money in his auto dealerships and ranching interests. When Widsten told a friend, Mike Story, that the station was for sale, Story jumped at the opportunity. He had managed the local daily newspaper in the early 1970s, then went on to ad-management jobs with the *Dallas Morning News* and the Harte-Hanks newspaper chain. In the late 1980s he formed Story Communications, a publisher of trade magazines that grew to a worldwide circulation.

Story headquartered his firm in suburban Dallas, but his family yearned to return to small town living. In the mid-1990s he moved his operation to Seguin. Most of the business transactions of his communications firm are conducted by telephone and on the Internet. The business did not need to be in a big city, and overhead costs would be considerably less in a small town of under 25,000.

From the outset, Story saw the potential of expanding the news sheet. Soon after the sale of the radio station was completed, the “bigger and better” *Seguin Daily News* debuted. The first issue was 24 pages (8½ by 11 inches). Distribution of the former news sheet was increased from 1,300 to 2,000. By the end of the first month, the run was increased to 2,500, then 3,000, then 3,500. The number of pages grew to 48—all in color.

Hal Widsten’s radio career spans 40 years in all size markets, including Chicago. His stops along the way included ABC and the King Stations on the West Coast. He had doubled the Seguin radio station’s business during his six years there, but, he says, “We could not have done the *Daily News* if it hadn’t been for Story Communications’ facilities and Mike Story’s print experience.”

Widsten and Story shared a vision of what the paper would be like. But Hal asked, “Who’s going to sell the advertising?” Mike’s answer: “The radio salespeople.” They met with the KWED sales

staff shortly before the launch of the new venture. In Widsten's words, "Mike excited them with the possibility of having something additional to sell that would enhance their customers' advertising investments and increase their incomes. He gave them simple rules about gathering print ads and selling their benefits. They bought in immediately."

KWED and the *Daily News* is not a forced combination. The salespeople offer it as an add-on to radio schedules. For advertisers who are print oriented, radio is offered as an enhancement to that investment. Some advertisers buy only radio, others only print, but the majority buy both.

The *Daily News* is distributed to almost 200 locations every morning. Those locations include the Wal-Mart Superstore and the huge HEB Supermarket. Other drops are restaurants, convenience stores, stores, public buildings, offices and industries.

In addition to ads on the radio and in the *Daily News*, advertisers get the extra exposure of being on the two KWED Internet sites as well. Widsten says the two sites had a combined 180,000 hits in October.

Display ads in the *Daily News* range from 2 by 1½ inches (at \$39) up to a full page and even double-trucks. The November 14 issue carried 104 classifieds at a \$7.00 a day minimum (20 words at 35 cents each). Widsten says the classifieds are a very popular feature in addition to being a good steady stream of revenue.

The editorial matter in the paper is collected by the three-person KWED news department plus the sports man. Since going into print, KWED newspeople and salespeople have been equipped with digital cameras in addition to tape recorders.

Daily content includes a profile of a "Citizen of the Day," sports scores and stories (and pictures), local births and deaths, church and civic news, lifestyle features, and, of course, hard local news. Much of the material is included in KWED programming and on the web sites. The addition of the daily 48-page tabloid and the increased presence on the web has made it necessary to add two extra people at the station and two at Story Communications. As might be expected, Widsten is somewhat guarded about how much profit the print venture is generating, but, he calls it "very satisfactory." He continues, "The addition of print has made us an even more important asset in the community. It's a win-win for everybody concerned."

The material is transmitted via the Internet from the radio station to the Story Communications offices eight blocks away. It is laid out there and sent by the Internet to the company's printing plant three miles north of town. The latest state-of-the-art press runs the 3,500 copies in 22 minutes. At 5:30 AM the *Daily News* is delivered to the almost 200 locations. Deliveries are completed by 9:00 AM. Two people serve as the delivery team.

Seguin has a daily morning newspaper as well—the *Gazette*. Then what's the secret of the success of the *Daily News*? In Hal's words, "It's successful because it's all in color, crisply written, full of pictures, promoted on our radio station and the Internet, people pick it up out in the community where they're ready to act on the ads—and it's free."

Subject to Change?

I'm currently embroiled in a battle with ASCAP over music licensing. (I'll bet that 99% of all small and medium market broadcasters have been in the same position at one time or another, and probably many major-market broadcasters too).

As part of the battle, I have been researching the copyright law. Even though the law is fundamentally flawed, it is the law. And like all laws, it is subject to change. However, we small broadcasters are powerless to do anything about it on our own. In the pre-consolidation days, even the "big" radio owners were minuscule when compared to the music-licensing guys. However, in the post-consolidation days, perhaps it's time we all band together with the mega-groups like Clear Channel, Infinity and Cox and take on the copyright laws.

I've heard all the arguments from ASCAP's attorneys, and none of them hold water. Case in point: My kids love Dr. Seuss books. We have most of them at home. If I were to photocopy *The Cat In The Hat* and allow my kids to sell copies to their friends, we'd be engaging in copyright infringement. We'd be depriving Dr. Seuss Enterprises, L.P. (the copyright holder) of legitimate sales of their books and profiting from the sale of their copyrighted works. I think we all agree that this is indeed copyright infringement.

The same holds true for recorded music. If I were to burn CD copies of Shania Twain's new CD and sell them, I'd be engaging in copyright infringement. Shania would be deprived of a few legitimate sales and I'd be profiting from it. Again, we all agree that this is copyright infringement. If I were to rent a concert hall and charge admission to people to come hear today's top hits, then I'd be engaging in the public performance of copyrighted material for my own personal gain. Again, infringement.

However, if I read Dr. Seuss books aloud to my kids, is that copyright infringement? If a few neighborhood kids happen to be visiting when I read to the kids, is that copyright infringement? If I read the books aloud to my daughter's first-grade class (as I did last year on Dr. Seuss day), is that copyright infringement? I think we can all agree that this is not copyright infringement.

Yet, in the strictest interpretation of the law, it is. Even though I made no money from my appearance before my daughter's class, I was publicly performing copyrighted material. Never mind the fact that some kids probably went out and bought Dr. Seuss books after hearing them in school. Do you see where this is going? (And if I'm guilty of copyright infringement, then Garth Brooks is guilty too. At the same time I was reading Dr. Seuss books to my daughter's class, he was at another school just up the road also reading Dr. Seuss books to a class).

ASCAP's lawyers argue that by playing music on the radio station, we are profiting from it. I fail to see how. We don't charge anyone to listen to our radio station. Yes, we sell advertising, but that's totally unrelated. That's like my daughter selling lemonade to her neighborhood friends who happen to stop by why we are reading *Green Eggs and Ham*. Think about it and you'll realize how right I am.

The ASCAP lawyer and I also got into a discussion about how radio airplay helps sell recorded music. "Yes," he said, "but what about the Garth Brooks song that was written by Joe Smith?"

Joe's only way of making money is that song is from the royalties he receives from ASCAP." Yes, that's the law, but the law is flawed. Why should an unrelated third-party (the radio station) bear the burden of paying Joe for his song, when, as noted, we don't make any money from it? If Joe writes a great song and Garth wants to record it, then Joe should sell it or license it to Garth. A simple transaction. End of story.

ASCAP's basis for charging us for playing recorded music is that we are engaging in "public performance." That too is flawed. If a tree falls in a forest and there is no one around to hear it, does it still make a sound? The scientific answer is, "No, it does not." In the process of falling, the tree generates vibrations. Those vibrations are turned into sound when they hit the ear drum of a living being. Until that point, there is no "sound," merely vibrations. Consequently, if we sit in a control room and pop a Matchbox 20 CD in the player, are we engaging in public performance?

Yes, we have a transmitter which emits radio waves (vibrations) all over the area, but unless someone turns on a radio, they cannot hear the song. We have no control over who turns on the radio and when they do it. We don't supply the radios, nor do we receive any revenue from the sale of the radios or from the persons utilizing them. Have we engaged in public performance? The law says we do, but the law is wrong.

They say, "You can't take on City Hall," yet several years ago I did, and I won. This is no different, except for the fact that I'm just one little guy and ASCAP and BMI are gigantic monsters. Isn't it time we all banded together and attempted to slay the dragon? How about it, Randall Mays? Bob Neil? Is anyone up for it?

—Larry Fuss, Delta Radio, Inc., lfuss@deltaradio.net



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Small Market Radio Newsletter



Small Market Radio Newsletter

The Voice of Small Market Radio

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COMMISSIONER COPPS ON THE INDECENCY TRAIL. Prompted by the racy Victoria's Secret lingerie fashion show airing on CBS last week, Michael Copps is launching a probe of the Commission's indecency definition and to explore whether it should be expanded. According to Copps, "The current definition of indecency to me should be capturing for enforcement purposes some of these programs and it is not." Copps also said, "I am strongly of the opinion we ought to be considering excessive violence as part of that definition." Copps also speculated whether there is a link between the rise in what he described as more indecency in broadcasts and the consolidation in the media industry, or whether it was merely a "simple coincidence."

SENATOR MCCAIN ON THE FREE-AIRTIME TRAIL.

Word out of the Beltway is that now that the elections are over, freedom-of-campaign-spots champion John McCain will be pushing for legislation that mandates free airtime for political candidates. See Bob Doll's comments, Page 7



SEPTEMBER WAS BIG. . .REALLY BIG.

According to RAB figures gathered from the top 100 radio markets, our industry has rebounded big-time—a 17% jump in September from the same month last year, the highest growth rate of any month since May, 2000 (25%). National led the charge with a 26% hike; local contributed 14%. Year to date, the combined increase is 4%—national 9%, local 3%. The Radio Index (1998 is the base year) stands at 129.2 for September—national 127.6, local 129.7. *Editor's Note: Let's not get too carried away with enthusiasm about this. Remember what happened to the world, and our business, last September. Looking closely at the Index underscores a concern we should all have—that our industry's dependence upon national business has grown out of proportion. Even the biggest of us cannot afford that lack of control; it's just too fickle.*

NEW LIFE FOR WEBCASTING. New legislation has cleared both the Senate and the House that allows for copyright holders to negotiate percentage-of-revenues royalty rates, sidestepping last Spring's CARP ruling. The bill, H.R. 5469, "Small Webcaster Settlement Act of 2002," provides all parties the ability to enter into voluntary agreements "without fear of liability for deviating from the fees and terms of the July 8 [CARP] order." Under the new law, such agreements would be submitted to the Copyright Office, published in the Federal Register, and then made available to all qualifying webcasters. *Editor's Note: Big deal. What's killing us is those "minimums" that disregard the absolute lack of revenues generated by online streaming.*

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January Business Opportunities

The following businesses enjoy average to above-average sales during the month of January:

Auto Repair Facilities
Book Stores
Office Supply Stores
Optical Goods Stores

Tire Dealers
Video Stores

—RAB's *Top 40 Business Survey*

January Promotional Opportunities

Months

Book Blitz Month
Bread Machine Baking Month
Celebration of Life Month
Clinical Trial Awareness Month
Coffee Gourmet International Month
Family Fit Lifestyle Living Month
Image Improvement Month
International Business Success Resolutions
Month
International Creativity Month

International Life Balance Month
International Quality of Life Month
International Wealth Mentality Month
National Glaucoma Awareness Month
National High-Tech Month
National Hot Tea Month
National Mentoring Month
Oatmeal Month
Senior Women's Travel Month

Weeks

Jan 1-7—Celebration of Life Week
Jan 1-7—Diet Resolution Week
Jan 1-7—National Lose Weight/Feel Great
Week
Jan 1-7—New Year's Resolutions Week
Jan 5-11—Women's Self Empowerment
Week
Jan 6-10—National Graves' Disease
Awareness Week
Jan 6-10—National Thank-Your-Customers

Week
Jan 13-18—Man Watchers Week
Jan 18-25—Week of Christian Unity
Jan 19-25—Healthy Weight Week
Jan 19-25—National Creative Frugality
Week
Jan 19-25—National Nurse Anesthetists
Week
Jan 20-26—National Handwriting Analysis
Week

Days

Jan 1—New Year's Day
Jan 1—Capital One Florida Citrus Bowl
Jan 1—"Get A Life" Day
Jan 1—Nokia Sugar Bowl
Jan 1—Outback Bowl
Jan 1—Rose Bowl

Jan 1—SBC Cotton Bowl Classic
Jan 1—Tournament of Roses Parade
Jan 2—FedEx Orange Bowl
Jan 4—Dimpled Chad Day
Jan 4—Anniversary of Billboard Pop Music
Chart

Jan 4—Trivia Day
Jan 8—Elvis Presley's Birthday
Jan 13—National Clean Off Your Desk Day
Jan 13—Radio Broadcasting Anniversary
Jan 15—Humanitarian Day
Jan 16—Get To Know Your Customer Day
Jan 16—Religious Freedom Day
Jan 19—World Religion Day
Jan 20—Martin Luther King Jr.'s Birthday
Observed
Jan 21—Kiwanis International Anniversary

Jan 21—National Hugging Day
Jan 22—Celebration of Life Day
Jan 22—National Compliment Day
Jan 23—National Handwriting Day
Jan 23—Women's Healthy Weight Day
Jan 26—Super Bowl XXXVII
Jan 27—Better Business Communication Day
Jan 27—Vietnam Peace Agreement Signed
30th Anniversary
Jan 31—Fun At Work Day
—Chase's 2003 Calendar of Events



More for the Holidays

MONEY MAZE. Depending on your budget, you can make this one as big as you want. It's an old reliable that creates excitement while allowing you to get a big bang from a small budget. And by calculating the odds you can control the number of big prizewinners. Here's how it works:

2003 PROMOTION CALENDAR NOW ONLINE!
Check it out, and all our telemarketing messages, too, at www.smallmarketradio.com/subonly

Caller ten gets to enter the Money Maze. Just for qualifying, they get to keep the entry-level prize no matter what happens. Let's say we're FM 107 and caller ten just won \$10.70. Now the caller can try for \$50 by entering the maze, they have the option of going straight, right, or left. A cart with random cuts will announce the acceptable direction. Let's say the caller says "straight;" if the random cart says "straight," the caller wins \$50. The caller has the option of keeping the \$50 or risking it for the \$100 level. (The levels might be \$50, \$100, \$500, and \$1,000.) No matter what happens, they at least get to walk away with the original \$10.70 prize.

MONEY TREE. We did this in December and it generated us \$12,000 extra dollars which is great for a small AM station. We put \$1,150 (our frequency) on a Christmas tree in cash—\$100's, \$50's and \$20's. We encased the tree in glass.

We signed up sponsors and ran the promotion for three weeks; each sponsor got the tree in his or her business for one day, so customers could see it and register. We ran promos on the air telling where listeners could sign up. We held the drawing from a bank—which was also a sponsor and which housed the tree overnights.

This one was good for the clients and their customers; it also got the station a lot of attention. We even got the local newspaper to put the winner's picture in the paper. It is an easy and very profitable promotion.

—Marcella Stuart, WCRK, Morristown, TN, Sweetmeis@aol.com

Toys for Tots

The following is a presentation by Cumulus Broadcasting's KRCH ("Laser 101.7") & KMFJ ("Fox Country 102.5 FM"), Rochester, MN. The company did two one-sheets, one for each station; the one for KRCH is shown here:

TOYS FOR TOTS TOY DRIVE

Who looks out for the less fortunate children of Olmsted County? Who raises their voices for them?

Cumulus Broadcasting and Toys for Tots want you to be a part of the cause-marketing event.

Our advertisers have found that the benefits of advertising extend far beyond the event.

When you support a cause like Toys for Tots, you send a message to the public. It promotes your corporate values and makes a positive impression with consumers.

This creates Goodwill and enhances your image and brings customers closer.

Here is your opportunity to raise toys for Toys for Tots and the less fortunate children of Olmsted County.

Your business will receive the following:

- On-site recognition at TGI Fridays, December 13th- 17th
- On-air recognition
- Over 100 shared promotional announcements
- Effective Cumulus Broadcasting Radio advertising
- A tax deductible check for \$100.00 to Toys for Tots

Your Investment:

1. Your business will receive 30 commercials on LASER 101.7 to air 5am-Midnight
2. Please write your tax deductible check for \$100.00 to Toys for Tots

Your Investment: \$300.00

Your Total Donation for Toys for Tots: \$100.00

Non-Commercial Underwriting

I noticed your note recently concerning the Kansas City, MO religious radio station that was hand-slapped by the FCC for “out-and-out commercial advertising.” I was wondering if you could elaborate on just what noncoms are allowed to do and not do. We have a religious station in our market that I wonder about sometimes. To tell you the truth, I personally greatly appreciate what they do and the work they’re doing, but I am concerned about anyone breaking laws “in the name of the Lord.” What I hear often is a regular commercial with the addition of a “Christian programming is made possible by. . .” line in the spot. Is this right, or pushing it?

—Chris Samples, KEYE, Perryton, TX, keyegm@ptsi.net

We did a little checking at www.fcc.gov and found information about the legal boundaries of noncommercial stations in a document titled, “In the Matter of Commission Policy Concerning the Noncommercial Nature of Educational Broadcasting.” Here are a few pertinent excerpts:

Section 399B of the Communication’s Act of 1934, as amended, and Sections 73.503(d) and 73.621(e) of our rules specifically proscribe the broadcast of announcements by public broadcast stations which promote the sale of goods and services of for-profit entities in return for consideration paid to the station. These rules, however, permit contributors of funds to the station to receive on-air acknowledgments. The Commission has articulated specific guidelines which emphasize the difference between permissible donor and underwriter announcements and commercial advertising.

In March 1984, we relaxed our noncommercial policy to allow public broadcasters to expand or “enhance” the scope of donor and underwriter acknowledgments to include (1) logograms or slogans which identify and do not promote, (2) location information, (3) value neutral descriptions of a product line or service, and (4) brand and trade names and product or service listings. 1984 Order at 263. That action was taken as another step in our ongoing effort to strike a reasonable balance between the financial needs of public broadcast stations and their obligation to provide an essentially noncommercial service. It was our view that “enhanced underwriting” would offer significant potential benefits to public broadcasting in terms of attracting additional business support and would thereby improve the financial self-sufficiency of the service without threatening its underlying noncommercial nature. In this regard, we emphasized that such announcements could not include qualitative or comparative language and that the Order should not be construed as allowing advertisements as defined in Section 399B of the Communications Act.

Section 399B [of the Communications Act] provides, in pertinent part: (a) For purposes of this section, the term “advertisement” means any message or other programming material which is broadcast or otherwise transmitted in exchange for any remuneration, and which is intended -- (1) to promote any service, facility, or product offered by any person who is engaged in such offering for profit; (2) to express the views of any person with respect to any matter of public importance or interest; (3) to support or oppose any candidate for public office.

Several examples of announcements that would clearly violate the rule may be helpful:

- Announcements containing price information are not permissible. This would include any announcement of interest rate information or other indication of savings or value associated with the product. An example of such an announcement is:
 - “7.7% interest rate available now.”
- Announcements containing a call to action are not permissible. Examples of such announcements are:
 - “Stop by our showroom to see a model”
 - “Try product X next time you buy oil”
- Announcements containing an inducement to buy, sell, rent, or lease are not permissible. Examples of such announcements are:
 - “Six months’ free service”
 - “A bonus available this week”
 - “Special gift for the first 50 visitors”

The following are representative of and illustrative of the types of announcements found objectionable by the Commission:

[Music] . . . Genesee Beer . . . the great outdoors in a glass, talks with wildlife cameraman Scott Ransom: Working outdoors all the time sounds like a perfect life but it does have its disadvantages, like sitting with your camera and the mosquitoes for six hours to get one good shot at a beaver swimming. That’s when I start dreaming about a nice campfire, dry clothes and a Genesee beer. Our one brewery makes it best . . . Genesee, the great outdoors in a glass. Genesee Brewing, Rochester.

What’s the difference between a fine fur and an exquisite fur? You can always find the difference at Knowle’s Fur Shop at 595 Highway 18 in Brunswick. For if you don’t know furs you should always know your furrier. At Knowle’s Fur Shop they manufacture furs, specializing in custom made furs with one of the largest selection of exquisite furs in stock. They also handle expert remodeling and repair work on their own premises as well as cleaning and glazing. So for that fur that stands above the rest it’s Knowle’s Fur Shop at 595 Highway 18 in Brunswick.

Production [of the program] has been made possible by grants from: A&J Luxury Limo Service. For a fabulous night on the town, spoil yourself or a client with a relaxing and comfortable evening in one of A&J’s luxurious limousine featuring a retractable moon roof, color television, stereo, cellular telephone, intercom and wet bar. For the perfect way to enjoy a perfect and safe evening, call us at 360-8444.

For more information, visit  <http://www.fcc.gov/mb/audio/nature.html>

New EEO Rules

By Bob Doll

The Report and Order has not been issued, but a news release indicates that broadcasters are in for an increased amount of record-keeping and reports to be filed with the FCC. There will be a new section in your Public File and there will be information you'll have to post on your web site.



Bob Doll

The first FCC-promulgated EEO rules were in 1969—the Broadcast Anti-Discrimination Rules. Seven years later, the Commission ruled that minorities and women were being “under-realized” in radio and television. The 1976 “improvements” in the rules were in effect until 2000, when they were found unconstitutional by a Federal court of appeals. Now we have the third set of rules, which the commission hopes will be approved by the Federal judiciary.

By all means watch for the new EEO rules to arrive at your station. Read them carefully. The stakes are high. A station found to be “underutilizing” females and minorities could lose its license.

THE MOST EXPENSIVE MID-TERM ELECTION has just ended. Candidates and political parties spent in excess of a billion dollars. The cries for election campaign reform are sure to get louder and shriller. At the height of the election campaigning season (October 25-28), the NAB funded a research project conducted by Wirthlin Worldwide. The registered voters were asked:

How do you feel about the campaign coverage of radio and TV stations?

- 43% said too much time was devoted to it.
- 40% said about the right amount of time.
- 15% said too little time.

Some groups are advocating that local radio and TV be ordered by the government to give free time to political candidates. How do you feel about that?

- Oppose—71%
- Favor—26%

If politicians are given free time, how do you think they'll use it?

- Attack their opponents—6
- Inform the public through speeches, debates, and forums—32%

If candidates did not have to pay for time on radio and television, what do you think they'd do?

- Continue raising money and spend it on something else—72%
- Raise less money—24%

Bill Dalbeck, the senior research executive at Wirthlin Worldwide, concludes, "Voters prefer to have broadcasters serve as a buffer in the system and they have little confidence that free airtime would be used wisely by candidates."

AN FCC PROFIT CENTER. During the fiscal year ended October 31, 2002, the FCC levied \$28 million dollars in fines.

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Small Market Radio Newsletter

Small Market Radio Newsletter


The Voice of Small Market Radio

VOLUME XX • NUMBER 26 • DECEMBER 5, 2002

ANOTHER DOUBLE-DIGIT GROWTH MONTH. The RAB has just released its October radio revenue figures, and, in their words, “Radio revenue continues to skyrocket as combined total ad sales for October rose 13% when compared to the same month last year. The national sector continues to lead the way with a 23% gain compared to the same month a year ago, and local also remains strong with a healthy increase of 10% over last October. This is the second month in a row that Radio has produced double-digit gains in ad sales, following last month’s 17% gain in combined total revenue. Moreover, October is the eighth straight month of increases for the medium.” Year to date, the combined total is a +5%, comprising 10% national and 4% local.  www.rab.com

CAMPAIGN FINANCE REFORM TAKES A HIT. The Hawaii Right to Life (HRL) group wants to run ads supporting candidates who take an anti-abortion stance in the upcoming special elections caused by the death of Rep. Patsy Mink (D-HI). But the McCain-Feingold law specifies that issue ads may not identify a specific candidate within 60 days of a general election or 30 days of a primary. But U.S. District Court Judge Henry H. Kennedy, Jr. has ruled that HRL can indeed name names; but Kennedy side-stepped the main issue of free speech by ruling in HRL’s favor because it is a non-profit group with little or no reliance on corporate contributions.  www.hrtl.org

PC OVER THE EDGE. Speaking of campaign finance reform’s chief architect, our favorite Arizonian has had to apologize, albeit somewhat facetiously, for calling Rush Limbaugh a “clown.” Apparently the Senator’s office received several calls in protest from circus clowns. (No, this is not April 1.)

HOLIDAY RETAIL SHOWS STRONG START. Sales on the day after Thanksgiving were hot, according to the National Retail Federation (NRF). According to the NRF study, 75.6% of consumers were out shopping on “Black Friday” weekend. (“Black Friday” is the retail trade’s term for the day they go in the black.) The NRF study also shows that as of the last half of November, the average consumer had completed 38.7% of the holiday shopping. Only 8.2% of consumers say they’ve completed all their shopping, so there’s still time for grabbing the consumer with good radio advertising!  www.nrf.com

LISTENERS HAVE BETTER EARS THAN WE THOUGHT—AND THEY CARE.

According to a new study from Paragon Research, over half (55%) of the respondents can tell when a radio station is using voice-tracks instead of live jocks, and nearly half (45%) say they find the technique less appealing than live, local personalities.


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IN OUR 20TH YEAR


US & Canada (\$US):
• One Year \$129
• 26 Weeks \$74
International (\$US):
• One Year \$184
• 26 Weeks \$104
E-Mail-Only Edition (\$US):
• One Year \$89
• 26 Weeks \$49

[Online Nov 0349]


TOP OF THE WEEK


SESAC TO RADIO: DON'T MESS WITH US. In what may be the first jury trial of its kind, SESAC has won a \$1.2 million verdict against two radio stations—WLTJ and WRRK, Pittsburgh, PA—playing their tunes without licenses, forcing many broadcasters to reconsider their cavalier attitude about paying the #3 music licensing firm. Of course, SESAC—along with the other guys—don't just make their songs available in a big list. . .but you can search titles by going to www.sesec.com, choosing Flash or HTML, then clicking on "Repertory." Interestingly, among the titles you'll find are some Christmas staples, like "Deck the Halls" and "Joy to the World." The organization has also scored some other coups of late, like some of the Bob Dylan and Neil Diamond catalogs—so beware!  www.sesac.com

FLEDGLING TALK NET IN NAME FLAP. United Stations Radio Network (USRN) has won an injunction against startup United Talk Network (UTN) from using "several defined marks." At the top of the list, USRN contends that UTN's name is an infringement.  www.unitedtalknetwork.com

DAUNTLESS FCC BAGS ANOTHER SHIFTY PIRATE. Our intrepid FCC has fired off a certified letter to syndicated morning personality Don Imus, who originates his show at WFAN, New York, threatening a year in jail and up to \$100,000 in fines. Did the I-Man say something particularly nasty on his show? No, the letter is about the fact that Imus has a low-power FM transmitter broadcasting WFAN at his ranch in New Mexico. The iconoclastic but politically-correct jock reportedly tried to call Chairman Michael Powell, but to no avail. *Editor's \$0.02: Imus is a Beltway must-listen, but he is forever tweaking the noses of the pols. Could this be somebody's idea of (a) a joke or (b) retribution for something he said?*  www.wfan.com/imushomepage

NAB CRYSTAL DEADLINE SET. February 3, 2003 is the big day—by which your entry to the NAB Crystal Awards are due. The Crystals are the prestigious awards for meritorious community service; finalists will be honored and winners will be announced at the Radio Luncheon during NAB2003 in Las Vegas. The winners will also be honored at the Service to America Awards ceremonies in Washington, DC on June 9. Says NAB EVP/Radio John David, "Local radio broadcasters are committed to being good citizens and neighbors. Working together with their listeners, they are making a difference in the communities they serve."

To enter, a station must submit a summary of their community service efforts for the calendar year 2002. Judges from the radio and community service fields will select the NAB Crystal Radio Award finalists and winners. For an entry form or more information, see NAB Radio's Web site or call Chris Suever at 202-775-3511. *Editor's \$0.02: You may not win—at least not the first year—but the process of applying—quantifying and listing your community-service efforts—is great for your staff and gives you something to brag about in your community.*  www.nab.org/radio

ECONOMICS "WILL ROGERS" REPRISES RAB ROLE. Dr. Gene Stanaland will keynote at RAB2003 in New Orleans. His topic: "The Current Economy: It's Not the Stock Market." For more information on, and to register for, the RAB conference,  www.rab.com

Happy Holidays

HOLIDAY HOTLINE. This simple promotion is well suited to a variety of categories, including major department stores and shopping malls.

The concept provides shoppers with gift ideas as close as their telephone—all that's required is a telephone line and answering machine. In the case of a single outlet, featured products or manufacturers are rotated. In a mall setting, various stores are showcased and rotated.

One good feature of a holiday hotline is that it gives callers last-minute shopping ideas. In addition, this promotion can be backed up with a point-of-purchase shopping list that's composed of all featured manufacturers and/or stores.

THE TWELVE DAYS OF CHRISTMAS. On the twelfth day before Christmas, one prize is awarded to a listener. . .on the eleventh day, two prizes are awarded to one listener. . .and so on, until twelve prizes are awarded to a single listener on Christmas Day. The giveaways can be triggered by playing a certain holiday song, or when callers are asked for, or from a drawing of point-of-purchase entries, etc.

CHRISTMAS AT YOUR HOUSE. Listeners enter at sponsor locations; the winner of the drawing wins a Christmas tree, decorated by your station staff, plus gifts underneath. Air personalities deliver the tree, bring seasonal refreshments, and help the winning family put up decorations.

CHRISTMAS CAROLING. Station staff members (including your air personalities) form a caroling group that makes house calls - including the local hospitals and nursing homes.

KARAOKE CHRISTMAS. Your morning-show host has callers sing along with instrumental versions of well-known Christmas songs. If the caller can complete a verse correctly, he or she wins a prize.

CALL HOME FOR THE HOLIDAYS. Regular readers will recognize this one, a sure-fire hit for any major holiday: arrange with a local restaurant that will be serving on Christmas Day to permit patrons to make free calls home. Limits: one call per family, three minutes per call. Promote this as a station feature. *2003 Variation:* Provide prepaid phone cards in three- or five-minute versions. Bonus points if the cards bear your station logos.

COME HOME FOR THE HOLIDAYS. Your station invites entries in the form of short essays telling why they want to bring a beloved relative home, or why they want to visit a loved one. Read the best entries on the air, and award the prize to the best entry. Work out the prize details with a local travel agency.

Sales Bites

THE “POWER DEMO.” If you are too young to remember President Kennedy’s assassination, then you’re not in the “power demo.” Likewise, if you already graduated high school, then you’re too old. But if you were between first grade and sophomore year of high school in November 1963, then you are in the “power demo,” or adults 45-54.

It’s a large group with powerful monetary and political influence, but if advertisers continue to chase younger consumers, the power demo could become an afterthought. That would be short-sighted, many believe; two-thirds of adults 45-54 have household income higher than \$50,000, and a quarter earn more than \$100,000 per year.

College expenses for their kids may be looming large for the power demo right now, but in the next decade, they’ll enjoy new spending power as those expenses end and they begin tapping their retirement funds. Savvy marketers will build relationships now and reap the reward.

—*MediaWeek*, 10/28/02, www.mediaweek.com

NEW STUDY ON OUT-OF-HOME ADS. Although Americans are spending more than 10 hours each day with media—over 60 percent of their waking hours—fragmentation has rendered it more difficult for advertisers to reach them. Since the majority of media (the Internet, television, books, magazines, video games, computer programs, etc.) generally are accessed within the home, reaching consumers in other locales holds increasing value for marketers.


Interep’s new report, *Hit the Road—Radio’s Role in the Out-of-Home Media Surge*, shows that Americans are spending more time in their cars, making take-along media like radio a slam-dunk for marketers. According to the report, heavy traffic congestion on America’s highways has doubled, and commuters spend over 33 hours each year stuck in traffic.

Other facts and figures:

- More than half (54 %) of U. S. adults drive more than 100 miles each week; 30 % drive more than 250 miles weekly.
- Heavy drivers skew upscale; adults driving more than 250 miles per week are one-third (33%) more likely to hold managerial or professional positions at work. Moreover, they are 40 % more likely than the average adult to live in a household with income in excess of \$100,000 per year.
- According to the 2000 Census, 88% of workers commute to work by car, and 76% drive alone, offering radio marketers a captive audience for advertising messages.
- The heaviest drivers also tend to be heavy radio listeners. Among U.S. adults, 84% listen to car radio each week, compared to 90% of heavy drivers.
- Forty-nine percent of heavy drivers are heavy radio listeners. Only 31% of heavy drivers are heavy TV viewers.

—Interep, www.interep.com

What it Takes to Make the Sale

Excerpted from the November 2002 issue of *Fast Company* ( www.fastcompany.com), here are some tips on selling from the top:

“Nothing happens in business unless and until someone sells something. The best salespeople see things through their customers’ eyes, modify their styles to their customers’ chemistry, and pull together their offering to meet their customers’ needs. But being in front of the customer doesn’t help if you do all the talking.”

—Beth Klein, President & CEO, GE Medical Systems

“The essence of selling is understanding your customer’s needs and convincing him that you’re the best one to meet them. The best way to sell is to sell on value. That’s harder, because it takes brains. But that’s the only way to prosper. Now, when you combine brains with tenacity, you’ve really got something.”

—Fred Bialek, Cofounder, National Semiconductor Corp.

“Selling is like martial arts: to do it well, you have to apply the right amount of energy in the right spots, adding skill and precision over time.”

—Omid Kordestani, Senior Vice President, Google

“Integrity means everything. Selling is about the strength of your relationships. In the end, the honest broker really does win. In a business based on relationships, our people are really selling their own integrity and creativity.”

—Joseph Abruzzese, President/Sales, CBS Television Network

“How do you make a sale? By learning how to read your customers. And that’s not a skill you learn by reading books. It comes with experience. I work hard to listen effectively. We talk about what the customer wants. Pay close enough attention to your customers and you can sell to the world’s biggest grouch.”

—John O’Bryant, Salesman, George Nahas Oldsmobile, Inc.

“It makes a difference when your customers know that you’re enthusiastic about what you’re doing. In some ways, your success is their success. They want to be on a winning team. If you make a personal connection, you can sell to just about anyone. That connection starts with how you tell your story. One lesson that I’ve learned, which I didn’t understand at first, is how important it is to make the customers feel invested in the sale.”

—Leslie Blumberg, Senior Girl Scout, Troop 1231

Survival of the Yellow Pages Companies

When I first started in the Yellow Page consulting business many years ago, I worked with an ex-sales manager with the General Telephone Company. He told me they could pay for the printing of the directories, the sales commissions and the distribution with only two months of billing. The rest—some 72%—is pure profit.

Today, we find that many telephone companies are in deep financial trouble because of investing so much in trying to become an important identity in the dot-com revolution and the attempts to stave off competitive phone services. In order to stay solvent, they are willing to sell off their one source of real profit, their directory companies.

According to an article from the Associated Press in the *Denver Post*, Qwest Communications International is selling their QwestDex Directory division to The Carlyle Group and Welsh, Carson, Anderson, and Stowe for \$7.05 billion deal to reduce some of its \$26.6 billion in debt.

In April, McLeod USA of Cedar Rapids, IA closed a deal to sell its directory to the British Yell Group, which already owns Yellow Book USA. (In other words, all those advertising dollars will now go across the ocean.)

Last month I was in Florida working with a television group and learned that the Sprint Corporation sold its Yellow Page division to the L. M. Berry publishing group. (L. M. Berry produces many directories for the independent phone companies as well as regional directories.)

In this Associated Press article, John Kelsey, chief executive of the Kelsey Consulting Group said, “With memories of dot-com collapses still fresh, investing in the Yellow Pages is a safer bet. That worked well for Qwest, which is trying to ease investors’ concerns about liquidity issues and to lower its debt to meet the terms of its loan agreements.” Kelsey went on to explain, “Don’t expect other Baby Bells to shed their directory publishing units any time soon. They make too much money, and they don’t have to.”

Regarding the Carlyle Group, James Attwood, the managing director, said, “Our investors will benefit from the stable predicable cash flows of the directories business without assuming the risks that characterize many other telecom-related investments today.”

What does this mean to the radio market? Just that the directory companies will continue to operate at a very high profit level, for they now have outside investors looking at the bottom line. All this means your clients will be under even more unrelenting pressure to be bigger in the Yellow Pages. Those investment companies will do whatever is necessary to insure a profitable return on their investment.

Local media had better be ready to take on this challenge by becoming knowledgeable about the working of the Yellow Pages or those millions and millions of dollars will keep on leaking out of your markets.

—Merritt Mattson, Yellow Pages Consulting, LLC, merrittm@netnet.net

Do More With Less

Deliver more sales with fewer salespeople. Manufacture more products using fewer factories. And, perhaps more universally, make more decisions, launch more innovations—get more stuff *done*—with fewer people and fewer resources to support the underworked souls who remain.

How do you manage to stay sane when you're insanely busy? You become very good at multitasking. Here are six tips on managing your time, distilled from interviews with top CEOs.

2003 PROMOTIONS CALENDAR ONLINE

Check out our complete calendar of events for 2003, categorized by month, week and day, at www.smallmarketradio.com

- 1. ONE SIZE DOES NOT FIT ALL.** Cingular Wireless CEO Stephen Carter handles almost every incoming e-mail in real time; Sun Microsystems EVP Marissa Peterson checks e-mail just twice a day. When it comes to multitasking, no single solution works for everyone. Pick the tactic that's best for you.
- 2. PAPER PILES ONLY GROW.** When you get a paper report or memo, deal with it, then file it or hand it off. Piles of paper make for more work.
- 3. HEADING TO A MEETING? GO UNPLUGGED.** When you meet with someone, you're using a nonrenewable resource: your time. Don't let cell-phone or pager interruptions waste it.
- 4. THE NEXT KILLER BUSINESS APP? INSTANT MESSAGING.** IM is faster than e-mail and just as inclusive. Its beauty lies in its simplicity. Think of it as the online equivalent of elevator conversation.
- 5. DELEGATE: IT'S THE ULTIMATE TIME-SAVER.** Investing in frequent communications to your staff—lunch meetings, daily e-mails—yields big dividends. Your staff members can't lighten your load if they're out of the loop.
- 6. WORKING IN HARD-TO-REACH TERRITORIES? VOICE-MAIL IT.** Voice mail is more dependable than e-mail and better for keeping globe-trotting executives emotionally connected with the home team.

NEXT WEEK: ANNUAL AUCTION ISSUE

—*Fast Company*, October 2002,  www.fastcompany.com

Let's Get Together

Recently we did something kind of unusual for local radio: we invited our competitors to a seminar we had lined up for our own people. I even invited a fellow with whom I have a rather bad history, who has told me directly that he doesn't like me and will do whatever he can to hurt my business. (Wait a minute, my halo is a bit crooked. . .there, that's better.)

My feeling has always been that I don't really care if my so-called secrets are out there for everyone to see, and I don't really care if my so-called competitors have access to the same information I do. There are two reasons for this:

1. The stronger all radio professionals are, the more money we'll all make and greater will be the prestige of our oft-maligned medium. (Okay, so I don't lose sleep if one of my competitors falls asleep at the wheel; I'm not *that* altruistic.)
2. Just being exposed to information is in itself without value. The competitive edge comes from the successful application of that information.

Actually, I guess there's a third reason, and maybe it overrides the first two: the more people who participate, the lower my own cost. Maybe I'm not at all altruistic after all.



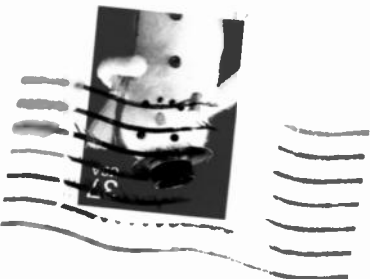
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Small Market Radio Newsletter


Small Market Radio Newsletter


The Voice of Small Market Radio

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FRITTS FETED. NAB President/CEO Eddie Fritts was recognized by the National Commission Against Drunk Driving (NCADD) with its “Founders Award” for the NAB’s and broadcasters’ efforts in the fight against DUI. In accepting the award, Fritts said, “On behalf of America’s radio and television broadcasters, I am happy to accept this special recognition to help stop drunk driving.” Fritts cited several NAB campaigns over the years, including “Operation Prom Graduation,” the STAR (Stations Target Alcohol Abuse Reduction) Campaign, and slogans like “Friends Don’t Let Friends Drive Drunk” and “Designate Before You Celebrate.” Fritts added, “We’re extremely proud that a large portion of the \$9.9 billion in public service generated annually by local broadcasters is dedicated to anti-drunk driving initiatives. I can think of no other cause more important.”  www.nab.org

XM ON THE MOVE. The leading satellite-radio provider has announced two ways to take their service with you: first, within a week or so the highly-touted Delphi SKYFi portable receiver will be in the box stores (Best Buy and Circuit City)—just in time for that last-minute Christmas shopping. And Avis will be featuring XM radios in its rentals for a surcharge of \$2.99 a day. (Recently Hertz announced they would offer the rival Sirius service for \$5.00 a day.)  www.xmradio.com

COMMISSIONERS FACE OFF AT NAB2003. In a repeat of their popular session at the 2002 NAB Radio Show, FCC Commissioners Kathleen Abernathy and Michael Copps will discuss regulatory issues facing broadcasters during “The Regulatory Face-Off” April 8 at NAB2003. The show takes place April 5-10 in Las Vegas (exhibits open April 7).  www.nab.org/conventions/nab2003

BECOME A “RESILIENT CHANGEMASTER” AT RAB2003. Author, consultant and speaker Eileen McDargh will keynote at the New Orleans radio confab with “Resiliency: Staying Rightside Up In a World That’s Upside Down.” According to the RAB, “McDargh draws on practical business know-how and basic life experiences to deliver an entertaining and content-rich presentation that helps audiences shift thinking, expand potential, deepen relationships and find purpose in their work and world. Her keynote will explore what it takes to be a resilient change-master, with the ability to cope with uncertainty and change.”  www.rab2003.com

RADIO LEGEND SUCCUMBS. Bob Steele, a fixture at WTIC, Hartford, CT for 55 years, died last week at the age of 91. *Editor’s Remembrance: my station competed with the inestimable Mr. Steele in the Seventies, when he was already a legend. They don’t make ’em like Bob anymore.*

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Auctions: Turbo-Charging First Quarter

As we all look for good ways to boost revenues in first quarter, radio auctions are the answer for many stations. (Many readers tell us, and we agree, that February is an excellent month for auctions.) Here we look at some different ways of conducting such auctions, a sample agreement form to use with your advertisers, and how to organize your data.

Everybody loves auctions. *Advertisers* love them for several reasons: First, they are getting a good deal on advertising—but not as good as you might think, since most stations have special advertising rates that are full card or above. Second, they are getting lots of extra promotional value from their items being auctioned off, on-air promotion and any other promotion the station does. Third, they have a chance to move out some slow-moving items (stations have to watch this, of course). And fourth, advertisers get caught up in the “auction fever.”

Listeners—and a broader range of listeners than you might think—love auctions, even if they do not participate. A good radio auction is fun to listen to. And of course, the bargains can be quite good.

And of course, *stations* love their auctions because it generates high volume *cash* business in first quarter.

All radio auctions work essentially the same way: the client provides items (products, usually, though services will also work) to the radio station, in return for advertising valued at the retail price of the items. The radio station auctions the items off, either on the air or at a location event, for whatever it can get.

Block-Programmed Auctions. There are several ways to do auctions in program-length blocks. If you're doing your auction for a limited time—two, three or four weeks, for example—you can do it for an hour or two every day (late afternoon or evening works well), and/or on Saturday mornings. Some stations do their auction blocks on weekdays, and then do a wrap-up “everything must go” session on Saturday. Some stations do their auctions every day or every week, year-'round; others do them biweekly, semimonthly or seasonally.

Daily Auction Feature. Another common way to do an auction is one or more times a day (typically weekday) for five minutes or less. In some cases, the auction items are put into a recorded one-minute promo inviting listeners to call with their bids.

Here are some basic guidelines for setting up an auction:

- Items are traded at the stations highest one-minute rate for the suggested retail. Advertisers must use the advertising within a specified time limit, no exceptions.
- Merchandise is offered to listeners over the air. Listeners bid by telephone. High bidders pay by cash or credit card.
- To run the auction, it takes one or two people on the air; two or three on the phones; and one or two to take, post and verify bids.
- On average, items will bring 40-60% of retail. We have been told, and it is our experience, that 50% is common—even good.
- Many stations are using auctions to upsell their regular advertisers, get business from hard-to-sell or marginal accounts, and to clean up bad debts.
- *Caution:* Your radio auction must be carefully thought out. You don't want your station to be a 100% trade operation. Appropriate policies must be set up before you go into the auction business.
- Dean Sorenson, Sorenson Broadcasting, Sioux Falls, SD suggests that to make sure you get good merchandise, your salespeople must become “buyers” rather than “sellers”: instead of selling radio ads and accepting merchandise in payment, they are buying merchandise and paying for it with radio ads. This puts you more in control, and prevents your accepting warmed-over, slow-moving, overly-discounted goods (for full retail!).
- Use a professional auctioneer, but one who “gets” the dynamics and rhythms of a radio auction (it's a lot different).
- Use your web site to list and depict items.
- Line up an advertiser or three to sponsor the entire auction. They get ads, promos, web presence, logo on flyers, and so on.
- Promote heavily and in detail what's coming up on your next auction session.
- Don't do your auction on Ash Wednesday!

Shopping Shows

Shopping shows are similar to auctions, with one important difference: the items are not auctioned off to the highest bidder. Instead, the station sets discount prices for them and sells them outright.

Todd Noordyk, Great Lakes Radio (WKQS/WFXD/WHCH), Negaunee, MI, does a two-hour weekly Shopping Show (on Wednesday morning) during which he sells bartered merchandise at a discount. Here's how it works:

The station trades, say, a bunch of pizza certificates from the local pizza shop (for a special, high ad rate). The pizza certificates are priced at about 70% of face value and offered for sale during the Shopping Show. It works much like a radio auction in terms of how the items are acquired from merchants, but the items are then sold for a set price instead of auctioned off.

"We are careful to protect our cash business," Todd points out. "There are lots of clients we don't offer the Shopping Show to." In response to the question, "What if one of your regular furniture-store clients wants to put a mattress on the show?", Todd said, "We'd do it. . . take a \$700 Sealy mattress and price it at \$499. But it would have to be on top of the client's regular schedule. And we encourage our sales people to book the Shopping Show schedules right away, so they don't drag out."

The best items? "The food and grocery items do incredibly well. We'll also sell larger items, like televisions, but sometimes they'll take a couple of weeks to move. Sometimes I'll take an item—say that Sealy mattress—and say, 'For the next two minutes only, I'll drop the price to \$449.'"

Todd says he got the idea for the Shopping Show from his own sales activities: "On the way to call on my clients, I would pass all these food shops that we don't have on the air. Many of them have bought advertising, but they're not great at paying for it. This way, neither of us needs to worry about that."

According to Todd, the Shopping Show started as a one-hour weekly feature, but the demand has doubled the time devoted to the show. In addition, the station is selling items on its web site, www.wkqsfm.com. "We do about \$3,500 a week from this feature. But don't attempt it unless you have a full-time office person assigned to keeping track of it; it's a lot of paperwork."

To reduce the paperwork time and trouble, Todd commissioned a special software application that he uses to keep track of the process, including maintaining the database, generating certificates, recording payments, and so on. (Todd offers the software for sale.)

For more information, contact Todd at 906-227-7777 or e-mail him at todd@haja.com. To see more about the Shopping Show online, visit www.wkqsfm.com.

Computerize It

Some stations are making use of computers to keep track of their auction items. There are a couple of ways to do this:

Spreadsheet. The simplest way to keep track is probably to enter all the items on a spreadsheet. Most office software contains spreadsheet applications, whether you use Microsoft Office or Works, Corel WordPerfect Suite, or another.

To set up the spreadsheet, you'll need several columns, using the item (and item number) as the primary reference point. Your columns would include. . .

- Item
- (Item number)
- Client name (in this article, "client" is the business that provides the item and "customer" is the person who buys it)
- Address
- Phone number
- Quantity available
- Retail value
- Price paid (this one would remain blank until the bidding was over)
- Customer name
- Customer address
- Customer phone

When an item comes in, create a row in your spreadsheet, filling in the information you have. When an item is sold, fill in the rest of the information about the customer, quantity purchased, etc. *Hint: for multiple instances of the same item, create a separate row for each instance; this makes it easier to keep track of what you've sold and what you have left.*

Database. A more complex method is to use a database program, but most of the programs today are pretty easy to use in setting up simple "relational" databases. You can find shareware applications easily on the Internet; doing a search on "database" at CNet (www.cnet.com) yielded thousands of hits. But chances are, your computer or bundled office suite came with a database program: many versions of Microsoft Office come with Access; Corel WordPerfect Suite comes with Paradox.

The advantage of using a database program is that you can set up three databases—one for the items, one for the clients and one for the customers—that are linked together (that's what we mean by "relational"). This way you only have to enter each type of information one time, and each of those databases are tied together to create a complete record of what items came from what clients and went to what customers.

The *client database* would include. . .

- Contact name
- Business name
- Business reference number (to link to the item database)
- Address
- Phone number

The *item database*. . .

- Item
- Item number (to link to the customer database)
- Quantity
- Retail value
- Price paid (this one would remain blank until the bidding was over)
- Business number (to link to the client database)

The *customer database*. . .

- Customer name
- Customer address
- Customer phone
- Item number (to link to the item database)

You hook up the databases to one another using the reference numbers (which can be arbitrary but must be unique to each business or item). As items come in, you first set up the customer in the customer database, then set up the item in the item database. (For subsequent items from the same customer, you simply enter the client number in that field in the item database.)

When you've sold an item at auction, you create a record in the customer database, indicating how many of an item that customer has bought, using the item number as your reference. If you're just a little proficient with database programming, you can even have your database do the math! *If any reader knows of a specific computer application for radio auctions, let us know!*



Boosting Response

WRLO/WATK, Antigo, WI, recommended to us a unique technique to boost response for its daily auction. From time to time during the broadcast day, the announcer says, "It's time for the WRLO Auction Cash Call. If your number is on the 6-2-3 telephone exchange and the last four digits of your number total 18, call WRLO. You'll win our Auction Cash Jackpot of \$5.00. You can spend it just like money on tonight's Telephone Auction beginning at six o'clock." The station says the game attracts a lot of new bidders for its auction.

Auction Agreement Form

Here is the text of an auction agreement that we got several years ago from KOLY, Mobridge, SD:

This bonafide Agreement is between [CLIENT] and Radio Station KOLY. The following is the total agreement and both agree to the following conditions of participation:

1. Radio Station KOLY will accept quality merchandise at 80% of its actual retail price and guarantee this amount in an advertising credit which must be used immediately. This advertising credit is good only through the above stated date and is not convertible to cash. Rates for advertising will be \$10.00 for 60-second ads and \$8.00 for 30-second ads.
2. Regarding motor vehicles, snowmobiles, motorcycles and any other item requiring licensing or ownership cards: Advertiser supplying such item or items for Radio Auction guarantees to provide all such items free and clear of all encumbrances and will supply to Radio Station clear title within 10 days as stated and signed below.
3. Radio Station KOLY and Radio Auction will not accept any merchandise with a unit cost of less than ten dollars (\$10.00), and no more than ten (10) identical items per Advertiser will be accepted for auction.
4. Used items must be approved by the manager of KOLY.
5. All radio advertisements utilized by Advertiser in connection with Radio Auction is in addition to any existing advertising agreements presently in force, and it is agreed that Radio Auction credit cannot be applied to any other agreement. This exclusive radio promotion is separate, and Radio Auction advertising units will not earn frequency discounts.
6. This agreement is not valid until signed by Advertiser, Radio Station representative, and KOLY manager.
7. Advertiser agrees to display item or items in a prominent location prior to, during, and up to ten days following the Radio Auction. Items will be picked up by Radio Auction purchasers who will present Advertiser with signed certificates.
8. Radio Station employees and their families are not eligible to bid or participate in Radio Auction.
9. Radio Station and Radio Auction will not be libel for any faulty goods or services provided by Advertiser for Radio Auction.

So How's It Going?

Judging from the latest forecasts and reports, the economy is (a) rebounding, (b) in the toilet or (c) somewhere in between. Judging from the latest trending information, the radio industry is (a) rebounding, (b) in the toilet or (c) somewhere in between.

A rather unscientific survey of *SMRN* readers shows all of the above. Very few are experiencing a banner year, but on the other hand, very few are in the toilet, either. (As we've pointed out in these pages, the double-digit increases reported by the RAB and others are fueled by national spot sales, and most small market operators do not and cannot bank on national business.)

More than any other segment of our industry small market radio is intimately tied to the condition of our communities and the businesses that serve them. If businesses are doing all right, so are we. If the businesspeople who run them are feeling upbeat and optimistic, they are spending money on advertising. If the spirit of the community is good, if whatever industries fuel the community are solid, then everyone feels upbeat and optimistic and the money flows.

And the opposite is true as well. Although most small market operators seem to be holding their own and showing some growth this year, the drumbeats in our local communities tell us that happy days aren't quite here again. So we have to continue to be innovative; so what else is new?

08/28/2003 08/28/2003

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KQSS
BILL TAYLOR

08/28/2003

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Small Market Radio Newsletter

The Voice of Small Market Radio

VOLUME XX • NUMBER 28 • DECEMBER 19, 2002

AMBER ALERT WORKS IN NEBRASKA. Amid the wave of AMBER systems being set up under the auspices of state broadcasters associations across the country, at least one of them has already paid off. In Nebraska, an AMBER alert—going out on the air, lottery machines and interstate highway signs—saved the life of a baby girl abducted in Council Bluffs, IA and taken across the state line. According to Nebraska Attorney General Don Stenberg, “The AMBER alert system worked just the way it was supposed to. The safe recovery of a baby girl in a situation like this was the reason we put the AMBER program together here in Nebraska.”

UNIONS ARRAY AGAINST CONSOLIDATION. The Communications Workers of America (CWA) and other broadcast-related labor groups, including the Newspaper Guild, the Writer’s Guild and the American Federation of Television and Radio Artists (AFTRA) are criticizing the FCC’s contention, based on 12 studies, that consolidation had little or no effect on consumer service or program diversity. The criticisms are contained in a report by the Center for Economic and Policy Analysis entitled “Democracy Unhinged: More Media Concentration Means Less Public Discourse.” <http://www.cwa-union.org/news/WhatsNew.asp?ID=209>

AND THE LOSER IS. . . The FCC is threatening to issue a record-breaking \$300,000 fine, plus license revocation, for a panoply of offenses by WMGA, Moutrie, GA. The infractions include unauthorized transfer of control, tower problems and failure to respond to Commission inquiries.

ROSY PREDICTIONS from Interep Chairman/CEO Ralph Guild, who says radio’s recovery is “Real and Sustainable,” predicting that revenues this year will be up 6-8%, to over \$19 billion industry-wide. www.interep.com

JOCKS MAY SUFFER COLLATERAL DAMAGE in the Body Solutions, Inc. fracas. Beleaguered corporate parent Mark Nutritionals has filed for Chapter 11 amid lawsuits from radio companies and an investigation by the Federal Trade Commission. The FTC takes issue with deejays who have spouted glowing copy, but the jocks will dodge the bullet if they get on board a fight against false advertising. According to FTC Spokesman Tom Carter, “We are asking responsible members of the media to screen these types of ads. You don’t need to be a chemist to know these claims are false. This is not rocket science.” *Editor’s \$0.02: Remember when Body Solutions was one of radio’s great success stories? How radio operators around the country were patting themselves on the back for this great revenue cornucopia? Judging from the copy I heard at the time, it’s a wonder nobody smelled a rat. Or maybe everybody was too busy taking the money to take the time to make an ethical judgment. But don’t we have a responsibility to our audiences and our communities to be sure that what we run is legal, moral and ethical?*

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IN OUR 20TH YEAR

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• 26 Weeks \$104
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• One Year \$89
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NAB Radio Board Nominees

Here are the Radio Board nominees for the 2003 election. Members will elect representatives for odd-numbered radio districts. Ballots will be distributed January 7, 2003 and must be returned by January 24.

1-New England: *JoAnn Small Fisher, WKIT/WGON, The Gone Corporation, Bangor, ME.

3-PA: *Jerry Lee, WBEB-FM, Philadelphia, PA.

5-WV-KV: Sean Banks, WVAF/WKWS/WRVZ/WSWW/WCAW/WKAZ/WCHS, West Virginia Radio Corp, Charleston, WV; Larry "Speedy" Bevins, WVOW, Logan, WV; Walter E. May, WDHR/WPKE-FM/WPKE/WBPA-AM/WXCC-FM/WBTH/WPRT-AM, East Kentucky Radio Network, Pikeville, KY.

7-FL-PR-VI: Tony deHaro Welch, WROD-AM, Daytona Beach, FL; Bill Hendrich, WDBO/WWKA, Cox Radio, Orlando, FL.

9-GA-AL: John Began, Clear Channel Communications, San Antonio, TX; Ronald H. Livengood, WKEA-FM/WMXN-FM, Scottsboro, AL; James U. (Jim) Steele, WKBX-FM, Kingsland, GA.

11-OH: *Gunther Meisse, WVNO/WRGM, Mansfield, OH; David W. Palmer, WATH/WXTQ, Athens, OH.

13-MI: Bruce Goldsen, WKHM AM-FM/WIBM, Jackson Radio Works, Jackson, MI; Kenneth H. (Mac) MacDonald, Jr., WKCQ/WSAM/WEEG/WHZZ/WILS, MacDonald Broadcasting, Saginaw/Lansing, MI.

15-TN-AR: *George Devault, WKPT/WTFM, Holston Valley Broadcasting, Kingsport, TN; Robert Lakey, WKBL, Covington, TN; William J. Lord, WEPG-AM, South Pittsburgh, TN.

17-IL: Drew Horowitz, Bonneville International, Chicago, IL; W. Russell Withers, Jr., WMIX AM-FM, Withers Broadcasting, Mt. Vernon, IL.

19-OK-N.TX: Cathy Forsythe, KACC-FM, Alvin, TX; *Jerry Hanszen, KGAS AM-FM, Carthage, TX.

21-MN-SD-ND: Bob Bundgaard, KLKS, Lakes Broadcasting, Breezy Point, MN.

23-N.CA-AK: Rodney P. Chambers, KSUE/KJDX/KHJQ, Sierra Broadcasting, Susanville, CA; Dale Hendry, Mapleton Communications, Merced, CA.

25-OR-WA: Mike Chaney, KBND/KLRR/KMTK/KTWS, Combined Communications, Bend, OR; Andrew Skotdal, KRKO-AM, S-R Broadcasting, Everett, WA.

First-Quarter Couponing

Just in time for first-quarter planning, here are a couple of angles on the venerable coupon-book concept—one for advertisers and one for listeners—from the “Idea Swap” at NAB2002:

ADVERTISER COUPON BOOK. Instead of doing a coupon book for listeners, do one for advertisers instead. Offer special rates, discounts, packages—things that go on all year. We sold it in January; the book consisted of 27 different coupons; we sold it for \$200.

Coupon #1 was a free week of advertising. Others were things like. . .

- Discounts on remotes: buy a two-hour remote, get an extra hour free
- Buy five ads during the week of April Fools, get five more free
- Special rates during the week of preceding Presidents’ Day
- Purchase \$1,000 in advertising per month for three months, get an extra month free
- One of the coupons was for a free lunch with the GM; we didn’t know what that was worth, so we put “Priceless”

Some offers were totally free, some were discounted deals on year-long schedules. We did have some black-out dates, though, to avoid traffic nightmares during high-demand times.

All the coupons and the books were numbered, so we would always know what a particular advertiser had used. That way we could go back and say, “You haven’t used your Presidents’ Day coupon; shall we set it up?” It was also easy for traffic; we’d just staple the coupon to the order and that would constitute full or partial “payment.”

The results were good. The coupon book got people advertising right away and got them thinking about the rest of the year as well. We only sold 50 books, but that was \$10,000 in added revenue for the month of January. And it didn’t involve any registrations or give-aways. But don’t offer it to agencies! They get enough good deals as it is. *Scott Donovan, Kansas, scott.donovan@eagleradio.net*

LISTENER COUPON BOOK. This is a listener coupon book with 60 coupons in it. The number of coupons the advertiser got depends on which plan you buy:

- \$1,000 in advertising earns six coupons in the book
- \$700 earns four coupons
- \$400 earns two coupons

The plans were priced about \$2 higher per spot than regular advertising, to account for the coupon book. One thousand books were printed, using a print trade. The promotion brought in about \$10,000. *Greg Frizzel, New Hampshire*

Mental Gymnastics

I am by no means a jock (in this case, meaning “athlete”), but I do go to the gym two or three times a week. And I’ve noticed that sometimes I can do more reps (that would be “repetitions” to the non-jock) and lift more weight than at other times. Even in the middle of an exercise, I have noticed that just when I think I can’t do another rep, if I convince myself I can, I can.

So, even though what I’m doing is allegedly physical, it’s really almost all mental.

We’ve all heard those apocryphal stories about the 98-pound woman who lifts a car to free her infant; but maybe they’re not apocryphal after all.

The point is, *sales* is about 99.99% mental, too. And it’s about time we factored that into our planning and execution.

There are several ways we can fortify our attitude in the sales process:

- **Read positive-thinking books on a daily basis.** It doesn’t matter what book or what the content—for a list of recommended titles, visit www.smallmarketradio.com/readers.htm—just inputting such material regularly has a not-so-subtle effect on your outlook.
- **Use affirmations.** Stand in front of the mirror and say something like, “I am a great salesperson who succeeds by helping my clients succeed.”
- **Police negativity.** Some sales organizations use a “negativity jar” into which somebody must deposit a sum of money—make it enough so it pinches a bit—whenever he or she utters a non-positive thought.
- **“Testify” during sales meetings.** I’m not big on singing and shouting—but it works for Wal-Mart, Amway and Kirby—but a group recitation, forceful and with conviction, committing to the month’s station goal, does have an effect.
- **Give yourself pep talks.** Before each sales call, say out loud something like, “[Client] is going to love my first-quarter proposal and is going to invest in the “A” plan for \$1,000 a month.” Be as specific as you can about what you are proposing and the dollar amount you expect. Picture and *feel* the act of walking out of the client’s office with the order.

Yeah, this is kind of goofy if it’s the first time you’ve encountered it. . .but ask any super-successful salesperson and the chances are excellent that he or she has employed one or more of these techniques to get to the top.

You *do* want to get to the top, don’t you? Maybe that should be one of your affirmations, then.

A Most Unusual Small Town Station

by Bob Doll

In mid-October we received an e-mail from *SMRN* reader Roger Rafson, a Pittsburgh-based radio station sales representative. He suggested I do a story about WOXY, Oxford, OH. He told me that the station was “dying” 20 years ago when it was purchased by Doug and Linda Balogh, who, he said, “have made it a station to be proud of.” Following up that lead, we found what may be the most unusual small town radio station in the U. S.



Bob Doll

WOXY operates with 3,000 watts from an antenna 321 feet above average terrain. It does 80% of its business in Cincinnati, home to 43 stations (13 AM and 30 FM). Cincinnati is outside WOXY’s city-grade contour. The station has also found an audience and advertisers in Dayton, about the same distance from Oxford and Cincinnati. Dayton also has 43 stations.

Doug was a television producer in Chicago, and Linda was an executive with the Chicago office of a major national advertising agency. The two decided they wanted to go into business for themselves. Doug says, “My first choice would have been a television station. I quickly found out that such an undertaking was well beyond our financial capabilities. We then set out to buy a radio station.”

He continues, “We were not interested in a starter station. We wanted a station in a place where we could settle down and really enjoy life.” Oxford, Ohio has a population of 6,000. It is not a trade center, but it’s home to one of the nation’s finest liberal arts schools, Miami University, with 16,000 students and a world-renowned faculty of 1,000. And it is a short drive to Cincinnati and Dayton and a wealth of entertainment and cultural opportunities.

When Doug and Linda came into the picture, WOXY had been on the air for over 20 years. Five different operators had done various versions of small market radio without success. “We wanted to settle in Oxford and we wanted to buy WOXY, but knew we had to devise something different from what had been done. We had no radio experience, but we had been steady radio listeners. Chicago has over 100 radio stations and we knew that even the smallest radio stations were profitable if their owners found a niche to serve. After listening across the Dayton and Cincinnati radio dial, we found, that just about every program opportunity was being done—except Modern Alternative Rock. Even today there are only about a half dozen commercial stations in the country doing the format, but we decided it was a good choice for WOXY.”

Doug continues, “It was not an overnight success. It grew slowly but steadily. We lost money the first three years, then made back the money we had lost the next three years. Since then, for 14 years now, it’s been consistently profitable.”

Doug asserts, "We decided exactly what we want to do and stuck to it. It was tough in those early years, turning away business like religious programs, ball games and classified ads. We decided it was not worth alienating the audience we were building just to deposit a few dollars in the bank."


The Baloghs christened their station, "The Future of Rock 'N' Roll." The music would be focused on new artists and tracks by area bands. The music would be hosted by "easy paced" personalities who were "into the music." Commercials would be in keeping with the format; there would be no more than four stop sets per hour and no stop set would carry more than four units. Doug says, "We believe we have an obligation to be profitable, but we have no right to be greedy."

The station targets young adults 20 to 40 years of age who are above-average in income and education. "We tell our advertisers that to be successful on our station, their businesses should be part of our listeners' lifestyle." He points to two steady advertisers who have been on the air since "97 The Future of Rock 'n' Roll" made its debut almost 20 years ago: Budweiser Beer, and Everybody's Record Shop, in an East Cincinnati suburb. Musical instrument dealers and venues where alternative artists appear are also heavy users of the station.

Doug says, "We tell our advertisers, we are not a numbers buy. On our station, processes and value equal profit." Rates are between \$35 and \$45 per unit.

The station's public service schedule includes events and causes of interest to its target audience. "Being a university town, many of them take place in and around our community of license. One ongoing project is the station's auction. Items are announced on the air. Bids are taken on the station's web site. Items offered include rare or one-of-a-kind Modern Rock memorabilia. One hundred percent of the sales go to charities—currently polio irradiation, the Rotary International Foundation, and the area Habitat for Humanity projects.

The little station in the little town has attracted a lot of press interest nationwide. It's been the subject of articles in *USA Today Weekend*, *Rolling Stone* and *Spin* magazines. Its biggest publicity break came when it was part of the story-line in the Dustin Hoffman 1989 movie, "Rain Man."

Four years ago, WOXY began streaming its programming on the Internet ( www.woxy.com). In Doug's words, "That put our signal into some blank spots in Cincinnati and Dayton. It has also built a loyal audience far beyond our station signal." The station takes requests and comments from listeners via e-mail. (When we listened online to the station recently, the disc jockey on duty had gotten e-mails from Houston, Texas and San Francisco in a single hour.)

Doug cites Arbitron research of stations streaming on the web: in a 10-month period, Arbitron reported WOXY received 41.9-million hits, making it the 23rd most popular station on the Internet. Doug says, "I don't know how much that activity will ultimately be worth to us if ad revenue is concerned. We'll find out."

Contrast

By Jeffrey Hedquist

The use of contrast in a radio commercial will draw attention, make it interesting, create the unexpected and keep listeners from falling asleep. Too often commercials are all one flavor—a sea of audio beige.

Try juxtaposing silence and noise or two widely different music cuts to tell the story of two aspects of a product or service.

Use differing sound effects to switch the scene from one locale to another.

Your biggest opportunity for contrast is with voices. Play contrasting emotions off each other. Write your spot so that each character has one strong consistent emotion, different from the rest. After you've written the spot you can modify the interplay to build in some subtlety, to show some transition. The Bud Light commercials with Charlton Heston were good examples of contrasting voices and attitudes.

Something as simple as an alternating hard sell voice and a soft sell voice, both doing parodies of their genres can be both entertaining and effective.

Bob and Ray's "Slow Talker/Fast Talker" routine would be a good basis for a commercial. Contrasting lifestyles—old money/entrepreneur, formal/informal, timid/bold, irrepressibly happy/deeply depressed, Mr. Optimist/Mr. Pessimist. Two characters like Felix and Oscar, "The Odd Couple," could yield possibilities for a long-running radio campaign.

Whatever approach you use to build in contrast will add life to the story you're telling and perk up the ears of those jaded radio listeners. Dump the bland, bring on the salsa!

How to Get 'Em to Take Action

What is the goal of your radio commercial? What do you want your audience to do?

After you get their attention so they'll listen and then include enough cues from their lifestyle so that they'll stay with you—and provide enough seeds for their imagination so that they'll co-create your story—then what?

At the end of this wonderful sharing experience, hopefully they've fallen in love with your product or service. At least you want them to call a number, visit your place of business, tell a friend or go to your web site.



Jeffrey Hedquist

How can you help insure one of the activities takes place? Create a story about the listener taking the desired action (making the call, coming into the store, clicking on the site) and getting the result that will change his or her life.

The story is about the listener walking into that place of business, that restaurant, a story about the listener buying that book, participating in what the advertiser has to offer.

Tasting it, seeing it, feeling it, touching it, making it part of their life.

If you tell the story in an imaginative and engaging way, then taking that action won't be as foreign to the listener, because in their mind they've already done it. If you can get the listener to take the action in their imagination, then it's a smaller leap for them to take the action in their lives.

Remember, the story that you tell is about your listener and the advertiser - a team participating together to enjoy life more. Rather than asking someone to do something, tell a story about them already doing it and the result that it will have in their life. Have them see it in their mind's eye. Use the power of their imagination to help them make the decision.

What's bugging you about radio creative? You're in front of your computer picking up the phone and simultaneously calling Jeffrey Hedquist at 641-472-6708, faxing him at 641-472-7400 and e-mailing him at jeffrey@hedquist.com. Maybe you're even writing to him at P. O. Box 1475, Fairfield, IA 52556. You have questions. He may have answers. The adventure begins. © 2002 Hedquist Productions, Inc.



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Small Market Radio Newsletter



Small Market Radio Newsletter


The Voice of Small Market Radio


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IT'S THE SAM AND MICHAEL SHOW. In what has become a crowd-pleasing tradition, ABC's Sam Donaldson will once again interview FCC Chairman Michael Powell at NAB2003 in Las Vegas. The FCC Chairman's Breakfast will take place bright and early on April 8; the entire show is April 5-10.  www.nab.org/conventions/nab2003




FIFTH ESTATE VICTORY IN VIRGINIA. A Federal appeals court in Richmond recently held that two Connecticut newspapers could not be sued for libel in Virginia because they had posted Internet articles, readable by Virginians, that allegedly defamed a Virginian. According to the court decision, merely placing information on the Internet is not in itself enough to warrant a lawsuit in another state.

RADIO WAYNE SILENT AUCTION AT RAB2003 AND NOW ONLINE. The third auction, named for the late, legendary Wayne Cornils, will be held during the RAB conference in New Orleans, January 30-February 2. Donations of \$50 or more are now being accepted; all donors of same are eligible to win one of two free RAB Radio Training Academy registrations. In addition to the display at the RAB show, the auction will also be fully online—viewers can browse and bid at the RAB2003 web site.  www.rab.com (click on "Silent Auction")

NEW WAYS TO PLAY. Two product lines may change the way people consume their Internet entertainment. The Neuros is an MP3 player with an FM transmitter to broadcast downloaded music to a nearby radio. The price starts around \$250; it'll be available in January. Meanwhile, the iRock is a small FM transmitter that plugs into the headset jack of any audio source and beams the sound to radios within about 100 feet. *Editor's \$0.02: This is my personal favorite way of listening to my own radio stations's streams anywhere in my (tiny) house.*  www.neuroaudio.com, www.myirock.com

FCC SNAFU EXTENDS EEO DEADLINE. Because the proposed rulemaking didn't get into the Federal Register in a timely way, the Commission is allowing more time for comments on its new EEO rules. The new deadlines: comments, January 16; reply comments, February 3.  www.fcc.gov

UTN STILL UTN. Caving to litigation by United Stations Radio Network, the network formerly known as "United Talk Network" is now "Universal Talk Network." At least they won't have to change their monogrammed towels.  www.universaltalknetwork.com

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TOP OF THE WEEK


DISCOUNTED RAB2003 REGISTRATION FOR SMRN READERS ONLY. We're excited to announce that the RAB is offering special benefits to *SMRN* subscribers for RAB2003:


- *Discounted registration* for new registrations (made on or after 12/19/02) of only \$425, good right up to the date of the conference. (Log on to www.smallmarketradio.com and click on "Subscribers Only" to obtain the special registration code and instructions.)
- *A special session* at the conference presented by *SMRN* called "The Small Market Idea Exchange," hosted by your humble editor. The session takes place Saturday (2/1); it's going to be a fast-paced hour when the ideas will fly fast and furiously. And they're all great ideas you can put right to work when you get back—because they're from small market radio operators in the trenches just like you!
- *Win a free registration to RAB2003* by entering our "Idea Exchange" contest. Just submit to jay@jaymitchell.com the best, most money-making, audience-grabbing promotion you've done this year. Our panel of expert RAB-*SMRN* judges will pick the best of the best, and if it's yours, you get a free pass to the RAB! (Of course, you still have to get there and stay someplace, but you save the registration fee! And you know you should go anyway.)

To me, all this shows how committed the RAB is to us small market guys; let's show the RAB how committed we are to our own success by registering today!

SHANNON OFFICIALLY LEGENDARY. Veteran PD and air personality Scott Shannon will be inducted into the NAB Broadcasting Hall of Fame at the NAB2003 Radio Luncheon, April 8 in Las Vegas. *Editor's Appreciation: I was in the New York market when Scott zoo-kept the "Morning Zoo" on Z-100. It was an awesome show. Scott's a brilliant guy who's put a big footprint on our industry.*  www.nab.org/conventions/nab2003

OUR PRODUCTION GUY AT RAB2003. Good friend and frequent *SMRN* contributor Jeffrey Hedquist will be speaking at RAB2003 in New Orleans. His session, "The 60-Second Copywriter," focuses on one of the biggest obstacles faced by salespeople and producers—no time. True to the title, you'll get proven copywriting techniques that only take about a minute.  www.rab2003.com

RADIO-MERCURIES 2003 ENTRIES ACCEPTED. The 2003 Radio-Mercury Awards call for entries begins January 1. Thirteen cash prizes will be awarded, valued at over \$150,000, including the \$100,000 Grand Prize. New this year: the Public Service Announcement Category award will include a cash prize of \$2,500 in addition to a trophy.  www.radiomercuryawards.com

MONTHLY RETAIL SALES BETTER THAN PREDICTED. The Commerce Department released its November report showing that retail rose 0.4% in November, stronger by a tenth of a point than expected. The auto sector was weak, and department stores were down 1.4%—due, it is hypothesized, by the unusually late Thanksgiving this year.  www.commerce.gov

February Business Opportunities

The following businesses report average or above-average sales in February:

Auto Repair Facilities
Book Stores
Office Supply Stores

Optical Goods Stores
Tire Dealers
Video Stores

—RAB's Top 40 Business Survey

February Promotional Opportunities

Months

AMD/Low Vision Awareness Month
American Heart Month
Black History Month
International Boost Self-Esteem Month
International Expect Success Month
Marfan Syndrome Awareness Month
National African-American History Month

National Bird Feeding Month
National Cherry Month
National Children's Dental Health Month
National Hot Breakfast Month
National Weddings Month
Spiritual Teachers Month
Wise Health Consumer Month

Weeks

Feb 1-7—Women's Heart Week
Feb 2-8—Children's Authors & Illustrators
Week
Feb 3-8—National Consumer Protection Week
Feb 3-7—National School Counseling Week
Feb 9-15—Celebration of Love Week
Feb 9-15—Heart Failure Awareness Week
Feb 9-15—National Family, Career and
Community Leaders of America Week

Feb 10-14—Cardiac Rehabilitation Week
Feb 10-16—Live to Give Week
Feb 10-16—National Child Passenger Safety
Awareness Week
Feb 14-21—National Condom Week
Feb 16-22—International Friendship Week
Feb 16-22—National Engineers Week
Feb 16-23—National FFA Week
Feb 17-23—Nostalgia Week

Days

Feb 1—Women's Heart Health Day
Feb 2—Groundhog Day
Feb 3—Anniversary of Deaths of Buddy
Holly, the Big Bopper & Richie Valens
Feb 5—National Girls & Women in Sports
Day
Feb 5—Weatherman's (Weatherperson's) Day
Feb 6—Pay A Compliment Day
Feb 8—Boy Scouts of America Founding
Anniversary
Feb 9—Man Day
Feb 9—World Marriage Day

Feb 12—Abraham Lincoln's Birthday (Actual)
Feb 14—National Have-A-Heart Day
Feb 14—Race Relations Day
Feb 14—Valentine's Day
Feb 17—National PTA Founders' Day
Feb 17—Presidents' Day
Feb 18—Washington's Birthday (Observed)
Feb 19—Anniversary of Iwo Jima Landing
Feb 22—George Washington's Birthday
(Actual)
Feb 23—Iwo Jima Day
Feb 25—George Harrison's Birthday

—Chase's 2003 Calendar of Events

Sales Bites

Some advertising intelligence gleaned from *media* Magazine (November 2002):

DON'T TOUCH THAT BUDGET. Last month's session of the Advertising Research Foundation conference in New York addressed the dilemma of cutting ad budgets in tough times. It concluded that an ad spending cutback can be a market share killer. "Successful brands have to be effective in a number of areas, but one of the most important was the use of advertising," said Dr. Stephan Buck in his report, "The Impact of Heavy Ad Spend Cuts on Premium Brand Share."

Dr. Buck continued, "The clear finding was that those with the highest ad spending at the beginning of any period were most likely to increase their share during the period. The advertising preceded the growth, which certainly supports causal connection."

Buck, an analyst for Taylor Nelson Sofres [TNS], referenced several reports. His overall conclusion was that a study of the three economic downturns over the past 30 years shows that those brands who maintained advertising continuity performed better in terms of market share than those who cut ad spending.

COMMERCIAL COSTS KICK UP. The average cost to produce national television commercials in 2001 increased 8% for 30-second spots and 5% for commercials regardless of length, according to the American Association of Advertising Agencies [AAAA] *2001 Television Production Cost Survey*. The results contrast the previous year's report when the average cost to produce a national spot declined 3% for 30-second spots and 1% for commercials regardless of length.

E-MAIL HURTING TRADITIONAL MEDIA. The rise of the Internet and e-mail is curtailing the use of traditional media. A survey of users by GartnerG2 conducted this summer shows that TV and newspapers are the hardest hit, with 20% of respondents saying they use them less often. Fifteen percent read magazines less often.

INTERNET CUTS INTO NEWSPAPER'S SHARE. The Internet isn't going to kill newspapers, but a study says the newest mass medium is forcing the oldest to rethink its business model, and the Internet could cause severe problems if newspapers don't change. The study, conducted by Gordon Borrell of Borrell Associates Inc. and Clark G. Gilbert of the Harvard Business School, warns that newspapers need to understand that their business is changing. "They're not going to die any time soon, but they will be transformed, and we think significantly, by the disruption caused by the Internet," Borrell said. The change is already happening in classifieds, once the newspaper industry's exclusive province and among its most profitable franchises. But since the late 1990s, newspapers have seen their classified business fall as employment and other web sites have been siphoning business from them. That's only going to continue, and the future could mean a newspaper without classifieds, because that business will migrate to the more efficient Internet.

A Brief, Incomplete History of Radio

by Dan O'Day

This article originally appeared in The Dan O'Day Radio Programming Letter and is reprinted here with the permission of the author.

A program director asks: "When training new DJs, what are the most important things to start with?" Answer: *Tell them stories. . .*

. . . about how and why you got into radio, who influenced you, your best radio moments, what you still hope to achieve. War stories about broadcasting despite impossible conditions, accidentally locking yourself out of the studio, on-air flubs.

Stories about personal connections that have been made with listeners: The girl who called to request her late grandmother's favorite song. . . the fan who sent you chocolate chip cookies on your birthday. . . the listener who berated you for mispronouncing the name of his favorite artist.

Stories about transistor radios under the bed covers and at the beach. Endless struggles to control the car radio buttons. "Would you *please* turn that down," and, "Wait, I want to hear this!" Novelty records and girl groups and Motown and Stax and Cadence and Elvis from the waist up and hearing "I Want To Hold Your Hand" for the very first time.

Stories about lovesick teenagers dedicating songs back and forth to each other. About children turning on the radio before they're even awake, feverishly hoping to hear those magic words from their local disc jockey: "No school, snow day. . ."

About loneliness and a solitary voice reaching out to you. About making a complete stranger laugh or reflect or remember. About baseball games from far away on car radios. About someone driving across town or across country, with only you and your radio brethren for company.

Stories about Larry Lujack and John Records Landecker and Robert W. and Wolfman Jack and Gary Owens and Dr. Don and Kenny Everett (ask someone from the UK about Kenny) and those crazy young jocks who brought American-style radio to Europe in the 1960s by taking to the seas in honest-to-God pirate radio ships (imagine broadcasting under the worst possible conditions; now imagine doing it while seasick).

Stories about bad news and everyone immediately turning on the radio. About sad news and where you were when you heard it. About practical jokes and misunderstandings and mild or wild revenge.

About getting fired, packing up the U-Haul, and being scared all over again. Getting angry, getting older and "the good old days." Staticky voices crisscrossing in the night. Fifteen-hour air shifts, flaky jocks, disappearing engineers.

Stories about legendary radio people you almost met in an elevator at a convention. The major market PD who did you a favor; the request line caller you can't forget. Practical jokes on the news guy, disappearing stationery, and a bedroom full of promo records that one day will be worth something.

Staying up late talking radio, swapping tapes, "borrowing" ideas, "embellishing" your ratings, deepening your voice, losing your voice, losing your place, losing your keys, losing your cool.

Wire service copy paper, 15-inch reels, pin-controlled automation. Caffeine addictions and junk food and whatever the station could trade for. Old friends, borrowed headphones, uncontrollable sleep-deprived

laughter. Razor blades, splicing tape, grease pencils. Draping the tape edit over your shoulders until it was safe to throw away. Cue tones, cue sheets, in cue, out of breath.

Slip-cuing, back-announcing, and hitting the post. Egos, rivals, and friendships. Imagination, excitement, Orson Welles and Jack Benny and Ma Perkins and Franklin D. Roosevelt and Arthur Godfrey and Don McNeil's Breakfast Club.

Losing jobs, gaining weight, changing names. "How do they do that?" and "Listen to this!" Storz, McClendon, Drake and Chuck Blore's "Color Radio." Play-by-play and blow-by-blow; sports scores and election returns and Number One on the charts this week. 7-7-7, First Ticket, Hooper, Pulse, "You don't look anything like you sound!"

"What am I doing with my life" and seven-day work-weeks and "I can't believe I get paid for this!" Slow-starting turntables, nickel on the tone-arm, the cart machine sticks. Stories about hotlines, hot shots, skimmers, phantom cume, time checks, time warping, ratings, feelings, winning, showing off. T-shirts and coffee mugs and iridescent frisbees. *Billboard* and Claude Hall and *Cashbox* and *Record World* and *R&R* and Bill Gavin's green pages.

Floods and tornado watches and power outages and school lunch menus. Lost dogs, lost accounts, lost tempers. Jiving, shouting, rhyming, whispering. Hiccup remedies, lemon 'n' honey, and good old-fashioned adrenalin to save the day.

Embarrassed, elated, delighted. Hi-Low, Name It And Claim It, and Dollar-A-Holler. Playlists and station surveys and Good Guys. Q, Zoo, and Boss. Bob & Ray and Mike & Elaine and The Monitor Beacon.

Jingles, stickers, Chickenman and The Oidar Wavelength. Silly stunts, intense rivalries. *Passion*. B-sides and label colors and songwriter credits. Favorite songs, favorite artists, favorite moments.

Newspaper wars, live remotes, and meter readings. Shouts, stingers, sweepers, staggers, stabs. Make-goods, live tags, rip 'n' read and back-timing to the news. Allan Freed and Dan Ingram and Cousin Brucie.

Beat the Bomb and Lucky Bucks and Battle of the Bands. Pinning the needle, pegging the meter, riding gain. Feedback and wrapping the capstan and "Hold on a sec, I gotta go on the air." Sign on, sign off, warming up the filament and compression, compression, compression!

Gates board with rotary pots; Automax and Volumemax. Intros, outros, ramps, talk-ups. False endings and records popping & skipping and carts jamming.

"Philosophical differences" and late-night resume photocopy sessions. Tight board, good pipes, will relocate. The big break, bad luck, skip waves, skipping town with the air staff's paychecks.

Cuing past the splice, heavy phones, cue burn. Solid Gold, Hot Nine at Nine, Hot 100. WABC and KHJ and KLIF and WOWO and WLS and making it to the big markets.

Friday night countdowns, Saturday Swap Shops, Sunday drag racing commercials, twin spins, double-plays, triple-shots and instant replays. Romantic entanglements, broken hearts, big dreams, small wins, and "Garbage Mouth Leaves Cleveland."

"NO ONE is to touch these carts! And that means YOU!"

"Were you listening when. . .?" and "What'd ya think?" and "You should have been there."

Then explain to that new jock: *Now you are there. What are you gonna do with it?*

Get your own FREE subscription to The Dan O'Day Radio Programming Letter today at www.danoday.com/free.shtml.

The First in Our Neighborhood

By Bob Doll

In October, when the FCC authorized radio stations to commence digital broadcasting, a Commission spokesman hailed the rulemaking as the most significant technical advancement since the advent of FM broadcasting in the early 1940s.

Like most technical advances, broadcasters seem to be going slow to embrace it. That's particularly true in the small markets, where the operators have to spend their own hard-earned money. But we call your attention to one very notable exception:



Bob Doll

Just as soon as the Commission rulemaking was released, WILE-AM and WSHW-FM at Frankfort, IN began transmitting digital signals on both stations.

The stations have been owned and operated by Vern Caspar for many years—the AM since 1959 and the FM since 1962. His connection with broadcasting dates all the way back to 1935, when at 13 years of age he became an FCC licensed amateur operator. For 68 years, he has taken part in every technical improvement in radio.

Now Vern has the distinction of being the first small market operator in the country to embrace in-band on-channel digital transmission. When we attempted to reach him, he was in Missouri on a supervision trip to his other stations, KWRE-AM and KFAV-FM at Warrenton, MO. Those stations, like the Frankfort stations, will be transmitting digitally within days.

Russ Caspar, who manages the Frankfort stations, says, "My dad and I may be the only people who've ever heard our stations' digital signal. The sets are not out there yet, but, they'll be coming quickly. When we listened to our AM station in the iBiquity van, the sound was awesome. When listeners hear it, it's something they're going to want."

The Frankfort radio stations are a key element in getting sets to consumers. The stations' transmitters are just a few miles from the Kokomo, IN plant where they're making auto radio receivers capable of picking up iBiquity digital IBOC AM and FM stations. General Motors' Delphi-Delco radios, made in Kokomo, will be displayed and demonstrated at the Consumer Electronics Show in Las Vegas this January.

ON A PERSONAL NOTE. . . I'm sure I am not alone in planning for the future at this time of the year. Folks are living longer now. The average lifespan is growing by three months every year. I'm glad I came across Vern Caspar's story this week. He turns 81 on January 15th and is engaged in a pioneering radio effort. We're glad to include this story for two reasons: First, the iBiquity system does work. Second, and more important for those of us facing the prospect or the presence of old age, Vern's secret deserves emulating: stay involved and embrace new opportunities. Happy New Year(s)!

Resolved:

This year I've resolved to give my New Year's resolutions some teeth. (So I suppose that's my first resolution right there.)

I resolve to live by the Rotary 4-Way Test: "Is it the truth? Is it fair to all concerned? Will it build goodwill and better friendships? Will it be beneficial to all concerned?"

I resolve to apply the 4-Way Test to everything I do in my business. "Fair and beneficial to all concerned" should mean *all* concerned—employees, clients, listeners, readers, the community, shareholders, the bank, our suppliers. Oh, and "all concerned" includes me, too.

I resolve to make profitability my first but not my only priority. For its own sake, profitability is without value; but it's incredibly powerful as a means to enrich the lives of "all concerned."

I resolve to remember that the work lives of our staff and me are but a fraction of life itself, and to encourage balance and high quality in the total life.

With that, I wish you a very happy holiday season and the very best health and good fortune in the new year!

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08/28/2003

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