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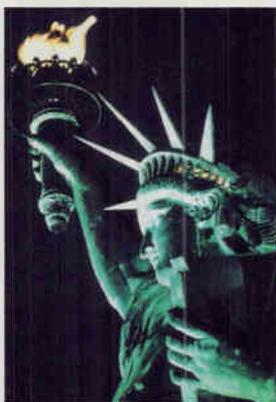
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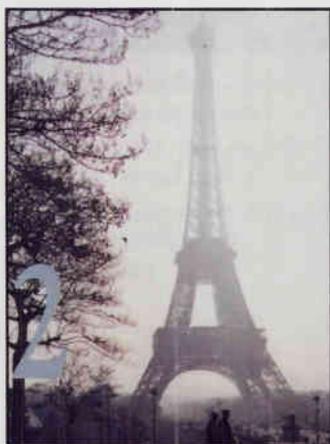
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M A G A Z I N E



Market Watch: New York. See how the nation's number one radio market takes a bite out of the Big Apple, to the tune of \$419.7 million

8



International: What's the state of DAB around the world? Looks like the rest of the globe may have a jump on the U.S. this time.

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Format Focus: Modern rock radio is researched as much as any mainstream format nowadays. Has this taken the punch out of alternative?



Deregulation: The deregulation of ownership caps will likely rewrite the future of the radio business. Explore both the regulatory and finance ramifications of the telecom bill.

10/21



DOUBLE TAKE

“New York is a trendsetter in fashion and many other things, but the city is generally behind the rest of the nation in mass appeal radio formats.”

—Michael McVay, McVay Media

See page 8.



Radio's New Magic Kingdom

.....
by Charles Taylor

OK, who's next? And who can keep up? What a month August was for broadcasting: Disney buys ABC; Westinghouse purchases CBS; Chancellor acquires Shamrock; and Jiffy Lube takes on Infinity.

Just a little joke on that last one there. In any case, these mammoth deals offer a pretty clear glimpse of the industry's future, particularly in light of the probable deregulation of ownership caps. With little doubt, the once-intimate business of radio has become an industry of global proportion.

With this, more questions than clues prevail regarding the impact of these mega-deals on the airwaves of the nation's radio markets, from New York to Casper, Wyo.

It's apparent the industry must fortify itself with deep pockets and tested ideas to compete with imminent technologies like satellite audio and DSS, which will offer the public more listening options than ever—but at what price? Might not the predominant empires find it most efficient to serve up cookie-cutter formats around the country, so that radio in Philadelphia has little singularity over the medium in Denver?

Group W Radio and ABC both have a tradition of carefully tailoring their stations' formats to the marketplace. Hopefully, this favorable trend will be maintained, despite current leanings toward carbon copy formats around the country like Arrow, Mix, the Edge and Jams/Jamz.

More questions: Which among new corporate-laden, budget-propelled entities will be willing to take a chance with a new, untested format? And are we enduring the final days of single-property owners in top 100 markets, and with that, the ingenuity and idealism that chaperons entrepreneurship?

Finally, what bearing will ownership consolidation have upon stations in markets that the big boys aren't interested in—those from 101 to 261 where the actual majority of stations in the U.S. are doing business? Will they lose their voice in political and economic arenas against the collective articulation of Disneys and Westinghouses?

The word at this juncture is that the House

and Senate will work out differences in their versions of the telecommunications bill by year end. Clinton isn't expected to assemble enough votes to enact a veto. I'm amazed at the speed with which this issue has progressed on the Hill; there are a lot of issues that should be hashed out before such sweeping legislation leaves its permanent and profound impact on our industry. I've shared my opinion, now it's time to make your voice heard. Right now.



It was the summer of 1987 as I sat on the train that first time heading from Washington to New York. In typical radio geek fashion, I was outfitted with headphones and a Walkman, recording samples of every signal I stopped upon as we headed north.

As the train neared Penn Station, I recall tuning into what I regarded as a really hip, refreshing dance groove with a great hook. "Only in New York," I thought. "You won't find radio like this anywhere else."

It turns out the song I put to tape was "Only in My Dreams," the debut hit from Debbie Gibson. The station was Hot 103, now Hot 97 WQHT-FM, New York's home of hip hop and an unlikely outlet for the post-teen singer today.

OK, so my perception may have been a little overzealous as applied to that tune, but I was right on in thinking that New York radio is in a class unto itself. This month, The Radio World Magazine's Market Watch tackles the nation's number one radio market.

Correspondent Frank Beacham, whose personal perspective includes careers in both New York and runner-up market Los Angeles, found that the market shies from taking many format risks—the stakes are too high—but its leaders typically tackle radio with acuity and panache. The story begins on page 8.

THE Vol. 2, No. 9, Sept. 1995
Radio World
MAGAZINE

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The Radio World Magazine (ISSN: 1078-2184) is published monthly, by Industrial Marketing Advisory Services, Inc. 5827 Columbia Pike, Third Floor, Falls Church, VA 22041. Phone: 703-998-7600. FAX: 703-998-2966. Second-class postage paid at Falls Church VA 22046 and additional mailing offices.

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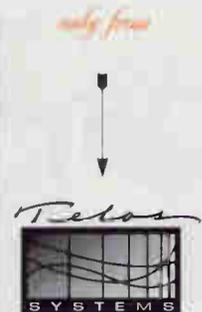
Zephyr owners who want to add Layer II compatibility may send their units to Telos for the necessary hardware and firmware changes. The modifications are free; users need only pay to ship their units to Telos. We'll pick up the return cost.

In late August, registered users will be faxed a notice with complete program details. Not sure whether your units are registered? Fax us or send us e-mail for registration forms.

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to return your units four working days later. Work will include: changing required motherboard parts; installing EPROMs with new firmware, and giving the unit a thorough factory once-over.

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Costs vs. Technology

I enjoyed the article, "Education vs. Experience" in your August 1995 issue. It certainly hit home. I am the director of broadcasting at Curry College, Milton/Boston, Mass. My colleague Fran Berger at Emerson hit it on the head when she indicated how challenging it is to keep up with costs and technology.

Should we go digital or analog? How can we train our students to "cut" if they are totally immersed in digital? The answer we have found is to provide both. We are very fortunate to have our own building for WMLN-FM. This permits us to have a digital and analog production studio for training.

Either way, there is always the good fight to keep up with technology, so that we are a reflection of the "real world," which is a term that seems to be misunderstood. The whole idea behind a radio facility located on a college campus is to have a reflection of the "real world," only with a more forgiving attitude.

On a closing note, it was really great to see a comprehensive article on what higher ed is doing with broadcasting and broadcast journalism.

Professor Alan H. Frank
Director of Broadcasting/WMLN-FM
Curry College
Milton, Mass.
afrank@curry.edu

Where Do I find...

I really enjoy reading your magazine, especially the article in your August 1995 issue about education vs. experience. The story was very interesting, but I have one concern with the education aspect of radio.

I am currently in my last year of college. Learning the theories, ethics, journalistic jargon and the technical skills of the industry is easy. But what about the management end of things? How does a person learn those skills? For instance: how to contact record companies, the correct programming techniques, how to increase sales and prof-

it, promotion ideas, how to deal with the FCC and other such tasks of directors and management.

The reason I ask is because this year we have a new radio station on campus and I've been placed in the position of program director. I've been in the radio industry now for nearly three years and have gained a lot of my knowledge from asking questions, hanging around after hours and snooping through station garbage cans. I've been lucky to help put the station together by deciding on which equipment to use, the format to follow, control design and so on. But the only thing that has gotten me this far is my wide range of experience.

So where do I learn the skills to tend to the needs of a station and its staff? And when college is done, how do I apply my ideas without stepping on any toes? Where do these skills come from?

Jon "Michael Stevens" Froehlich
Program Director, KZOW
Waldorf College
Forest City, Iowa

The Editor responds: First, Jon, congratulations on your success in radio; you should be proud of the accomplishments that your ambition and passion for radio have already brought you.

You ask some tough questions; I'm not sure I have definitive answers that will satisfy you. As you enter a hands-on role in the broadcast industry, I believe you'll be well prepared with your curriculum of theory, technical skills and practical knowledge at KZOW. But there are some things that just can't be taught—management in the sense that you describe is one of those things.

Many of the skills you ask for come with time, experience and from working with good people who understand how to teach the practical aspects of broadcasting outside of the classroom experience. You're on the right track by hanging around and keeping your ears and eyes close to anything that might help you learn (though I'd be careful snooping through the trashcan).

A next step would be to search out a broadcast mentor in your community. Let him or her know of your interest and involvement at Waldorf College, and see if he/she would be willing to let you help out here and there, giving you the opportunity to learn first-hand those skills that are better emulated than taught in an academic setting.

One of the most important elements of good management is judgment, something that best comes with time. As you make decisions in your role as program director, using the good base you'll gain through watching your mentor, I think you'll find that many of these skills will become yours with time and experience.

In the mean time, keep your nose in as many trade publications as you can find, read, ask questions and be willing to try anything that

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will help you gain experience in broadcasting. I encourage active radio managers to add their two cents. Who knows, we could be talking to the next Scott Ginsburg here.

Self-Taught Not Enough

With all the major mergers and the amount of duopolies forming, how is a person going to obtain their first station and be able to compete? Where should someone out of college start?

I have started a station at Coe College with less than \$30,000. The college does not have any radio classes and everything that anyone at the station knows is self taught or from Radio World publications. Where can the students involved at KCOE expect to end up once they graduate? What can we do to make the station better at training students for the job market?

I enjoy reading RWM and try to use the articles to the best of their ability at KCOE.

Josh Welter
KCOE, Coe College
Cedar Rapids, Iowa
JWELTER@coe.edu

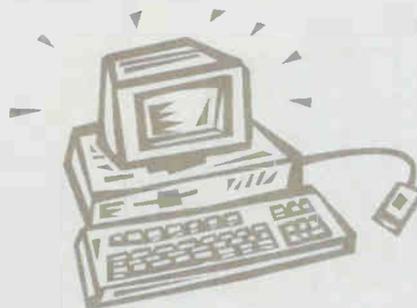
The Editor responds: Boy, you guys are putting me to the test this month.

Again, Josh, I would encourage radio managers from within your community to involve themselves voluntarily to help your students gain what practical knowledge they can. Perhaps you could invite leaders from programming, sales, promotions and engineering to fire up your radio station staff with guest lectures. You might also encourage students to pursue internships in their hometowns during summer months.

No denying that yours is a tough position, Josh. Best of luck.

Mapping Radio Web Sites

A letter in the August issue of The Radio World Magazine discusses the need to have



a continually updated list of radio station World Wide Web pages. This is a great

idea. Meanwhile, there is another Web address where your readers can find links to online radio stations: RadioSpace at <http://www.RadioSpace.com/welcome.html> has a clickable map of the U.S., which points to a state-by-state directory of station links.

The "cool resources" page on RadioSpace also has a link to Corey Dietz's home page, which features a directory of radio station e-mail addresses.

RadioSpace has a variety of other news and programming resources for radio station staff, including broadcast-ready sound bites and scripts.

Steve Murphy
Digital_Jockey@RadioSpace.com
Pittsburgh

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new york

It's natural enough to assume that New York, the nation's number one radio market, would be a cutting edge trendsetter in broadcasting.

Don't bet your King Kong trading cards on it.

Like the theaters on Broadway, New York City's top radio stations tend to innovate only when those innovations have first been proven elsewhere. On Gotham's big stage in the tightfisted '90s, experimentation is considered too risky.

"New York is a trendsetter in fashion and

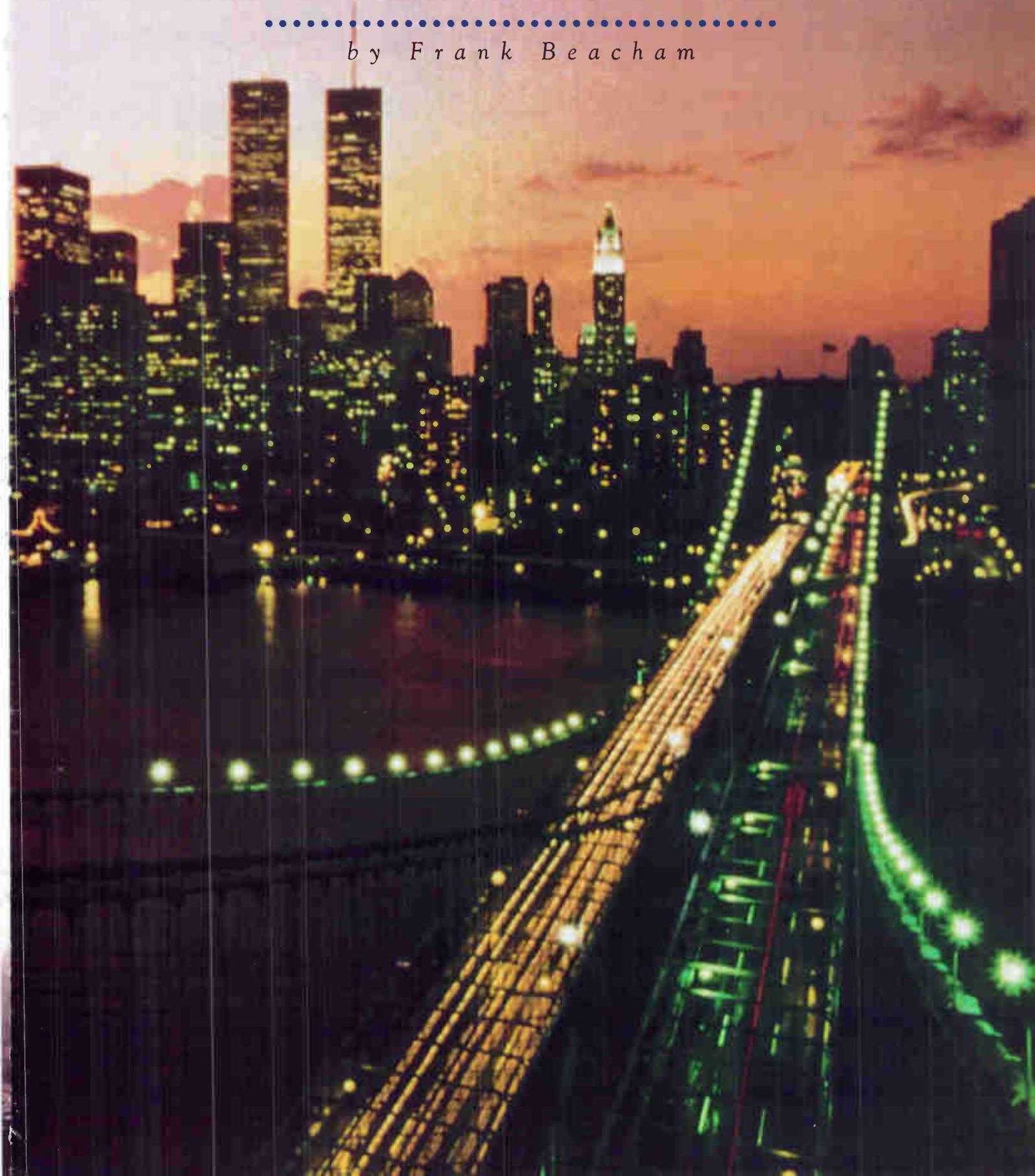
many other things, but the city is generally behind the rest of the nation in mass appeal radio formats," says Michael McVay, whose McVay Media provides programming consulting to more than 100 radio stations.

Dollars at stake

The reason the market is so conservative, not surprisingly, is that so many dollars are at stake. "Many of the advertisers—national and local—are based in New York City. People ➤

Radio City Basks in Prosperity With Conservative Tactics

.....
by Frank Beacham



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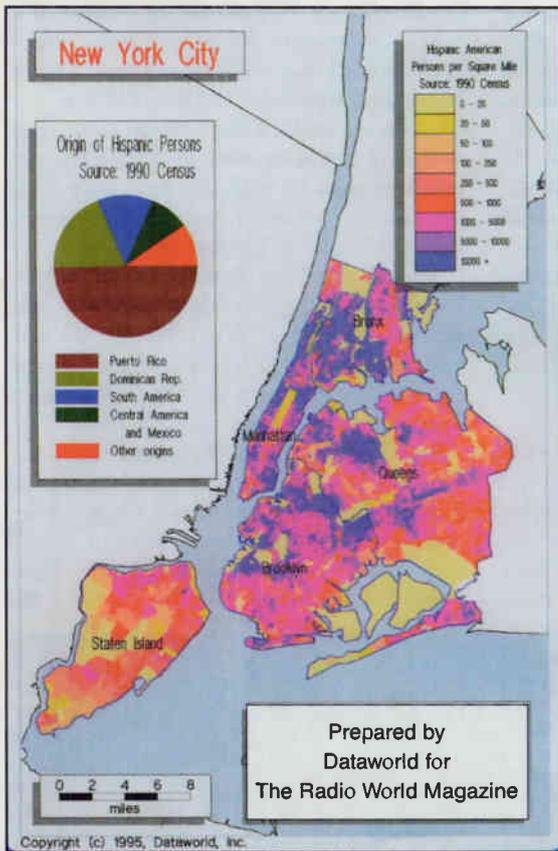


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are afraid to step out and take a chance because there's so much you can lose," McVay says. "Generally, New Yorkers sit back and say, 'Let's wait and see what's successful elsewhere before we take a chance.'"

New York is the largest and most listened to radio market in the nation, even though the number of stations in both the city and its surrounding areas have shown little growth in the past 20 years. The rest of the country, in contrast, has seen in excess of a 10 percent increase in new stations over the past five years.

The city's 17 million listeners can choose from as many as 100 stations broadcasting from New York, New Jersey, Connecticut and beyond. The stations offer a rich palette of languages and cultures, with programming ranging from Sunday sermons at Harlem's Abyssinian Baptist Church on WRKS-FM to hardcore country on Laura Cantrell's "Radio Thrift Shop" on WFMU-FM.

The serious business

But the serious business of New York City radio is measured on 23 stations that serve the core urban market. Total revenue for these stations in 1994 was \$393.2 million, according to New York Market Radio, an organization that develops new business for the city's broadcasters. (If you are tempted to compare that figure with total Los Angeles

market revenues, don't. The numbers are measured differently in L.A., making comparison between the cities difficult and adding fuel to the intense rivalry between the two top U.S. radio markets.)

There are many misconceptions about New York City radio, says Sandy Josephson, executive director of the New York Market Radio Association. One is that Manhattan dominates the market. In fact, Manhattan represents only 9 percent of the metro listening area. North and central New Jersey command 31 percent of the listeners, Long Island 16 percent and the city's other boroughs a little over 40 percent.

"People tend to think of the New York market as Manhattan, but it certainly doesn't represent the whole market," Josephson says.

This leads to a second misconception: that New Yorkers don't drive. The numbers, Josephson says, show the opposite is true. In morning drive, 5.7 million adults in the New York City area are listening to radios in their cars.

Between 10 a.m. and 3 p.m., there are more than four million auto-bound listeners.

"There's a lot of driving in and out of the city despite the fact that people take buses and trains," Josephson says. "There are short driving trips just to get to buses" ➔

New York Financial Snapshot

Market Rank: 1
Revenue Rank: 2
Number of AMs: 27
Number of FMs: 32

Revenue 1991: \$349 mil.
Revenue 1992: \$348 mil.
Revenue 1993: \$371.6 mil.
Revenue 1994: \$419.7 mil.
Revenue 1995: \$440.5 mil. est.

Revenue Growth
88-93: 4.0%
94-98: 5.9% est.

Local Revenue: 85%
National Revenue: 15%

Source:

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Business Profiles
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Occupational (SOC)

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Store Counts
Industry Types

- ◆ **Geographic Boundaries**
Retrieval Options:
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and trains. Then there's a tremendous amount of driving from place to place outside the city."

New York's stations have the largest number of listeners of any market in the nation. In a recent poll based on Arbitron surveys, N.Y. outlets represented nine of the top 10 of America's most listened-to radio stations.

If there's any real trend in the New York markets, it's the movement from broadcasting to narrowcasting. Driven by market research and changing economics, the top stations continue to slice and dice their pop music formats into thinner niches.

Remarkable stories

The most remarkable programming story of 1995 is undoubtedly the strategy behind Emmis Broadcasting's WRKS, KISS-FM. Last January, KISS abandoned its urban contemporary format and became the first New York station to specifically target an older

black audience by limiting its playlist to a hybrid of "smooth R&B and classic soul." Preferred artists in the format include Luther Vandross, Anita Baker and Barry White.

In just six weeks, KISS zoomed from 13th to first place among listeners 25-54. The station continues to hold that first place position in the Arbitron Spring 1995 survey with a 6.7 share in 12+ ratings.

True to the New York market, however, KISS did what had already been proven successful elsewhere. "What WRKS did was already on the air in Washington, D.C., and Atlanta and had been on the air for six or seven years in Chicago," notes McVay.

Behind the dramatic success of KISS is the nation's predominant ownership trend: duopoly. For the first time, a single owner could use two or more major stations to cover a broader demographic sweep of a single group of listeners. ➤

New York Radio Market Overview

Station	Freq.	Format	1994 Est. Rev.in \$ Mil.	Owner	Arbitron 12+ Spring '95
WRKS-FM	98.7	R&B Oldies	18.0	Emmis Radio Broadcasting	6.7
WQHT-FM	97.1	CHR/Urban	14.0	Emmis Radio Broadcasting	6.1
WSKQ-FM	97.9	Spanish	4.5	Spanish Broadcasting System	5.0
WCBS-FM	101.1	Oldies	27.0	CBS	4.6
WHTZ-FM	100.3	CHR	15.5	Shamrock Broadcasting	4.6
WLTW-FM	106.7	Lite AC	29.8	Viacom	4.1
WABC-AM	770	Talk	19.0	Capital Cities/ABC	4.0
WINS-AM	1010	News	30.0	Group W Radio	3.7
WPLJ-FM	95.5	Hot AC/'70s	20.0	Capital Cities/ABC	3.6
WXRK-FM	92.3	Classic Rock	30.0	Infinity Broadcasting	3.3
WCBS-AM	880	News	23.0	CBS	3.2
WQCD-FM	101.9	Jazz/NAC	12.0	Tribune Broadcasting	3.0
WBLS-FM	107.5	Urban	11.0	Inner City Broadcasting	2.9
WOR-AM	710	News/Talk	21.0	Buckley Broadcasting	2.9
WMXV-FM	105.1	Mix AC	20.0	Bonneville International	2.6
WFAN-AM	660	Sports	36.8	Infinity Broadcasting	2.5
WPAT-FM	93.1	Soft AC	9.0	Park Acquisition	2.4
WNEW-FM	102.7	Alternative Rock	16.5	Group W	2.3
WQXR-FM	96.3	Classical	n/a	New York Times Co.	2.3
WQEW-AM	1560	Nostalgia	4.5	New York Times Co.	2.2
WYNY-FM	103.5	Country	11.0	Evergreen Media	2.2
WAXQ-FM	104.3	AOR	6.5	GAF Broadcasting Co.	2.0



Stations are ranked in order of Arbitron Spring 1995 12+ ratings. Information provided by BIA Publications, Inc. through its MasterAccess Radio Analyzer Database Software.

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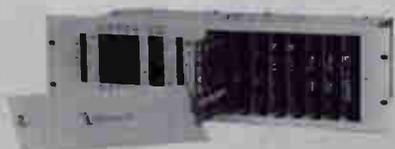
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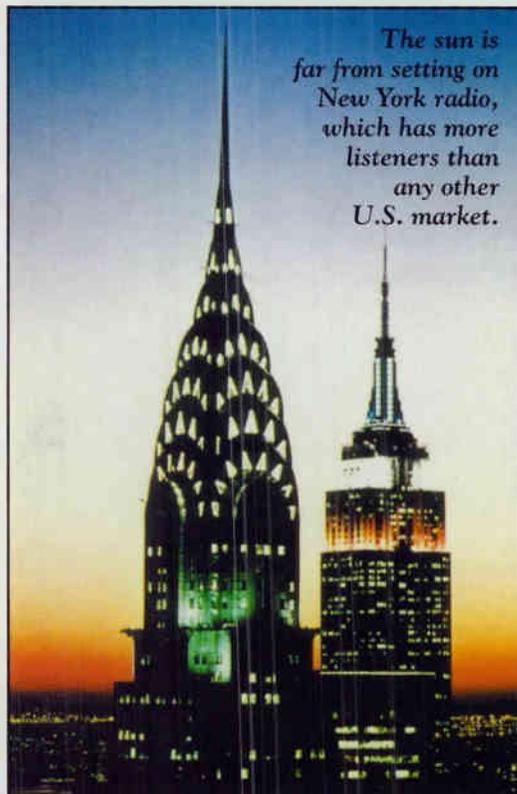
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Emmis Broadcasting already owned WQHT-FM, Hot 97, which programs hip hop music to under-25 listeners. In 1994, when it bought KISS, Emmis found itself with two stations competing against each other with a similar format. Positioning its duo of FMs as a team, the company made the KISS format change in an attempt to capture a broader segment of New York's black listeners. The result: Emmis has WRKS at number one and WQHT is number two 12+ with a 6.1 share in the Arbitron Spring survey.

Judy Ellis, general manager of the two sta-



The sun is far from setting on New York radio, which has more listeners than any other U.S. market.

tions and a 19-year veteran of New York's radio wars, says the duopoly arrangement has been a major success for both the stations and their listeners. "We have a 12.8 share of the market, so we must be doing something right," she says.

Advertisers want radio

For KISS there is now a whole new category of advertisers, Ellis says: "Broadway shows, airlines, cellular phones, Cadillacs, BMWs, Volvos, a lot of upscale clients. We have an older, very upscale audience. The advertisers seem to want to be on our station."

Outside of some rivalry over promotions, Ellis says there is absolutely no competition between her stations. "We are each targeting a specific audience," she says.

Another shining New York success story is WSKQ, New York City's only Hispanic FM and the number three station 12+ in

the latest Arbitron ratings. The five-year-old station, owned by Spanish Broadcasting System (SBS), is the only foreign language broadcaster to penetrate New York's highly competitive top 10 on a 12+ basis (up from 4.4 to a 5.0 share in the Spring survey).

With its spectacular ratings growth—the station was ranked in the mid teens only a year ago—came a boost to \$20 million in annual revenue, a dramatic 52 percent increase over the previous year.

Key to the station's breakthrough was abandonment of a strategy to try and be everything to New York City's three million Hispanics, which represent 16 percent of the city's total population. Targeting a niche audience of Caribbean listeners, WSKQ General Manager and Programmer Alfredo Alonso, hit the magic formula when he created what is now called the Mega 97.9 format.

Alonso targeted Dominicans, Puerto Ricans and Cubans, who comprise about 80 percent of the New York metro Hispanic population. The music mix that ignited WSKQ's ratings consists of salsa (Caribbean dance), merengue (Dominican dance), American dance classics and contemporary American and Spanish ballads.

Some jocks alternately speak to the audience in Spanish and English. The station labels the format *Hurban-Hispanic urban*. In the past year, it has proven so successful that it's drawing many non-Hispanic listeners to the station as well.

Oldies staple WCBS maintained a 4.6 share, coming in fourth 12+ in the Spring Arbitrons, followed by modern rock-leaning CHR WHTZ-FM; former AC market leader WLTW-FM, news/talk WABC; news/talk WINS; top 40 WPLJ-FM and classic rocker WXRK-FM.

One station that realigned its programming after the ratings window closed and whose progress will be interesting to track in the Summer ratings is WNEW-FM. In July, the station switched from mainstream AOR to "rock alternative," aimed at adults 30-39. WNEW GM Kevin Smith defines the format in terms of core artists: R.E.M., U2, Peter Gabriel, The Police, 10,000 Maniacs, Talking Heads, Sting, Pearl Jam, Hootie and the Blowfish and Counting Crows.

"We did research and found a major hole for adult alternative music in New York," Smith says. "Initial audience reaction has been awesome, sensational."

Smith explains that the market is witness-

ing a lot of refinement with its rock formats. "The rock area is very lucrative," he says. "It's just niching more and more."

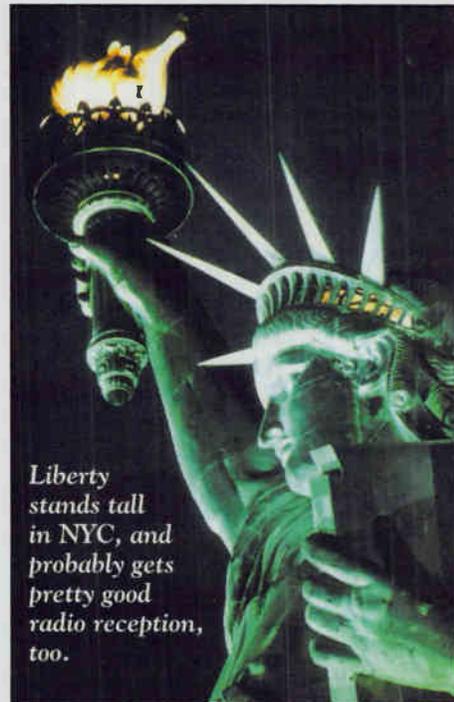
While the niching of the New York market might appeal to some listeners, it's been the cause of much criticism from Gotham's cultural elite.

Outcry of criticism

In December 1993, WNCN-FM, a major classical station in the city for many years, changed its call letters and became WAXQ, a "pure rock" station. This led to an outcry of criticism that New York radio was being "dumbed down" for the mass audience.

Today, the only commercial classical station in the city is WQXR-FM, owned by the New York Times Co. "Classical is very secure now," says Warren G. Bodow, president and general manager of WQXR and its sister station WQEW-AM, which plays adult standards.

"There are some formats in which only one station can thrive and this is how it is in New York now," Bodow says. "We have picked up the WNCN audience so that we



Liberty stands tall in NYC, and probably gets pretty good radio reception, too.

are now offering our advertisers as much audience on this one station as they had on both stations a couple of years ago.

"When WNCN switched formats, both stations prospered," he says. "Our revenue and profitability shot way up but so did theirs as an 18-to-34 rock station."

On the AM side, Bodow's WQEW has found a successful niche targeting adults over age 45 with a format that features American popular standards. "It's a very, very niched format," Bodow says. "But ➔

the audience tends to be highly educated and with a higher income than the average station. If you can operate a station like this and watch your costs, it can work."

What are the near term prospects for the New York radio market? All concur it will remain highly profitable for the foreseeable future. And all agree that the next five

years will bring more niche programming and a greater concentration of ownership. More duopolies are expected any day now.

"This market has not been dominated by any one station," says Josephson. "The difference between station number one and station number 10 or even 15 is relatively small. In some markets you still have double digit

shares. The double digit share disappeared from this market long ago. It's extremely healthy here now for all the top stations." 

Frank Beacham is a New York-based writer and producer. He is a regular features correspondent for *The Radio World Magazine*. Visit his Web site at <http://www.beacham.com>

Growing Up with New York Radio

by Judith Gross

Sometime in the summer of '64 or '65 it became clear that radio was to be an inseparable part of my life. It was New York City—Queens to be exact—stifling hot and my girlfriends and I hung out at the neighborhood playground and talked music non-stop.

"Do You Want to Know a Secret" had shot to number one and we debated over whether John was better looking than Paul and agreed that all four were cuter than any boys we knew.

We underscored our undying devotion by keeping individual transistor radios glued relentlessly to our ears. What a sight: six pre-adolescents in lipstick, listening separately, together, to the exact same music in an ecstatic clump of love-sickness on an urban summer day.

Radio and Cocoa Puffs

Maybe, because the Big Apple was blessed with so many flagship stations, I took radio for granted, and grew up believing that music, talk, voices of every sort emanating from a little plastic box were as natural as milk for breakfast and the rumble of the elevated subways through ethnic neighborhoods nearby.

My earliest memories are of my father "shushing" us as WNEW-AM's sounder signaled the beginning of the half-hourly newscasts and the all-important weather forecast. Later, when I became a radio newscaster, I imitated those stately, serious five-minute casts that were deeply ingrained in my subconscious.

WNEW gave me a love for the classics of pop: Nat King Cole, Tony Bennett, Ella Fitzgerald. William B. Williams, having inherited the "make believe ballroom," filled me with reverence for The Chairman of the Board, old Blue Eyes himself. To this day, I can't put on my Sinatra CDs without the feeling that I am back in my mother's kitchen, eating Cocoa Puffs and hearing those golden voices from the 1130 dial position.

I discovered transistor radios at the same time I heard The Beatles for the first time on 77, WABC. At five minutes before the hour, when 77 aired ABC news, by reflex we switched over to 540 WMCA for the Good Guys, to hear five more minutes of the Fab Four before that station then aired news and we'd go back down the AM band to what became my radio home for many years after.

Go to sleep

WABC. The avuncular cheer of Harry Harrison, the maniacal laughter of Ron ("Hello Love") Lundy and the double entendres of Kimosabe Big Dan Ingram were my constant companions. Then, at night, everybody's Cousin Brucie Morrow counted down the top 20 songs.

After my mother told me for the third time to go to sleep, I'd

shut out the lights and put the transistor under my pillow, volume just loud enough to hear the songs without giving my insomnia away. WABC's "chime" gave the time at the end of nearly every cut. To this day, there are songs I remember that sound completely unnatural when they end without that little bell.

W-A-Beatle-C was my best friend until college days, when psychedelic FM with its long album cuts, stereophonic fidelity and music-knowledgeable DJs took over. WNEW-FM led the way, with WPIX-FM and later WPLJ-FM, pioneering the new sound that was to force the stations of my childhood into an all-talk format to survive AM's declining popularity.

FM changed everything. Then came the anti-war movement, the protest song era, the LSD quality to the music. I spent a decade on the radio doing news upstate and came back to a different world of New York City radio. Gone were the days when 77 commanded 25 percent of the listening audience. With some 30-40 signals tunable in Gotham, variety, if not loyalty is at least assured.

Smorgasbord for every taste

New York has become a smorgasbord for every niche taste imaginable. I wake up to news on WCBS-AM or WINS. I cringe at Rush Limbaugh on WABC and shake my head at the latest bad-boyism from Howard Stern on WXRK-FM or Imus on WFAN. I can still catch my beloved Mets (in last place, of course) with announcer Bob Murphy on all-sports WFAN. Country, rap, soul, classic rock are all just a push-button away.

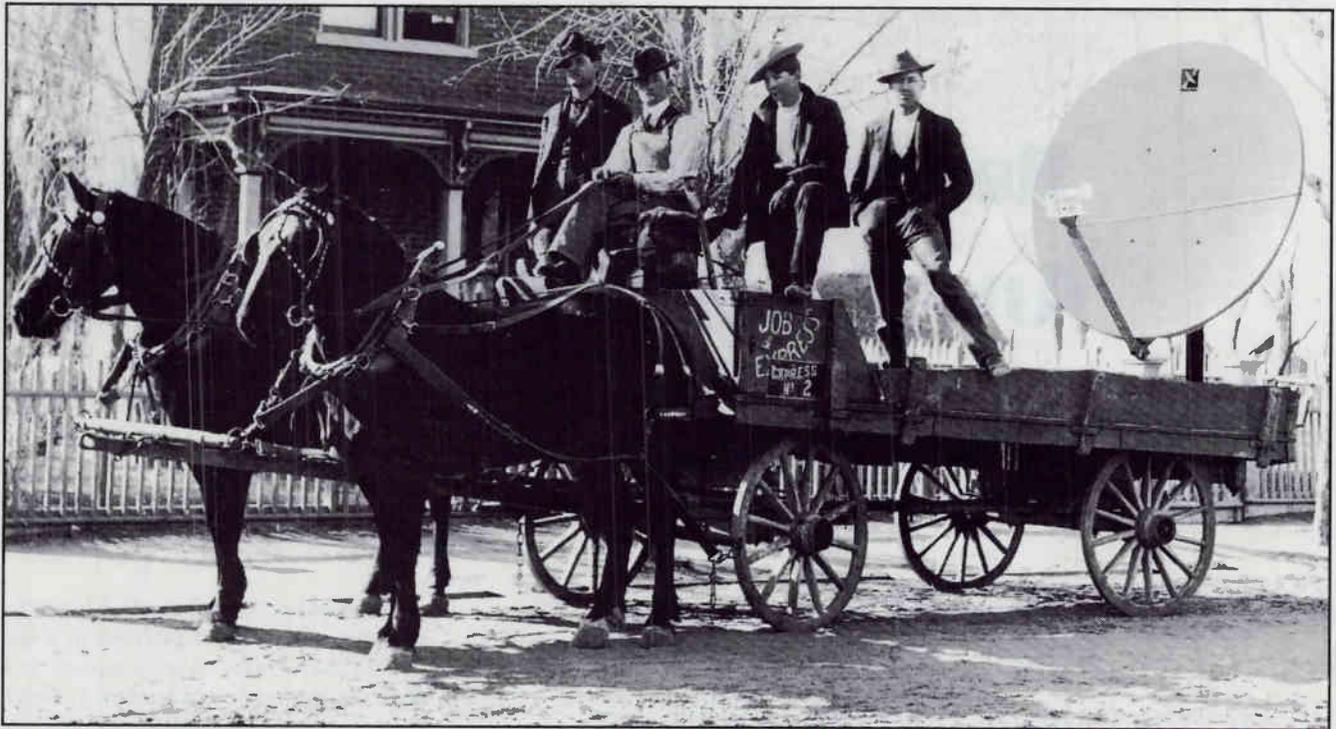
WDRE-FM in nearby Long Island pioneers the modern rock sound that has become so much a part of today's mainstream radio; CD-101 (WQCD-FM) introduces a new style of popular jazz; while WBGO-FM across the river in New Jersey sends the sweetest sounds of traditional jazz into a Saturday cocktail rendezvous or brunch on a Sunday afternoon.

Now there's radio to jog through Central Park to; radio to eat takeout to and radio to catch snippets of as we New Yorkers hurry—and we always hurry—from one fast-paced moment to the next.

And on one summer Saturday recently, as I was cabbing it from the east side to the west side through the park, there was Big Dan Ingram's sexy voice, over WCBS-FM on his weekend gig. He was naming the honor group of the day (people who talk with their mouths full) and counting down the songs from the '60s. "Do You Want To Know A Secret" once again filled my ears. I smiled at my radio memories. I was truly home. 

Judith Gross is president of JG Communications, a writing/public relations firm that specializes in broadcast and pro-audio technology. She proudly resides in New York.

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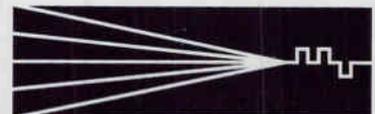
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Remove Your Caps And Sit Up Straight

by Harry Cole

Ownership Deregulation Is a Complex Issue With Likely Dramatic Impact. How Carefully Has the Industry Thought It Through?

Did you ever notice something about shopping malls?

You go to a mall in some exotic city, far away from your own little backwater home and you get the strange sense that that mall is just the same as your own local mall back home. You look around and see the same frau-frau kitchen supply stores, the same hip clothing stores, the same quirky gadget stores, the same racy lingerie stores, the same high-end department stores, etc.

Is it possible that the radio industry is about to get "mall-ified?"

Eliminate Limitations

As you likely have heard, Congress is seriously considering (and by the time this gets into print, may already have enacted) legislation that would eliminate just about all ownership limitations for the radio industry. No more national ownership caps. No more local ownership caps. Own as many stations as you want wherever you want.

What does that have to do with malls? Maybe nothing at all. Maybe the overall shape and sound of the radio industry would not be substantially affected by such a dramatic change in ownership rules.

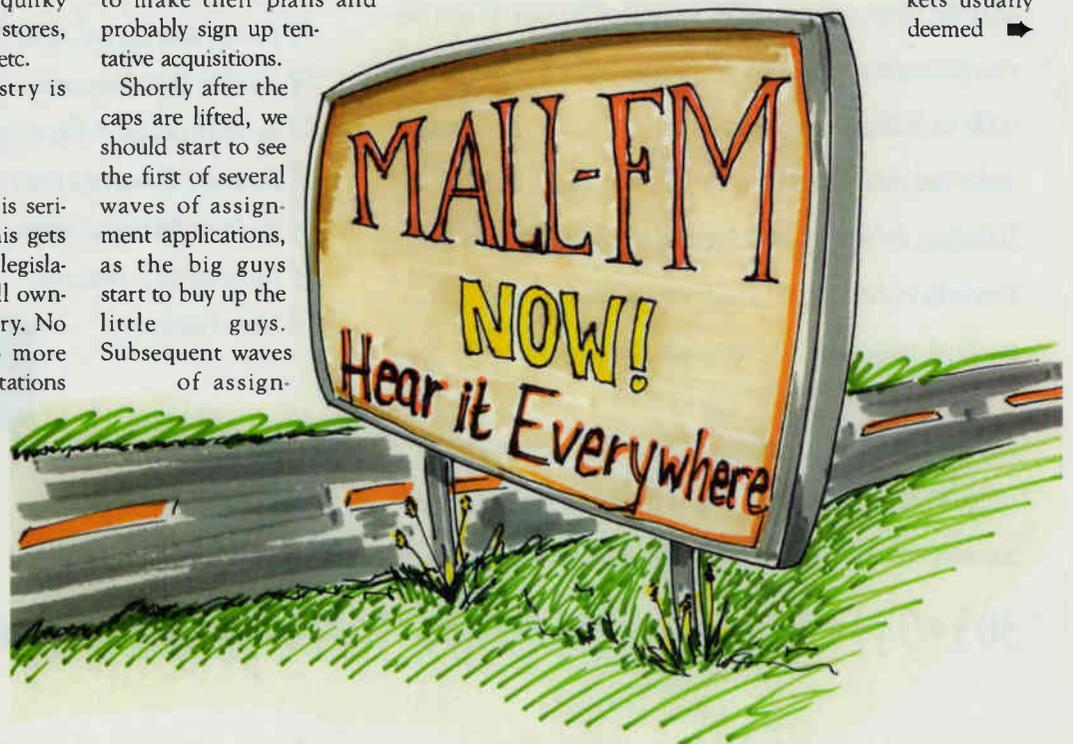
But in our view, there is a reasonable likelihood that elimination of ownership restrictions could have serious, far-reaching effects.

Here is what could happen. First, the caps get lifted, possibly before the end of 1995. Because of press reports over the past several months heralding the likely lifting of caps, motivated entities (mainly, major group broadcasters with gazillions in cash and the goal of expanding their station portfolios) have already had plenty of opportunity to make their plans and probably sign up tentative acquisitions.

Shortly after the caps are lifted, we should start to see the first of several waves of assignment applications, as the big guys start to buy up the little guys. Subsequent waves of assign-

ments would probably occur in a kind of ripple-reaction. As word gets out in a given market that a nationally dominant group owner is coming to town, there is likely to be a flurry of transactions, as other little guys already in the market opt to get out before competition gets too ugly, while other big guys follow their national competition into each market and try to take advantage of the little guys' willingness to get out.

Bear in mind, too, that buyers' acquisition interests would not necessarily be limited to the kinds of specific urban markets usually deemed



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desirable. With no ownership caps, buyers may be inclined to buy not only historically attractive urban markets, but also smaller stations on the periphery of such markets, or possibly stations adjacent to major highways between such markets.

Within a year or two

If things were to follow this hypothetical scenario, at some point shortly after the elimination of caps—say, within a year or two—ownership of the radio industry would likely have been consolidated to a substantial degree.

Now, if you were a group owner with a bunch of newly acquired stations, what would you do—especially if you just paid a whole lot of money for those stations? You'd probably try to reduce operating expenses as much as possible. And how would you do that? One pretty obvious way would be to trim programming costs by networking your most successful announcers and firing the rest.

The result of such a move would be something akin to the "mall" effect. You could travel far and wide and still find the same old familiar voices on the radio, wherever you went.

This phenomenon is already apparent in limited ways—Howard Stern being one of the earliest and most notable examples. But we anticipate that, with substantially increased consolidation, it would extend far beyond unique personalities like Stern and into more routine programming areas. We envision a time when a purely local station with purely local announcers, news, weather, etc. will be the rare exception, rather than the rule.

Such a vision flies in the face of communications policy as it was conceived and fostered over the last 60 to 75 years. Historically, broadcasters have been expected to provide local service to local audiences, addressing local issues and concerns. While some traditionalists may continue in that vein despite total deregulation of ownership caps, they would likely find the going to be rugged against national group owners.

The familiar, the common, the safe

Of course, it is possible that such a change would be consistent with the evolution of our American society and culture in the latter part of the 20th century. Perhaps the cultural homogenization process of malls and (possibly) radio programming reflects not only smart commercial instincts on the part of retailers and broadcasters, but also some inchoate need in society for the familiar, the common, the safe.

Despite the geographical size of our country and the traditional sense of regional identities, we are fast becoming closely inter-

connected through the availability of air travel, phone service, computer interconnections and the like. Could it be time to encourage a greater sense of national—as opposed to regional or local—identity through the encouragement of national programming?

Unfortunately, the public debate surrounding the proposed lifting of ownership caps has not addressed such interesting and important issues. Instead, the debate has

**The debate has
focused on the claim
that "deregulation
will lead to more
competition."**

focused on the claim that "deregulation will lead to more competition," which supporters of the elimination of caps chant in mantra-like fashion, while opponents counter with their own mantra that "ownership deregulation will lead to excessive consolidation."

Simplistic lines

Debate along those simplistic lines is fallacious and unhelpful. First, we think it is obvious that the proposed ownership deregulation will decrease competition in the radio industry, notwithstanding the claims of proponents of deregulation. But we also think that opponents of such deregulation have not clearly explained what "excessive" consolidation might be. It is possible that some consolidation may be acceptable, even desirable; it is also possible that some consolidation may be unacceptable and undesirable.

What is plainly undesirable is the failure of Congress—and most broadcasters, for that matter—to address these fundamental questions in any meaningful fashion. Like it or not, broadcasting as a medium has a crucial role not only in shaping opinions about specific issues, but also in shaping our self-perception as a society.

That latter role should be carefully considered before substantial changes—whether they be called "deregulation" or something else—are adopted. 

Harry Cole is a principal in the Washington-based law firm of Bechtel & Cole, Chartered. He is a regular correspondent for The Radio World Magazine.

Circle 85 On Reader Service Card

Investors Eye Middle and Small Radio Markets in the Face Of Ownership Deregulation

by Frank Montero

Now that both the House and Senate have enacted their versions of radio deregulation legislation, all eyes are on President Clinton to see if he will veto the bill. Trying to predict whether or not the president will veto the legislation is somewhat like reading tea leaves.

Still, analysts are getting down and dirty with speculation on the potential impact of the telecom bill, which—under both the House and Senate versions—would effectively repeal most radio ownership limitations imposed by the FCC.

Most agree that radio ownership deregulation would drive prices up and cause a buying frenzy of stations throughout the country. In particular, station groups in small- and medium-size markets would be targeted, since many of those markets have not yet been carved up by the media powerhouses.

As a result of these predictions, many investors are trying to get an early jump on the scramble to buy these stations, and corner a few small markets.

In recent months, I have received calls from would-be buyers interested in stations or station groups in markets in the 200s.

Others are looking for AM stations in the top 50 markets. Almost all tend to prefer a degree of regional concentration, though some are looking nationwide. All of these individuals have the same thing in mind:

deregulation. However, the foresight of these investors presents them with another challenge: the need for financing.

Many institutional lenders are more skeptical about the fallout from complete deregulation. Some will not gear a financing package unless the stations have solid performance records and the deal is big enough to make it worth the lender's while; that is, a multi-city, multi-station deal. Stations that fall into these criteria may not be the bargains that would make such early action worthwhile. Those stations are already in demand even without deregulation.

Some investors are approaching this task on a more modest level. They have their sights set on a few stand-alone stations that are not attracting a lot of attention in the short run, with hopes that they will be in large demand down the road when the big players move their bidding wars to these smaller markets.

Some of these entrepreneurs are attempting relatively small private placement offerings to assemble investors for their initial stand-alone acquisitions. Thereafter, they hope to develop

enough momentum to successfully obtain institutional financing.

In going after those relatively small stations in middle-tier markets, there are several things to look out for. Obviously, you want to review the physical and financial characteristics of the station.

The potential for upgrades and doubling up, and the proximity of large population groupings (resort towns, military installations, universities) are all important. But you also want to review the demographics of the area. Is it economically depressed? Does it provide a good pool of local advertisers? Who owns the other stations in town?

One concern might be that all or most of the other stations in town are owned by a single family. Such concentration of wealth is not uncommon in smaller towns. Frequently, these local big shots also own or control the largest local advertisers (the local furniture store chain, the local agribusiness or restaurant chain) and are well connected with the community and its civic leaders.

In fact, sometimes they are the civic leaders. These local chieftains are usually very reluctant to relinquish control of a radio station. Moreover, if they already have a concentration of the best radio properties in the market, they may be the preferable takeover targets during the post-deregulatory buying frenzy. In this case, you may be left trying to compete against a national chain with a stand-alone that is losing value.

Beyond this you should pick your properties with your objectives in mind. It comes as no surprise that many investors who are looking to buy these stations in small and medium markets do not intend to be long-term station operators.

They are looking instead to get in on the ground floor and reap a handsome profit after deregulation. Therefore, when looking at a set of stations or alternatively, when assembling a set, be sure you have a good management team in place. Also, don't just jump at a low purchase price. Review the



President Clinton:
Will he or won't he?

big picture. Would the stations, as a set, be an attractive acquisition for a large group owner? Would they cover and hence, fill a regional coverage gap? Is the whole greater than the sum of its parts? These are some of the criteria that should be considered in selecting your acquisitions.

As mentioned, some of these small or medium market acquisitions may not provide a large enough package to interest some of the large institutional lenders. Also, your plan to cash in on future deregulatory

changes in the broadcast ownership rules may seem somewhat presumptuous to a bank that has to finance the project.

Still, don't kid yourself. Beyond all their skepticism, these institutional lenders have their own eye on Capitol Hill and the White House. If you can put together a solid package and business plan, the interest could be there.

There is also the private placement option. This refers to going out and assembling a group of investors to fund the acquisitions. However, putting a group together is not as cut and dry

as it sounds. Depending on the size of your private offering, various federal and state laws that regulate the sale of securities may be triggered.

A first step is to find out whether these laws apply to you, then seek professional assistance in the preparation of a business plan and a private placement memorandum. The distribution of your private placement memo can be handled on your own or through investment bankers who will charge a fee for their consultation services.

As with investors, there are many investment banker groups who have themselves focused on small and medium broadcast markets as potential investment opportunities.

It is impossible to predict with certainty what form the two versions of the legislation (House and Senate) will take when combined in Conference Committee, or whether President Clinton will sign or veto the legislation.

Still, the political climate in Washington is currently blowing in a deregulatory direction, and we have already seen loosening of

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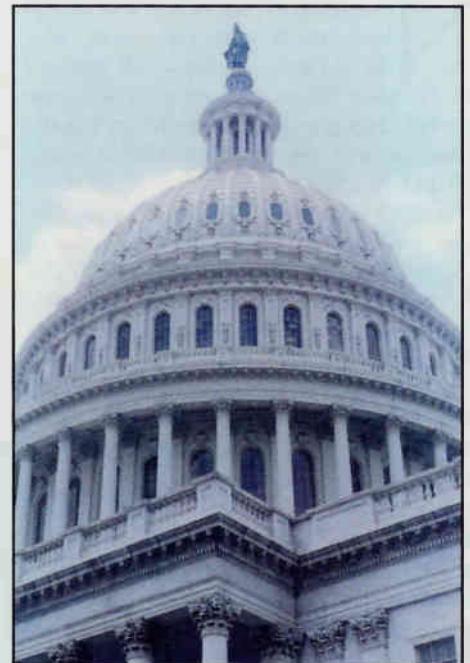


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many of the FCC's ownership restrictions. The recent acquisitions of CBS, ABC/Cap Cities and Shamrock are a clear indication that the big wars in major markets are already being waged. Those who can anticipate the future battlegrounds and predict the result of these trends could be the next giants in the business. ☺

Frank Montero is a communications attorney and partner with the Washington, D.C., law firm Fisher Wayland Cooper Leader and Zaragoza, L.L.P. He is a regular correspondent for *The Radio World Magazine*.

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As WHJY-FM Rocks, Liberty Outlet Rolls in the Ratings

by Page Chichester

It appears to be a perfect fit. WHJY-FM in Providence, R.I., has solid, time-tested management, dynamic on-air talent and an audience that's proven its hunger for album rock music in a relatively "under-radioed" market.

Perhaps more importantly, the numbers reflect the favorable mix of elements. In the Spring 1995 Arbitron rankings, the Liberty Broadcasting outlet soared at number one 12+ with a 9.0 share.

The station is also tops with the 25-34 target demo, and "in almost all key demos, except for 35+," says Vice President and General Manager Jim Corwin. And that's with four other AOR stations grasping for a slice of the rock pie. In fact, a new modern rock station recently joined the airwaves.

According to Corwin, a big part of 94 WHJY's success is its location: "Providence is a passionate rock'n'roll town," he says, calling the state capital "one of the top five markets in the country" in terms of die-hard rock and rollers. A guitarist himself, Corwin is right at home in Providence.

"WHJY came on the air in 1981 and filled

a huge void that had existed in this market for a long time," he says. "When WHJY debuted, it hit the airwaves with an 8.8 share, which is an enormous debut for a rock radio station."

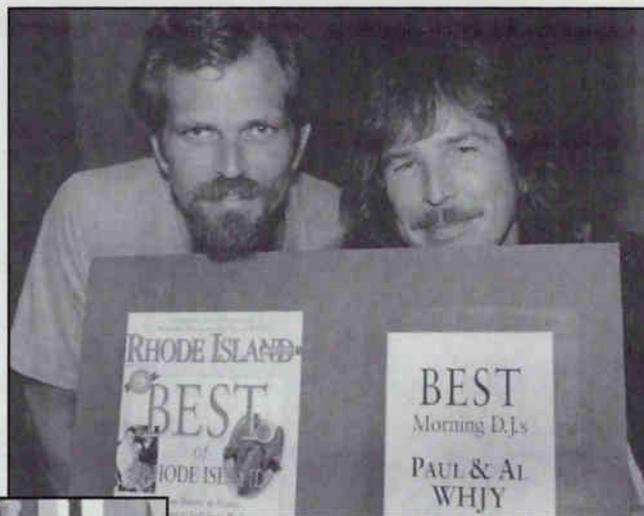
More often than not

During its early years, the station remained in the top five, occasionally rising to the top slot. But in the past three years, WHJY has more often than not ranked at number one. In fact, it's been number one 12+ in seven of the last 10 books.

In addition to geographic factors, Crown credits Bill Weston, the station's PD since 1989, with shepherding the station's success. "He's the kind of guy who has a sixth sense about music—just an incredible music sense," Corwin says.

Weston responds that

he just sticks to basics: listening to the audience and playing what they like. "If it tests and the audience thinks it's rock'n'roll, hey, their perception is the reality," he says. He stresses, however, that the station can't become static and must change with the times. New music is eased into the mix, Weston says, letting the sound evolve with listeners' tastes.



Above, Paul & Al, "Rhode Island's best morning team"; and left, WHJY's Saleen Dream Machine Giveaway at Northeast Tech.



Sitting atop the country's number 31 market, Weston takes special pride in being a rock station. "There aren't many in the top 50 markets," he notes. "That's something I'm pretty proud to be a part of."

When it comes to specific bands and playlists, Weston defers to his music

director, who blends heritage acts with mainstream and modern rock. The overriding challenge is "taking all these bands that sound very different and being able to segue from The Who to Catherine Wheel," Weston says. "The key is making it all sing."

Sings praises

Mission accomplished, according to Corwin, who sings the praises of his PD. "When I hired Bill, he told me his goal was to take the station into double digits," he recalls. Weston accomplished that just last summer, when the station hit a 10.6 share 12+, its highest rating ever.

Weston also brought an element of stability to the station. Before his arrival, WHJY had seen six PDs pass through in seven years. That stability has helped Weston formulate a programming philosophy.

In addition to playing the requisite hits, Weston says his goal is to "entertain the pants off the listeners, so they don't know what's coming next."

The station's on-air talent, which Corwin calls a "dream team," provides plenty of surprises. Mornings are ushered in by Paul & Al, formerly "The Goofy White Dudes" of Mobile, Ala. Corwin describes them as topical, cynical rock and rollers, the kind of guys who are funny enough to make you choke on your hamburger or spew your beer.

The midday "nut" is Amy Hagan, and 7 p.m. to midnight is "outrageous" Jeff Charles' turf. Afternoon drive belongs to Carolyn Fox, whose humor Weston describes as "blue, unpredictable and shocking." When she's not bringing listeners into the studio to have unmentionable body parts pierced, she's hosting her Fox Friday barroom broadcast. Fox has even brought a dairy cow into the studio for a milking contest as a tie-in to Aerosmith's "Get a Grip" album.

Concentrate on the show

Being number one allows Corwin and Weston to skip billboard and TV advertising and concentrate on the show, investing heavily in top talent. Rapid-fire entertainment is the benchmark—that and what Corwin calls an "in-your-face approach to rock radio."

"All our time and effort goes into making 'HJY an irreverent, wild radio station," Corwin says. "Radio's got to be larger than life." 

Page Chichester is a Roanoke, Va.-based journalist and an occasional essayist for WVTF-FM, the local NPR affiliate. He is a regular features correspondent for RWM; last month he tackled the topic of broadcast education vs. real-world experience.

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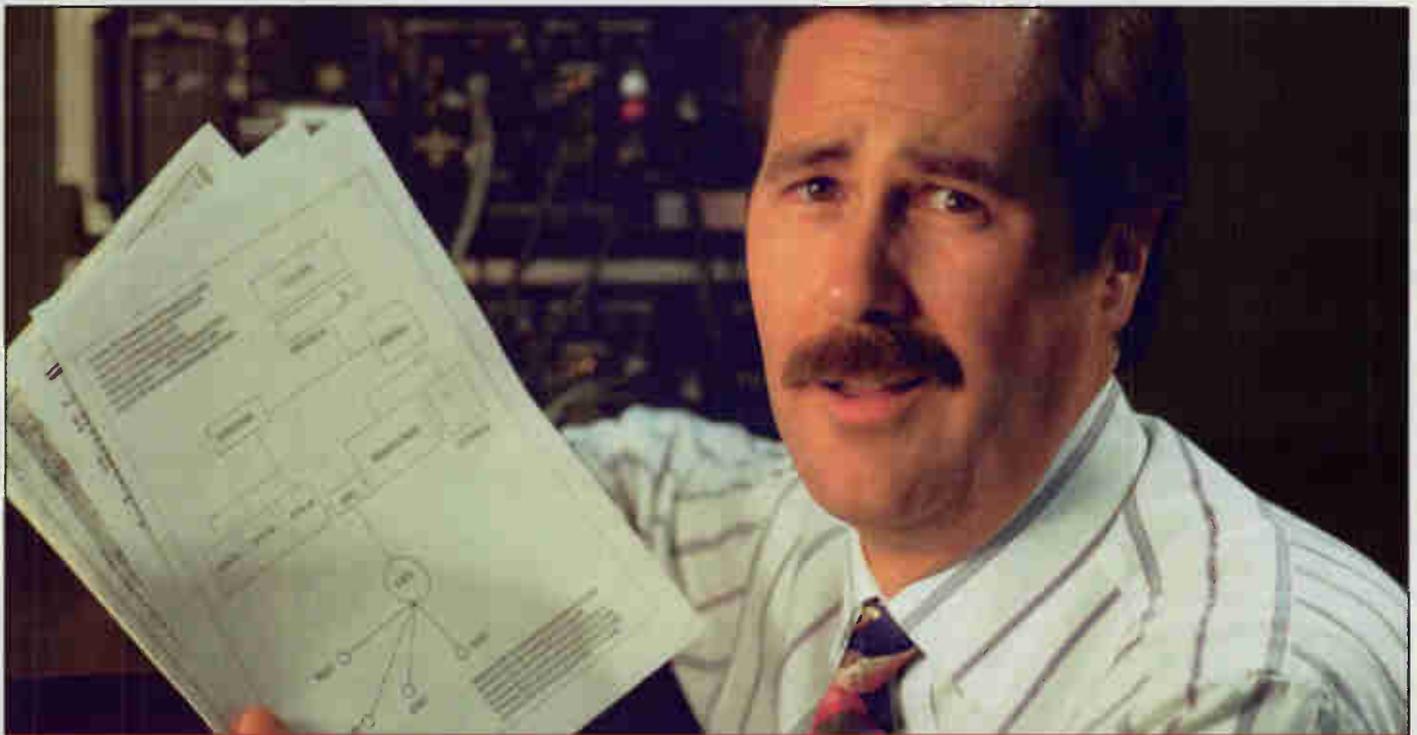
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Fine Tuning Radio's Own Marketing Practices For Greater Consumer Franchises

Generating consumer-specific marketing clout by extending an already established listener base will be key for radio to effectively participate in today's media-rich environment.

Working within any given budgetary constraints, it boils down to the best way radio owners and managers can market their station (or group of stations) to all consumers in the local marketplace.

The lesson here makes for smart business conditions. Radio stations must grow their audience-specific listener franchises that incorporate age groups with similar lifestyle and buying habits. In so doing, it will translate into consumer-specific franchises for target minded advertisers, who now comprise the majority of the advertising world.

Crafting the image

In essence, this involves fine-tuning radio's own marketing practices by first establishing and then strategically using listener database software to create a clearly defined image consistent throughout all advertising and promotional marketing vehicles.

"Positioning statements and radio (advertising) campaigns in general must create an emotional bond between the listener and the station," notes radio marketing consultant Robert Dunphy, former vice president of programming for adult contemporary WMXV-FM New York ("The Mix") and current president of New York City's Dunphy Strategic Media.

For descriptive positioning statements or slogans that appear on TV spots and billboards as well as through direct mail and print ads (or any combination of those mediums), the key is to avoid ambiguity. The last thing any marketing campaign strategy should do is create confusion in the minds of consumers.

Rather, the main objective of the marketing campaign should be to address how your station—in terms of programming, personalities and/or station heritage—differentiates itself from competitors.

If a station's budget allows, Dunphy advises using two media in a radio campaign, such as television and billboards or direct mail, to extend the reach of the message to all consumers as well as to reinforce the "comfort zone" for current listeners.

Detailing core audiences

Before creating a come-building marketing strategy,

stations must identify as precisely as possible their listener composition—that is, the core audience for their programming.

This should include age and gender data, of course. But more importantly within today's multimedia arena, stations need to compile general qualitative and consumer behavioral information about their audience in order to promote properly and, at the same time, expand the listener base.

"Radio executives must have 'exacting' knowledge of their core listeners and promote to those consumers in much the same way advertisers target market their products and services," suggests Kirk Stirland, chief operating officer for Media Marketing Technologies, Pacific Palisades, Calif. "If you know the lifestyle and consumer characteristics of current listeners, your marketing plan can focus on finding and attracting more (listeners) just like them."

Stirland oversees a research service for radio known as MediaMaps, which, through a station's listener database, interprets data involving geographic location of core listeners by neighborhood block groups, along with their lifestyle behavior and product consumption traits.

Selling the qualitative

After executing a comprehensive marketing strategy to shore up all available listeners, radio sales personnel can then move more easily beyond traditional cost-per-point selling to the qualitative sell—a battle cry for years among many radio broadcasters—by presenting media buyers with the lifestyle and buying behavior characteristics of their listenership. In essence, radio stations should structure a qualitative model or paradigm of their listeners.

Because radio offers advertisers a more targeted audience for matching consumers with a product or service than other electronic mediums, a growing number of radio broadcasters have already begun stressing qualitative/lifestyle research in their sales presentations. This approach has become a critical element for expanding advertising bases, the leading priority for modern-day radio.

Increasing use

The increasing use of qualitative audience information by radio broadcasters is reflected by Arbitron's recent move to incorporate some key Scarborough Qualitative research data in its quarterly local market reports, which began in 58 markets with the Spring 1995 survey reports released in July.

It is anticipated by all interested parties that the inclusion of this data in Arbitron reports will only heighten the visibility of qualitative data at the media buying level.

Futurescope: Rekindling Innovation in Broadcasting's New Economic Era

With the prospect for greater concentration of radio ownership, which many industry leaders believe will lead to more economically efficient operations, owners and programmers alike must consider rekindling the spirit of local program innovation that permeated the industry in the mid 1980s, radio's last financial boom.

This period was truly radio's greatest program experimentation era, spawning alternative format directions. From new age to all-weather to children's programming, many innovative "niche" formats were launched. Some survived while others failed. However, each attempt was carefully observed and privately applauded within many sectors of the radio industry. And each involved a new approach to conventional radio programming.

Case in point is the risk-taking of Emmis Broadcasting in 1987 when it launched the highly specialized, all-sports WFAN-AM in New York. There might not be a local all-sports radio format today or a successful way of programming sports around-the-clock if WFAN hadn't paved the way.

It's no secret that the financial crunch and subsequent cost-cutting mentality that engulfed commercial radio in the early 1990s created a "survivor syndrome" among broadcasters, many of whom either subscribed to proven satellite-delivered 24-hour formats or struck local marketing (program) agreements with more profitable crosstown rivals. The latter, in many cases, led to the same format simulcasted over one-time competitors.

Another consequence has been the downsizing of station personnel as radio groups gobble each other up, a trend that continues today. Due to these various corporate maneuvers, many new programming ideas have not been acted upon.

With the potential move toward an expanded local and national station ownership landscape, radio programmers, whether those employed by large station groups or by the more successful suburban stations, should seize the opportunity to implement new local program approaches, especially in those markets that have several similar-sounding formats.

This action will only foster the revenue growth of radio among an ever-discerning advertising community. The reason: New programming ideas lead to new qualitative selling concepts for attracting today's marketers. Let us not forget that programming is the backbone of a radio station.

One successful approach in local radio programming today is the airing of diverse but targeted format elements such as those employed by WKXW-FM Trenton, which bills itself "New Jersey 101.5." The station combines issue-oriented telephone talk with oldies music directed at the baby-boomer audience.

The Landscape

Financial Boost To New Business Deals: Aside from proposed government deregulation of ownership rules, there also exist some very good financial indicators for growing radio businesses.

First, the inflation rate remains relatively low in the U.S. (about 3.5 percent), as well as throughout the industrialized world, according to a report from the Paris-based Organization for Economic Corporation and Development, which tracks inflation on a global basis.

Second, with recent interest rate declines, the U.S. economy, spurred by signs of increased retail sales during late spring and early summer, should pick up momentum during the second half of 1995.

These economic barometers give added support to one of Management Journal's top recommendations for the radio executive of the mid-'90s: Expand through business deals that have worldwide impact.

It makes excellent strategic sense to build upon one's position by owning and operating multiple stations in a desired marketplace through acquisitions, particularly if there is a rebounding economy.

But radio's owners and managers—station, network, syndication and rep executives alike—must ask themselves how they want to position their companies in the new, evolving media world five to 10 years into the future. The answer may lie in expansion through international co-ventures and partnerships.

This process includes examining joint programming and/or ownership venture possibilities with foreign media companies as well as initiating deals with those multinational communications concerns involved in "high-tech" media. The latter would allow traditional radio companies to enter other forms of wireless communication such as paging on an international basis.

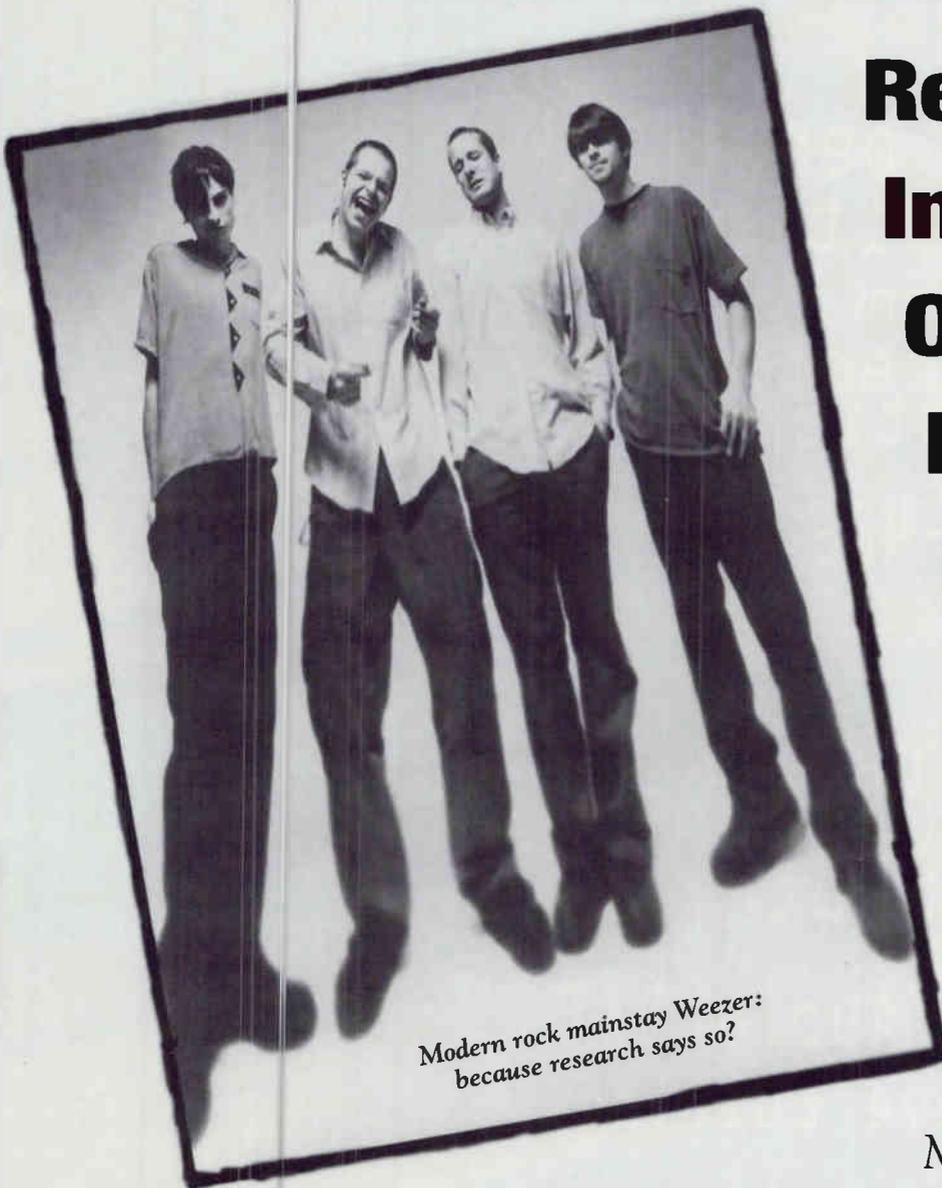
The first major step is to identify global media trends and up and coming foreign media companies, particularly in radio programming, syndication and sales, as well as any existing governmental barriers to full or partial ownership/investment.

This information can be researched by reviewing several international business and media publications and by contacting a particular country's U.S. Consulate or UN Mission, which, in many cases, can supply you with pertinent broadcast rules and regulations.

Keep in mind that many international media companies still look to the U.S. and its media as the leaders for setting the telecommunications pace around the world.

Vincent M. Ditingo is a business writer and media consultant, as well as an adjunct assistant professor of communications at St. John's University in New York. He authored the recently published Focal Press book, The Remaking Of Radio, which addresses the restructuring of the radio business during the 1980s and early 1990s.

Management Journal appears monthly in The Radio World Magazine.



Research Invades the One-Time Free-Form Universe of Modern Rock Radio

.....
by Cara Jepsen

*Modern Rock Radio Is Hot,
Thanks in Large Part to Market Research.
But Does That Take the Punch Out of "Alternative" Radio?*

Besides being pigeonholed with a label like hippie or slacker, or having a TV show like "Thirtysomething" or "My So-Called Life" that purports to define its parameters, one of the best indicators that a generation has come of age is when it gets its own radio format.

In the 1950s, it was rock'n'roll radio. The '70s spawned AOR. Now twentysomethings have modern or "alternative" rock radio.

Some stations, like KROQ-FM in Los Angeles, WHFS-FM in Washington and WFNX-FM in Boston, have been playing alternative music since the early days. But it wasn't until Nirvana broke big in 1992 that commercial radio programmers really perked up their corporate ears and suburban slackers were finally able to hear their music on the radio.

Today, there is some type of alternative rock outlet in nearly every top 100 market, and several cities boast two stations.

Radio is catching up

"Once again, radio is catching up with the listeners," says John Gorman, vice president of operations at WMMS-FM in Cleveland,

which switched to modern rock last year. "People discovered Nirvana and Pearl Jam despite radio's lack of exposure, through a combination of word of mouth and reading publications like Spin. Radio eventually caught up, but there was definitely an interest in the music before radio started playing it. Programmers wondered why it was selling, but they weren't playing it."

Modern rock stations range from top 40 versions like Chicago's Q-101 WKQX or New York's Z100 WHTZ-FM, which play the same song several times a day, to the more adventurous REV-105 KREV in Minneapolis, which often plays indie-label artists and sounds more like a college station. Whatever the mix, the more successful stations use research and lots of it.

Fred Jacobs of Jacobs Media was hired by alternative rocker 91X XTRA in San Diego (actually based in Tijuana) to do research and ended up in a consulting capacity. It was there that Jacobs, who is credited with developing the classic rock format, learned about the alternative rock format.

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phenomenon; it could happen everywhere," he recalls. "The reason it wasn't happening in other places was the uniquely bad state of many stations that were doing modern rock throughout the country. In the early '80s, most of them had bad signals or screwy ownership. The rest of the industry looked at it as a perennial with two successful stations in California."

Jacobs did further research using focus groups, and found that there was a young market out there looking for a format. "A lot of mainstream stations were skewing very old, 35-54. My question was, was the young-end stuff going to be modern rock or heavy metal? My gut said modern rock."

Jacobs' instinct was right. Today he consults 18 alternative rock stations, about 13 of which call themselves The Edge. Jacobs encourages his stations to do their own research, including weekly call-outs to help shape playlists.

WKQX's Bill Gamble in Chicago also likes to hear what listeners think. As a consultant to several stations, and as program director of the number two station 18-34 in the competitive Chicago rock market, Gamble is one of the format's success stories. After months of research (initially by John Parikhal of Joint Communications), Q-101 switched from a failing adult contemporary format to alternative in July 1992. Young women were selected as the primary target audience.

"There are a lot of radio stations that tend to position themselves for guys, where you have girls that dress up in hot pants and satin jackets that pass out stuff," Gamble says. "We certainly want women to listen; we certainly want men to listen. But we believe by remembering that women want to rock, we become their first choice."

After the first six months, utilizing research results, Gamble skewed the station toward both men and women. It's worked: The station has climbed steadily in the ratings.

Responsive to listeners

Gamble says his station is successful because it's responsive to its listeners. Q-101's 10-person research staff pays close attention to calls on the listener comment line, reads faxes from listeners, tests songs over the phone and talks to focus groups about their preferences. In the past year, Gamble expanded his music department and implemented more types of non-quantifiable research; his "mini A&R department," as he calls it, has staffers going to clubs to find bands and surfing the Internet for ideas.

Not everyone, however, thinks that intense research is doing modern rock any favors. "I think it depends on how it's used," says radio consultant Dennis Constantine. "If it's used as a tool, it's fine; if it's used as a bible,

it can create problems. There has to be some gut involved, some feeling involved."

Constantine adds that research often results in programming that's aimed toward the lowest common denominator. "They research all the positives and negatives and find out what has the most in common with the largest amount of people, and then prune it down to the essence," he says. "Q-101 plays 400 to 500 songs, tops. The songs they play are the songs that appeal to the most people. If a song doesn't meet their research goals, they just won't play it."



So why not just read the trades or copy someone else's playlist? "There seems to be a lot more independent thinkers in this format," Gorman says. "You're getting a lot more regionalism that you haven't really had since the early-or mid-1970s. In fact, this format depends on a lot of local color and playing local music. It's important that the radio station be a part of the local scene. That gives each station a unique flavor."

"A hit is a hit, of course," says KOME-FM Operations Manager Ron Nenni. The San Francisco station switched from AOR to modern rock in the spring of 1994, and competes against modern rocker KSJO in the market. "But there are certain nuances and tastes of a marketplace that you should try to capture. It's also important for stations to differentiate themselves in the marketplace, especially when there is more than one modern rock station in town."

"We could sit around in our ivory towers and think we know what's best, when the listeners have a much better idea of what they want," adds Rebecca Reising, senior music strategist at Coleman Research. "If we did that, we would probably become obsolete.

You can put a CD player in your car just as easily as a cassette deck."

Most advocates of research agree that while it should be used to test songs and products that already exist, it cannot be used to predict the future. "It's hard to test what doesn't exist," Jacobs says. "Research helps the existing product along, but it's not good for estimating something new."

Gorman says that all research should be taken with a grain of salt: "Research is good, but it should be used as a map. If you use it as an instrument, you won't succeed. It's just a guide that says I am going down the right street. It's an added tool, but it doesn't drive the station."

Since the modern rock format is based on new music, its future depends on what the record companies have to offer. "We're very much dependent on them and their ability to cherry-pick talent," Jacobs says.

But the record companies are equally dependent on radio. "Our bands could sell records, but could they sell as many?" asks Geffen Records publicist Dennis Dennehey. "The answer to that is a resounding no. Basically, (modern rock radio) is where they build their fan base. The people who react to the music first are modern rock radio fans.

"Before Beck had a video out, and before Weezer had its video, KROQ in Los Angeles and KNDD in Seattle added them and forced MTV to take notice," Dennehey says. "If KROQ had never played Offspring, nothing ever would have happened. The same was true for Nirvana and for the Breeders, Counting Crows, Urge Overkill and Sonic Youth."

Attractive to advertisers

Then there are the listeners. What makes the so-called Generation X-ers so attractive to programmers and advertisers? "According to our national study, 18-to-29 year olds are active in terms of going out and doing things," Reising says. "There seems to be this misconception that everybody's angry and they don't want a job and I don't think that's true at all. They're professionals and consumers, and they're establishing their buying habits now. If I were an advertiser and I wanted people to buy my product, I'd go ahead and establish brand preference now. These people are going to grow up. If you slight them now, don't expect their advertising dollars later in life." 

Cara Jepsen is media editor of the Illinois Entertainer and a contributor to The Chicago Reader and New City in Chicago. She is a regular features correspondent for The Radio World Magazine.

Format Focus appears monthly in The Radio World Magazine.

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Use Care When Drafting Non-Compete Contracts for Talent

.....
by Mark E. Battersby

The Rules for Covenants to Protect Stations From Employees Moving Across Town Are Tricky—But Often Worth the Effort

No radio station manager or owner enjoys seeing employees utilize all of their training to enter into competition with another employer. Similarly, few buyers of radio stations and related businesses want to see the former owner of that business immediately set up a competing station or business.

In today's competitive business environment, employment contracts routinely restrict many employees from working for direct competitors of the broadcasting operation. In the area of small business acquisitions, a "covenant not to compete" is almost always included in the agreement of sale.

A covenant not to compete normally requires the signer to refrain from competition for a specified period of time in return for some amount or form of compensation. Such an agreement opens a world of potential dilemmas—legal, financial, as well as with federal income tax laws.

Restraint of trade

From a legal standpoint, many covenants not to compete may be an illegal restraint of trade. The laws governing covenants not to compete vary from state to state. Generally,

they are enforceable only when they are reasonable in duration; are limited in geographical scope; protect a legitimate employer interest, such as a trade secret; and are supported by an adequate consideration in the form of payment of benefits.

On a somewhat larger scale, a number of business owners and operators are frequently surprised to learn that the covenant not to compete or perhaps even the entire acquisition of a competing business is illegal under federal, state or local laws. On the federal side, the Sherman Antitrust law was designed to prevent the creation of monopolies. Its effect, however, occasionally extends down to small businesses that monopolize their local markets or market segments.

A properly drafted covenant not to compete, prepared by skilled attorneys and recognizing all of the legal ramifications, is a true asset for any radio broadcasting operation—except in the eyes of the operation's accountants. In return for a sum of money

or perhaps simply for agreeing to purchase a business, the station receives a guarantee that the seller will not enter into competition in a prescribed area for a mutually acceptable period of time.

Lacks physical substance

Unfortunately, that covenant not to compete may not be worth the paper it is written on. How, after all, can any broadcaster account for something that may possess economic value but lacks physical substance?

To an accountant, a covenant not to compete often has a value only to a particular

From a legal standpoint, many covenants not to compete may be an illegal restraint of trade.

business, and therefore cannot be transferred to another organization. Because of the uncertainty surrounding the valuation of the covenant not to compete and other so-called "intangible" assets, they are frequently ignored by bankers, financing experts and recognized at only a nominal amount on the radio operation's books. ➔



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Purchased intangible assets, on the other hand, are generally regarded as assets. The accounting treatment of internally developed intangible assets such as employment contracts are simply not as clear.

Because purchased intangibles are included among the assets of a radio station, while non-purchased intangibles usually are not, a double standard for asset recognition exists in our accounting rules. Suppose, for example, that a station requires all key employees to agree in writing not to join the competition for three years after leaving the operation. This employment restriction (if upheld by the courts) would not be shown as an asset, even an intangible asset of the broadcasting operation.

However, if that radio station were to pay money to a retiring competitor in return for a covenant not to compete, this would create an asset equal to that money paid to the retiring competitor, one that obviously will reflect on the broadcasting operation's financial statements.

Occasionally, it is possible to assign a specific value to an internally created intangible asset such as those employment contracts containing non-compete clauses. Determining the life of those intangibles, however, is extremely difficult. Thus, the broadcasting business may have a recognizable intangible asset that has a value that will remain constant until the business is eventually sold.

Financial statements

The financial statements of the radio station or operation may be improved by the addition of an intangible asset, though income or profitability will not be affected. In other words, the intangible asset remains on the radio operation's books, but there is no corresponding deduction to help reduce the operation's income or affect its profitability.

Until recently, federal income tax laws required similar treatment for all intangible assets, including covenants not to compete. In the past, all purchased intangible assets that had a readily determinable "life" could be deducted evenly over that period of time. A five-year covenant not to compete purchased from the seller of a competing business was written off or deducted equally over the five-year length of that agreement.

Purchasers of intangible assets and the Internal Revenue Service have long been at odds over whether certain types of acquired intangibles were separable from goodwill and had limited useful lives that could be determined with any degree of accuracy. Now, an addition to our tax laws, Code Section 197, created under the 1993 tax law changes, provides a uniform 15-year amortization or write-off period for all specified

intangible assets.

Unfortunately, the new 15-year amortization period applies regardless of the actual useful life of a Section 197 intangible. This mandatory 15-year amortization period will benefit those broadcasters who purchase amortizable Section 197 intangibles with useful lives in excess of 15 years, and hurt those who would be able to recover their investment over a shorter period if the new law had not been enacted.

According to lawmakers and the IRS, a covenant not to compete is the same as any other intangible asset. Thus, that covenant not to compete is automatically lumped in with goodwill, going concern value, so-called "work in place" (the experience, education or training of a work force or other value placed on employees), information bases (customer lists and the like), patents, copyrights, licenses and franchises, trademarks or trade names.

Self-created intangibles

Under our tax rules, the cost of all of these "acquired" intangible assets may be amortized or written off over a 15-year period—including a covenant not to compete, which may have a "life" of only three, five, seven or 10 years. Self-created intangibles are generally not amortizable under Code Section 197, but a covenant not to compete is not considered self-created.

The actual amount of the deduction allowed under Section 197 is determined by amortizing or writing off the adjusted basis or book value of the Section 197 intangible assets over a 15-year period, beginning in the month of acquisition.

Thus, a covenant not to compete entered into in July for an allocated price of \$18,000 creates a tax deduction of \$600 in the year of acquisition and \$1,200 each year thereafter (\$18,000 divided by 12 months x 15 years = 180 monthly Section 197 amortization deductions of \$100 each).

If a radio station owner acquires a trade or business, the purchase price is routinely allocated among all the assets of that business, including the Section 197 intangibles, using the so-called residual method. The purchase price of the business is first allocated on the basis of fair market value among all assets other than intangibles. Any remaining amount is allocated as a lump sum to goodwill and other Section 197 intangible assets acquired in connection with the business.

On the downside, although a broadcaster must generally recognize gain when a Section 197 intangible asset that is amortized on the tax return is disposed of, no loss may be recognized. That loss may not be recognized so long as the broadcaster retains other Section 197 intangibles that were acquired in the same transaction as the Section 197 intangible that is disposed of.

Similarly, no loss is recognized when a

Protecting against competition can readily be accomplished by any broadcaster using a covenant not to compete.

Section 197 intangible is abandoned or becomes worthless, especially if other Section 197 intangibles acquired in the same transaction are retained.

Thus, just as when the transaction first occurs, it is all or none. Either all acquired intangible assets are amortized as Section 197 intangibles or only those intangible assets with fixed lives are written off over their readily ascertainable lives. If no life can be assigned, there is no tax write-off for that intangible asset—unless, of course, the broadcaster utilizes the 15-year write-off for all intangible assets under Section 197 of the tax rules.

Protecting against competition

Protecting against competition, whether from a former employee or the seller of an entire business, can readily be accomplished by any broadcaster using a covenant not to compete. Naturally, such agreements must be reasonable. An employee must be asked to sign the covenant not to compete upon hiring or at the time of a raise or bonus. The seller of a business must specifically agree to a covenant not to compete as a part of the sales agreement.

The benefits, from a business standpoint as well as accounting, legal and tax benefits, make the extra effort required to secure an enforceable covenant not to compete well worth the time of every radio station owner and manager. 

Mark Battersby is a tax and financial advisor with offices in suburban Philadelphia. He has appeared in more than 150 publications, and wrote on making the most of tax-declared losses in the April RWM.

RealAudio: A World Market for Radio Broadcasting?

by Frank Beacham

A newly available real-time audio technology for the Internet's World Wide Web has created an opportunity for radio stations to extend their programming and marketing reach around the world.

Called RealAudio, the new technology is an audio-on-demand system that allows Internet users to browse, select and play back audio content on-demand. The service is available to users equipped with conventional multimedia personal computers with standard 14.4 Kbps modems over regular phone lines.

In real time

The first two U.S. call letter stations—KPIG-FM in Freedom, Calif., and WKSU-FM in Kent, Ohio—kicked off Internet broadcasting the last week in March. Each is offering up-to-date newscasts and other programs on a 24-hour, worldwide basis in real time.

Others using web sites to distribute audio programming are ABC News, National Public Radio, C-Span, WWOZ-FM (New Orleans), KSCO-AM (Santa Cruz, Calif.), Radio Canada, Germany's Deutsche Welle, Nexus-IBA (Milano, Italy) and KBS (Seoul, South Korea).

RealAudio software is a product of Progressive Networks, a Seattle-based start-up headed by Rob Glaser, a former multimedia executive at Microsoft Corp. The company is funded by private individuals, including Mitch Kapor, founder of Lotus Development Corp. and the Electronic Frontier Foundation.

Providing instant audio playback over the Internet has been an elusive goal. Until now, users had to go through the time-consuming process of "downloading" large audio files. Now, with the RealAudio technology, computer users can use their PC to "time shift" radio programming and listen to news stories by

simply clicking on a topic.

RealAudio will soon have the capability to embed an Internet address—called a URL—into the audio data stream. This feature will allow the audio to trigger a succession of on-screen visuals as it plays. Such visuals could potentially be used as another revenue stream for broadcasters, allowing advertising messages pegged to certain sound passages or for supplementary stats during sporting events.

Bernard Gershon, general manager of news operations at ABC Radio News in New York, says RealAudio makes "radio-on-demand" a reality. "I can go to a web site, click on the ABC icon and hear the most recent ABC network newscasts," he says. "The technology is now available. It's just a matter of perfecting over the next few months so it's easier to use."

Point and click navigation changes the way a listener interacts with programming. "It will take you immediately to any point in a story, allowing you to listen only to the parts you are interested in," says Robert Holt, webmaster at National Public Radio. "Traditional radio is ephemeral. This way it's not. People from all over the world can hear it whenever they want to."

Greatly expand

If all goes as planned, the capabilities of RealAudio are expected to greatly expand in the near future. Progressive Networks says it will develop a set of allied products, including:

- ▲ Music-on-demand, enabling users to receive high-fidelity audio in real time or near real time.
- ▲ Hybrid narrowcasting/multicasting systems that link true on-demand services with multicasting capabilities (for example, the live feed of a baseball game is multicasted and the subsequent accesses are narrowcasted on-demand).

▲ Audio-on-demand delivered over wireless digital networks.

▲ Audio-on-demand delivered to new kinds of digital information appliances such as TV set top boxes.

The current implementation of RealAudio has voice-grade sound quality in order for it to work over 14.4 Kbps modems. The compression algorithm used in the technology is scalable, however, and can improve with increasing modem



RealAudio's home page

speeds. True music quality, the company says, can be attained when the standard modem speed reaches 28.8 Kbps in the next year or so.

"It works pretty well now with news clips and voice, but there are definitely artifacts with music," says Chuck Poulton, computer systems specialist at WKSU-FM, a non-commercial station in Kent, Ohio. "But I don't want to be overly negative about it." ■



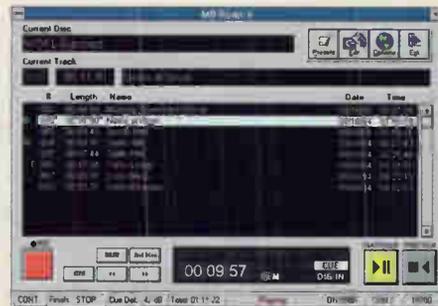
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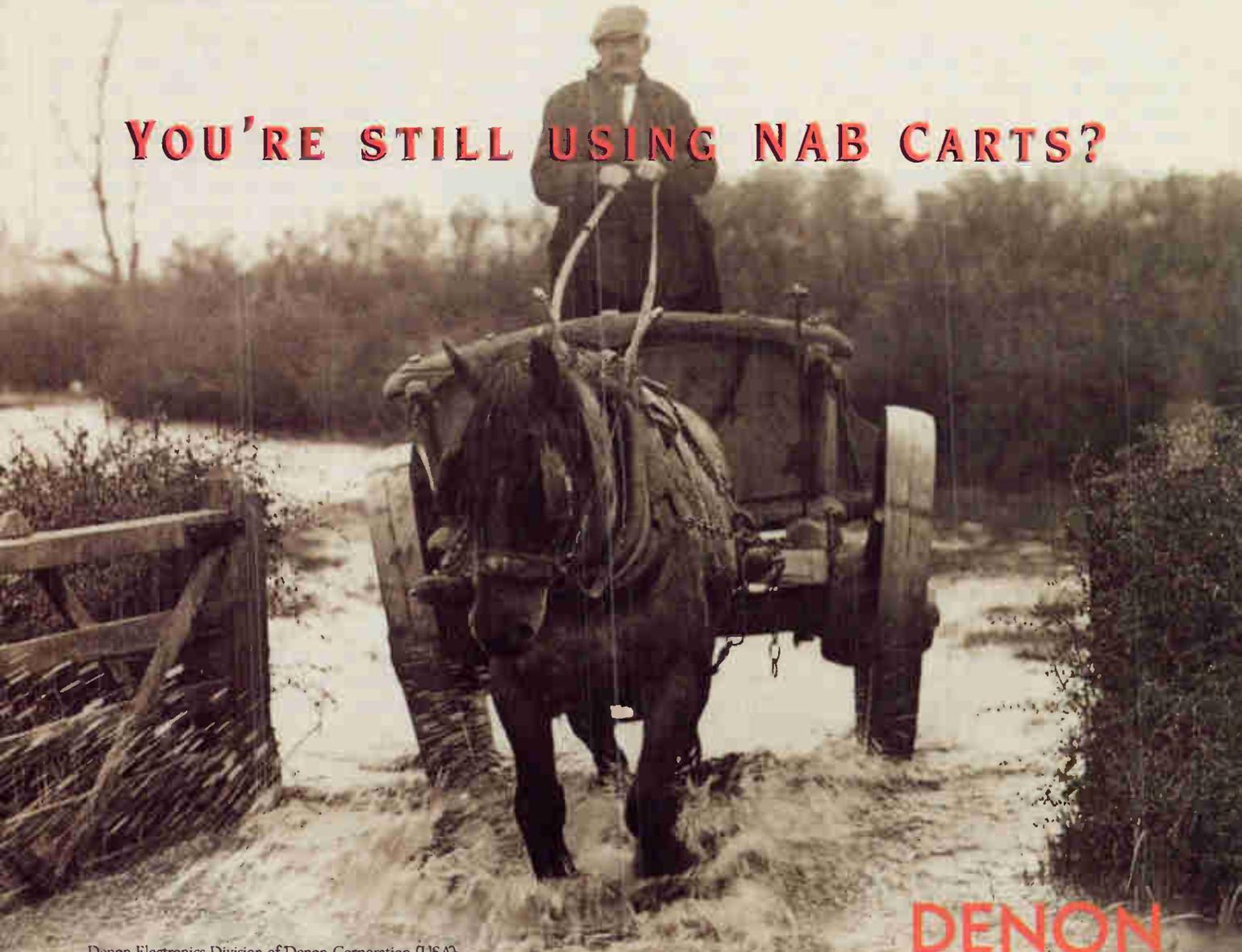
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Newscasts and public affairs programs make up most of WKSU's Internet content. "We will gradually incorporate more and more content onto the web server and try to organize it better," Poulton says. "We plan to bring material from our archives that we haven't aired recently. Pretty much the evergreen stuff."

Cyber Swine headquarters

Also taking a leadership position with Internet programming is the eclectic KPIG-FM, a free-form adult rock station serving the Santa Cruz, Monterey and Salinas market. The station's unique web site—dubbed "Cyber Swine World Headquarters"—gets about 2,000 hits each week from cybersurfers.

"Our goal at this point is to build up a presence and some momentum on the Internet outside our service area," says William Goldsmith, KPIG's operations manager. "Using this technology there is absolutely nothing to stop a radio station from reaching a world market."

Goldsmith says RealAudio's current compression technology does not handle complex waveforms well. "If something has very pronounced vocals in the mix, that comes across just fine," he says. "But if you throw a guitar in there on top

of the vocal, the whole thing turns to moosh."

The first syndicated radio talk show to use RealAudio reports about 5,000 hits to its RealAudio files and 30,000 hits to its other material each week. RadioNet, a weekly program that focuses on technology issues, is distributed live from its KSCO-AM flagship in Santa Cruz over the Talk America Radio Network and is tape-delayed for broadcast over the Armed Forces Radio Network to 130 countries.

"We use the Web site as a tool," says Scott Deardorff, webmaster for RadioNet. "When we talk about topics on the radio show, that information—in the form of audio, transcripts and other information—is then put into the web site for easy access by listeners."

The technology, Deardorff says, has worked well: "We're probably going to have to buy a new server just because of the extraordinary response to RealAudio."

WVOZ-FM, devoted to playing New Orleans jazz, is getting 3,000 hits each day to a web site devoted to music from a series of nighttime concerts it sponsors. Webmaster Bart Colosino of Accesscom, the station's Internet service provider, says the concert segments have been a major hit with net surfers.

"The station has been talking it up on the air,"

he says, "and we've been getting some national news coverage, which steers people to the site."

Internet users can download a free RealAudio player, which allows full software control of programming. Using icons that resemble traditional tape recorder-like controls, the software allows the user to instantly access any part of a program.

Content creators, including radio stations and producers, can use the RealAudio Studio software to encode programs for

Providing instant audio playback over the Internet has been an elusive goal until now.

delivery to an Internet server. The Studio software, soon to be released commercially, is expected to be very inexpensive, perhaps as low as \$50, says a spokeswoman for Progressive Networks.

The costly part of the system is the Server software, which is used to deliver RealAudio clips from a server connected via high-speed data lines to the Internet. The cost of this software is determined by how many simultaneous audio "streams" it can handle. The software ranges in price from a 10-stream system for about \$1,400 to a 100-stream system at about \$8,500.

The listening capacity of the system is determined by the number of available streams on the server. With a 10-stream system, "it's like there are 10 headphone jacks on the server," says Martin Dunsmuir, manager of the RealAudio server product. "That means that no more than 10 people can have their headphones plugged in at any one time."

Within a short time, RealAudio plans to offer support for thousands of simultaneous streams, Dunsmuir says. The 100-stream limitation of the first software release is tied to the limitations of a single TI circuit.

Goldsmith at KPIG is convinced there's a bright future for RealAudio: "Using this technology, there is absolutely nothing to stop a radio station from reaching a world market."

RealAudio's web page is at www.realaudio.com. KPIG is at www.kpig.com, WKSU is at www.wksu.kent.edu, WVOZ is at <http://nt.accesscom.net/wvoz/> and RadioNet is at www.radionet.com.

Frank Beacham is a New York-based writer and producer. He is a regular features correspondent for *The Radio World Magazine*. Visit his Web site at <http://www.beacham.com>

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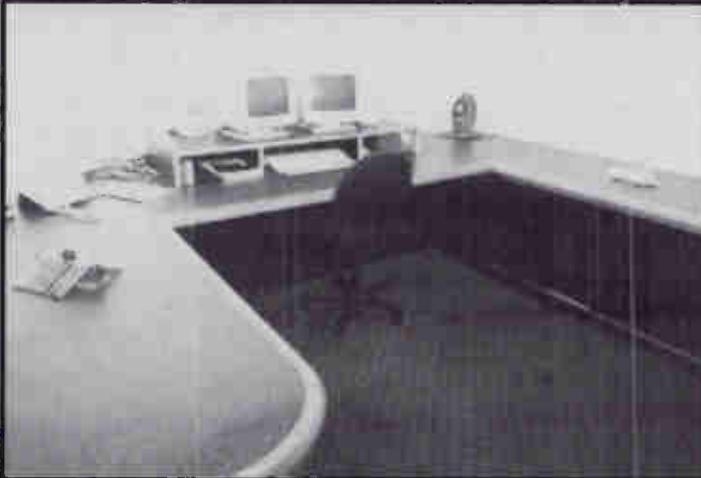
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6-9

NAB Radio Show, New Orleans, La. The NAB will join forces with SMPTE, SBE and RTNDA to produce the second World Media Expo, a fall radio and television exhibition and conference, now deemed the fourth-largest industry gathering in the world. It's a little late to register, but you can contact the NAB in Washington, D.C., at 202-429-5409; fax: 202-429-5343.

14-18

IBC, RAI Exhibition and Congress Centre, Amsterdam. The 1995 International Broadcasting Convention is one of Europe's premiere broadcasting shows. Contact the IBC Convention Office in London at +44-71-240-3839; fax: +44-71-497-3633.

20-22

NAB Libel Defense Conference, Tysons Corner, Va. See how far you can go in talking about newsmakers and personalities. Contact the National Association of Broadcasters in Washington, D.C., at 202-775-3527.

21-dec. 13

Arbitron Fall Book

21-24

Nordic Sound Symposium XVII, Bolkesjø Mountain Hotel, Bolkesjø, Norway. The 17th Nordic Sound Symposium and Exhibition will focus on new techniques, new equipment and new ideas in the audio/broadcasting fields. Contact the symposium committee in Norway at +47-6698-2700 or fax: +47-6684-5540.

27-oct 1

International Broadcast '95, Jakarta Fairgrounds Kemayoran, Indonesia. The third international audio/video show. A lot like Indianapolis, uh, kind of. Contact the organizers at +61-21-420-4300; fax: +62-21-420-11.

28

Radio License Renewal Seminar, Kansas City, Mo. Speakers include NAB attorneys, EEO specialists and outside experts. Contact Christina Griffin in D.C., at 202-775-3511.

Oct.

Broadcast-Madrid, Juan Carlos I Exhibition Centre, Madrid, Spain. The radio and television exposition for Spain. Contact IFEMA in Madrid at +34(9)1-722-5000; fax: +34(9)1-722-5792.

5-8

99th AES Convention, Jacob K. Javits Convention Center, New York City. The autumn Audio Engineering Society convention convenes in the number one-ranked radio market. Contact AES in New York at 212-661-8528; fax: 212-682-0477.

10-12

Consumer Electronics Show—Mexico, Palacio de Los Deportes, Mexico City, Mexico. Second annual non-domestic show for U.S. sponsor Electronics Industries Association (EIA). Will offer retailers and attendees access to all categories of consumer electronics products. Contact Margaret T. Cassilly in Washington, D.C., at 202-457-8778; fax: 202-457-4901.

14-17

RAB Fall Board Meeting, Boca Raton Resort & Club, Boca Raton, Fla. Semiannual meeting of board members of the Radio Advertising Bureau. Includes committee meetings on membership, marketing, training and education, dues, research, sales and services, finance and national marketing. Contact Celeste Champagne at the RAB in New York at 212-254-4800; fax: 212-254-8713.

25-28

Broadcasting Cable & Satellite, Pragati Maidan, New Delhi. This first show will focus on radio and television broadcasting, satellite and cable distribution, professional sound, film and video. Contact Exhibitions

India in New Delhi at +91-11-462-2710/1; fax: +91-11-463-3506.

28-30

CAB Annual Convention, Ottawa. Sort of like NAB, except it's Canadians. And it's colder than New Orleans. Contact the Canadian Association of Broadcasting at 613-233-4035; fax: 613-233-6961.

nov.

Broadcast India '95, World Trade Center, Bombay. The annual show is organized by Saicom Trade Fairs and Exhibitions. Call them in India at +91-22-215-1396; or fax: +91-22-215-1269.

5-7

NAB European Seminar, Hotel Arts, Barcelona, Spain. The National Association of Broadcasters hosts the NAB European Radio Operations Seminars, which will focus on radio management and programming; radio sales and sponsorship; and radio technology. Contact Lucy Smith at the Paris office of NAB at +33-1-46-92-12-79; or fax: +33-1-46-92-12-70.

12

NAB/Small Market Managers Roundtable, Washington, D.C. A one-day quickie to discuss relevant issues. Contact the NAB in D.C., at 202-429-5402.

dec.

Fifth CEPT Radio Conference, Edinburgh, Scotland. This year, the conference will focus on the digitalization of broadcasting and how this process may impact other radio services. Contact the European Radiocommunications Office in Denmark at +45-3543-2442; fax: +45-3543-3514. 

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Brand Yourself, Brand Your Identity

by Karen Tobin

Knowing the Fundamentals of Marketing And Applying Them To Your Market Are Building Blocks of Success

The great top 40 radio pioneer, Gordon McLendon, used to say that the radio station with the biggest signal, announcers with the deepest voices and programmers with the sense to always play the hits would consistently be at the top of the ratings.

The 1990s have brought us a more level playing field. Satellites, automation and syndication have given the smallest market radio stations a big market sound. Research, meanwhile, narrows the slices of the pie smaller and smaller.

Still, presentation of the product continues to be a primary building blocks of winners. Look at "Jeopardy" and "Wheel of Fortune." Timeless winning combinations and mass distribution make these programs as mainstream as brands like Coca Cola and Budweiser.

Brands have always relied on positioning statements, and it is the advertising, promotion and publicity that make up the marketing of any product. This is what separates Campbell's from the bland soup of homogenous competitors on the shelf and makes consumers look for a particular brand wherever they are.

Brand loyalty all comes down to marketing—these rules, of course, apply to radio as well. Without resorting to tactics like sidewalk callers in front of strip joints, we will always be looking for another way to hook listeners.

Marketing pyramid

As a marketing director accountable for the task of making sure your station stands out on

the shelf we know as the airwaves, there are several attributes you should keep in mind.

First is the ability to distinguish what we call the marketing pyramid—advertising, promotion

and publicity. Advertising is what you buy, therefore you control it. Promotion is a trade, usually with a partner, and together you both benefit (though you lose some control in taking on a partner). Publicity is a gift, but certainly something that one works hard to get. If you can keep these things separate, you'll at least be organized, if not successful.

Secondly, if you carefully choose your media and/or retail partners, you'll have a happy

KIIS & Unite, which includes a celebrity auction over the Internet.

Netscape: Christian Slater

Location: <http://www.gointeraet.com/radio/kiis/aitems/ai148.html>

Christian Slater's Cadillac

Auction Item Number AI#148

Current Bid is: \$6000

Text to come

Choose the "Bids" button to enter your bid amount or make a donation.

If you are unable to e-mail, call

marriage. If you share the same target and have similar objectives, you stand a better chance to win by increasing ratings and revenue.

Third, be topical, but remember advertising is advertising, and promotion is promotion.

Returning to the reference above of choosing media partners with similar objectives: There is so much that radio, TV and cable can do togeth-

Fox 11 News with Rick Dees at the "Beverly Hills 90210" season finale.



Generally, you advertise for the long haul. Promotion is where you are topical. We all work around holiday themes, headlines of the day, trends from fashion, music, film, television and general interest magazines.

With demographic research and a contemporary theme, we can locate the appropriate media partners to help us achieve our mutually winning goals.

And fourth, we need to always remind ourselves to KISS—"Keep It Simple, Stupid!" Theater of the mind makes for bigger than life promotions: "We have the trip or concert ticket that money can't buy; you can only win it here!" "You can win \$1,000 if we call out your birthday." These techniques grab attention, while being quick and simplistic.

And now, there's the added benefit of exposure through the Internet. This year, KIIS & Unite, our third benefit concert for the Pediatric AIDS Foundation, will offer celebrity auction items on the World Wide Web to more than 30 million subscribers internationally who will simultaneously bid with concertgoers and KIIS listeners. This is true interactive media.

With all the morass of the public, our message must be simple and direct and the way we convey that message is critical. There may be 22 immutable laws of marketing, but foremost is to be first and true to your niche. In other words, brand your identity, brand yourself.

Andy Warhol said, "It's not what you have, it's what you do with what you have that counts." We always say it's the same old promotion, script or song, but today it's dressed up in exciting new clothes.

er to benefit our neighborhoods, society, each other, and we can have fun doing it.

In the '70s, KFRC in San Francisco called itself "The Great Entertainer." Entertainment is what we provide and we are entertainment marketers just like P.T. Barnum. Where better to associate oneself with entertainment than Hollywood?

"Beverly Hills 90210" and "Melrose Place" are TV shows that fit our station's demographics, and fantasy prizes with this theme have always been popular. Everyone has held advance movie screenings, but how about a pre-show party with an advance screening of a season finale?

How about being a VJ or DJ for a day? How about simulcasting the local TV morning show with the local radio morning show? Watch David Letterman for his top 10 list and listen to the radio morning show the next day for a chance to win a trip to see Letterman live. All a listener has to do is identify the number one answer of three

choices from the top 10.

These ideas are ratings builders for both radio and TV, fostering viewership and listenership. TV should try to fit into an existing feature on the radio station for a true win-win relationship.

In addition, actors can call in to radio morning shows for interviews, giving radio programming and TV promotion, as we did with NBC's "Must See TV Tuesdays" and "Must See TV Thursdays," last fall. Autographed merchandise and walk-on parts always bring the fantasy to life.

How about a marriage between radio, TV, newspaper and Hollywood? Bumper sticker in the newspaper, fast-food partner with P.O.P.—win-win-win. Logo placement on rack cards and in print ads create synergy and logo identification in the marketplace. Keep in mind promotion synergy on-air as well as off-air.

Radio boosts those ratings, sells those papers and creates in-store traffic. Exciting fantasy prizes offered via cross-media promotion can increase viewership, listenership and readership.

Marketing your station to a public inundated with options is no easy task in the 1990s. But by understanding the fundamentals of effective marketing and creatively utilizing resources, the chances of becoming one of those generic brands on the shelf are greatly minimized.

Karen Tobin is vice president/director of marketing for KIIS-FM in Los Angeles. She was profiled in the March 1995 Promax Promotions Profile.

This article was adapted from a speech presented at the Promax marketing conference in June.



Madonna helps KIIS raise money for AIDS at this year's KIIS & Unite III.

re·li·a·ble (ri lī'ə bəl), *adj.*

1. that may be relied on; trustworthy.
2. dependable in achievement, accuracy.
3. the PR&E BMX III.



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WPOC-FM Promotion/Marketing Director Sheila Silverstein:

'The Fun Part about Radio Is That We Can Make Magic'

by Scott Slaven

The Promax Promotions Profile offers a look at the experiences and points of view of the nation's top radio promotion professionals.

This month: Sheila Silverstein, promotion and marketing director for Nationwide Communications country outlet WPOC-FM in Baltimore.

Q: What are your promotion origins, Sheila?

I started out doing an internship. I did everything: answered phones, did research, promotions, public service. I did whatever it took. I started at 33 so I wasn't a young intern. Before that I worked in a dental office, so I had the time management skills.

When the promotions person left, I went to the general manager and told him I'd like to be the promotion director. He said, "Well, I was never a GM until someone gave me a shot, so I guess I'll give you a chance." I pretty much just learned my craft. It's been close to 11 years now.

Q: Have you always worked in a country music format?

Yes, I'm a big country music fan. I liked country before it was cool, though I love the new music coming out and the new artists. It's fun to meet them when they're starting out and then six months later they're the biggest thing.

I remember the first time I met Clint Black. I went with him and the record company for a sandwich at a sub shop! He wasn't famous back then. Now, look at him.

Q: You've witnessed an explosion in the popularity of country music. Does that make your job easier?

It makes it more fulfilling. I always knew it was great. Now the major advertisers know it and the other people know it. When I first started, there were a lot of companies that had a country bias, but they thought the listeners were not the customers they wanted.

Now we have doctors, lawyers, everybody. At John Hopkins here in Baltimore, they play country music in the operating room! I think the music has helped changed the bias.

Q: What are some of the qualities that make a good promotion director?

A sense of humor, being flexible, knowing when to say no and feeling okay about it. Being the kind of person who takes reasonable risks and the kind of person who, if you don't ask, you know the answer.

I firmly believe that if you don't know you can't, then you can do anything. And you have to have sturdy legs because of all the standing that you do!

Q: Are there any drawbacks to promotions?

When I first started, I neglected my

A Premiere Promotion

Event: Flight 93

The Deal: "I'm going to take 30 winners from Baltimore aboard Flight 93 for Nashville. Listeners qualify on the air to win a chance to spend 36 hours in Nashville.

"We get them on a plane in the morning, then take them to record with an artist in a studio. Then we take them to Music Row and to a private concert with an artist, then sightseeing, to the Opryland Hotel, etc.

"I've had little backstage passes made that say 'Flight 93, I've earned my wings!' This is my fifth year doing this promotion and I love it. What's really great about country and something that we shouldn't take for granted, is that when I take someone backstage to meet an artist, I've changed their lives. They're going to be

talking about this forever. It means a lot."

Event: Bay Jam '95

The Deal: "This is the first time we've done this event," says Sheila Silverstein, promotion and marketing director for WPOC-FM in Baltimore. "It's for the Chesapeake Bay Trust, since the bay is Maryland's most precious natural resource. We're going to have three country music artists; environmental, hands-on exhibits; and a \$25,000 'Dig for Diamonds' in a sandbox.

"For five minutes, people can sift through sand for beads, which they can redeem for rubies, emeralds, pearls and watches. And someone is going to win a \$1,000 diamond ring. We're bringing in ten tons of sand."

—Scott Slaven

family and my husband. And I have to say that my husband is the best promotions husband in the world. He has been a roadie, a promotion director, he could do my job. He has supported me 100 percent.

But in the beginning, I missed family events because I thought I had to be at the radio event. Now I know that I can delegate. Of course, it probably won't be as good as if I were there! But there are family events that you just can't miss, so now I ask staff to pitch in and they help. I think it's something you have to learn; I don't think I could tell anyone that if they're just starting out.

Q: Which technologies are you investigating?

At our station we have the Fair West interactive phone system, which is very cool. I can do a promotion and put it on the phone line in two minutes. I can get the clutter off and put all the rules and regulations on the phone line. I don't have to answer questions! It's fabulous.

When I come home at night—except for Mondays when I have to watch “The Nanny”—I'm on e-mail and Prodigy. I can't believe that I'm into computers—me, who doesn't know a woofer from a tweeter!

Q: What do you find exciting about the Web?

I like the billboards. I like to see what people are thinking. On the country music billboard I can see what everyday people think about songs and what's happening—who's hot, who's not. I get to eavesdrop and it helps me get a feel for things.

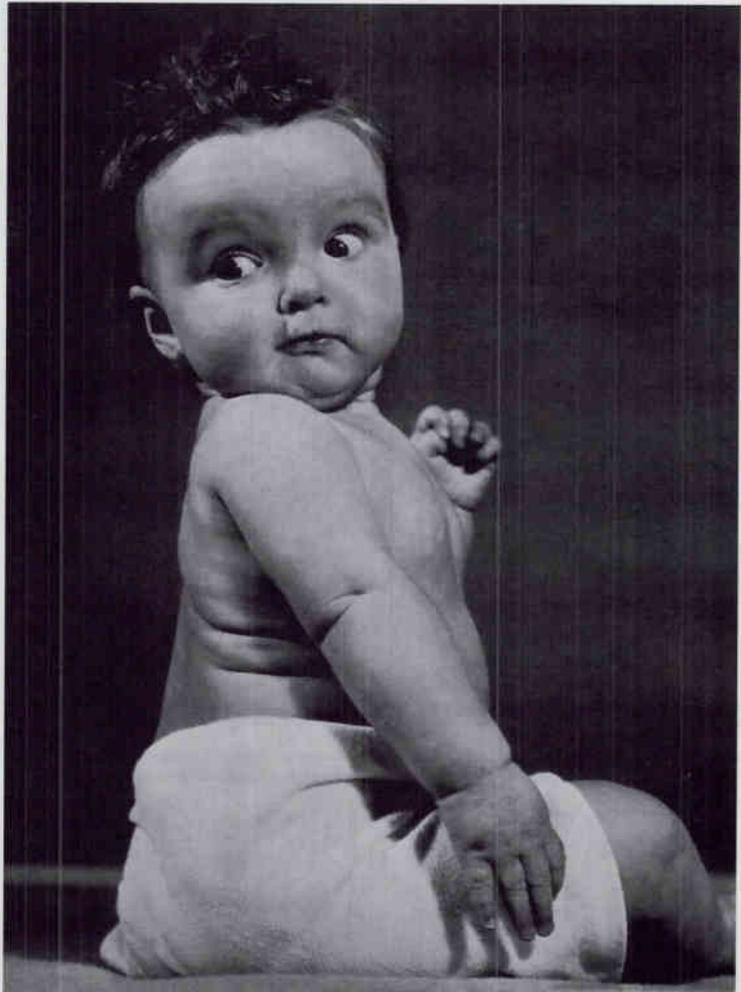
There's also a Fan Fair billboard. Fan Fair is a week-long event where fans come to Nashville and get to meet their favorite artists. I recently got on the billboard and since I'm not a rookie about the fair anymore, I was able to help people across the country. When they got home everyone sent me their favorite Fan Fair moment.

Q: How would you sum up your promotions career thus far?

The fun part about radio is that we can make magic. I always feel I'm doing that when I do a promotion. I want to help sales and generate revenue and all those things, but I still like working the magic, I like working months to put on a show for 12,000 people.

That's exciting to me, making people ➡

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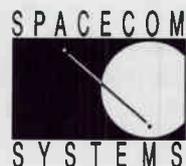


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happy. And I think that comes across. I'm enthusiastic about it and it doesn't get boring to me. I'm like the listener's advocate—they can pick up the phone and call me.

On the morning show, they call me the "Promotions Princess," and I certainly have the clothes for it! Somebody called me up a while back and asked me to be the promotions director at another station.



I said, "I'm flattered, but I just couldn't see myself in black jeans and a black T-shirt. I already have the clothes for this job!"



Scott Slaven is director of communications for Promax, an international association for promotion and marketing executives in the electronic media, based in Los Angeles.

SHEILA SILVERSTEIN

Title

Promotion/Marketing Director, WPOC Radio, Baltimore.

Up the Ladder

Began promotion career as promotion intern part-time at WPOC, Baltimore, in 1985, "filling for any operational position as needed."

Named Promotion Director 1987.

Designated Summit Communications Promotion Director of the Year in 1989.

Promotion and Marketing Director, 1990 to present.

Choice Morsels

Executive Board member Planning Committee for American Heart Association's "Black Tie/Blue Jean Ball," 1990-1993.

Advisory Board member for Roads to Recovery's annual "City Slicker Ball" since 1992.

Board of Directors and Advisory Board member for Cystic Fibrosis annual concert since 1991.

Member of Covenant Guild/Jewish Women Philanthropic Organization for five years.

Volunteer for Baltimore County Police fundraising, Towson Town Festival for three years.

Honors/Awards

Won two Silver Promotion awards by the Country Radio Broadcasters for "Flight 93.1" promotion (1991) and for "WPOC Takes the Checkered Flag" (1993).

Nominated for Billboard's Promotion Director of the Year in Large Market Country, 1992-1995. Billboard Promotion Director of the Year in Large Market Country, 1991.

Instrumental in WPOC's designation as CMA Large Market Station of the Year, 1990, 1992.

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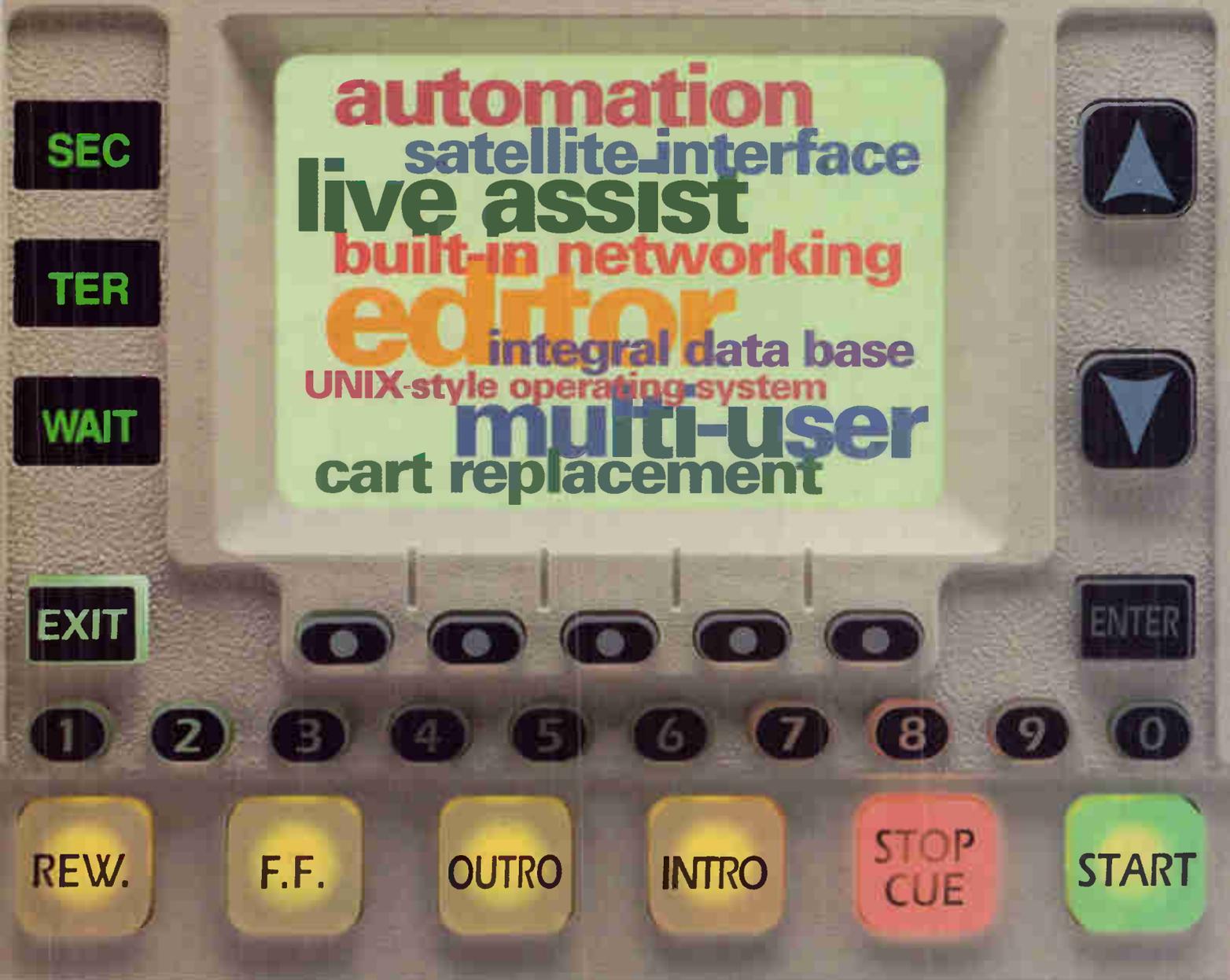
Digital Audio Broadcasting— Just Where Is It in the World?

.....
by Alan Carter

*In-Band or Eureka-147? In Either Case,
Ancillary Services Offer Promise of More
Than Just CD-Quality Audio*

DAB, such a simple-looking acronym that is so complicated. What means one thing in Dallas has a different definition in Dusseldorf. While the United States heads in one direction, most of the rest of the world is off in quite another.

In all probability, by the year 2000, if you leave the U.S., your portable radio (or car receiver if you're driving in Canada or Mexico) will be useless for listening to this new digital radio service—unless the unit happens to be multiband and will pick up two or three different transmission schemes in approximately four different spectrums. Not likely, huh? ➤



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DDS is built on a multi-user, multi-tasking, real time operating system, so adding users, applications, and audio channels is never a problem.

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U.S. radio broadcasters are intent on implementing an FM and AM Digital Audio Broadcasting (DAB) system in-band—in other words, one that will allow consumers to tune into the same frequency for a station on both their traditional and DAB receivers. This will avoid reallocations and keep intact the tiered protocol traditional in the states. Never mind that the U.S. military refuses to give up the L-band frequency where the alternative system would go.

Unfortunately, the U.S. so far stands alone with this intent. Elsewhere, and particularly in Europe and Canada, DAB is viewed as a replacement for analog terrestrial delivery, utilizing a technology called Eureka-147. The British Broadcasting Corp. (BBC), in fact, will be the first to offer a full-time commercial service with five channels. Broadcasts are scheduled to begin Sept. 27.

Five transmitters

Five transmitters will provide coverage to the Greater London area, representing about 20 percent of the United Kingdom or some 12 million people. By 1998, the BBC intends to have an additional 22 transmitters providing service to about 60 percent of the population.

Just how many listeners the service will reach is quite another story. Receivers are hard to come by—even for broadcasters to conduct test operations—and those on the market in Europe cost between \$6,000 to \$7,000.

Philips showed an early generation model last year and Grundig recently released sketchy details on another. Other receiver manufacturers such as Pioneer and Sony are unusually quiet on the subject; suspicions are high that they are about to launch introductions.

DAB receivers on the market in Europe cost between \$6,000 to \$7,000.

European broadcasters are ready to blame receiver manufacturers if the introduction of DAB is slowed at all. Some also are primed to toss a few jabs at the U.S., knowing that the consumer market in the states is so large when compared to

elsewhere in the world, that success is almost a given.

Elsewhere

As active as the British are, the Canadians already have experimental Eureka-147 broadcasts on the air in Toronto and Montreal and plan full-time operations in 1996. At this point, broadcasters there are not too happy with regulators who want to issue only temporary



licenses to begin commercial service.

The nation took an uncharacteristically vocal stance to support Eureka-147 as a worldwide standard for DAB after the U.S. National Association of Broadcasters, who at one time supported Eureka-147, made an abrupt about face. This awkward maneuver was forced after the NAB radio membership pulled in the reigns on NAB executives who were seeking worldwide marketing rights to the technology from the European developers.

In Sweden, meanwhile, approval for DAB services has been requested in three major cities, including Stockholm; the Dutch are expanding experiments throughout the Netherlands in Amsterdam, Rotterdam, The Hague and Utrecht. The French have 10 radio programs on as part of a trial; some of this programming is only being heard over the experimental digital channels.

In the middle of the pack are the Germans, who were the leaders in DAB development until 1993, when public broadcasters were handed major budget cuts. The biennial radio fair in Berlin held the last of August was to be the next major push for DAB in Germany. Tests are ongoing throughout the country.

It was in German laboratories where

Eureka-147 saw its start back in the early 1980s. At the first stage, German engineers considered digital transmission over FM frequencies—but ruled it out. Six years later, the project took on new meaning with \$60 million in funding and support from public and private technology sectors in Germany, France, the Netherlands and the United Kingdom as part of the European Eureka Technological Development Consortium.

Then in 1991, after researchers had the parameters set for what eventually would become a worldwide standard for DAB, the consortium added another \$30 million to the budget to expand development from just an audio service to include ancillary services for traffic information and data transmission.

Today, the ancillary services are more significant to broadcasters in many cases than the CD-quality, multipath-free audio Eureka-147 DAB offers.

Canada launched an in-car navigation and traffic monitoring system via Eureka-147 on the L-band. Known as TravelGuide, the system integrates police reports with information on traffic flow gathered by both buses and on-road sensors to provide a data stream that is relayed by L-band to a digital radio equipped with a small LED monitor screen. Control is executed using either keys or—theoretically for now—voice recognition.

Most efficient route

To operate, a driver keys in his or her current location and destination and then asks the computer for the most efficient route based on current conditions. TravelGuide then displays a route on the monitor screen, along with audio instructions.

The audio includes a route overview spoken by the system's voice synthesizer. Data collected by TravelGuide is continually updated, and new accidents or other problems are relayed to the driver. The system, in turn, suggests alternative routes. Once the system is fully operational, it will cover routes stretching, say, from Toronto to Orlando.

In Sweden, Severiges Radio and Swedish Telecom are looking to multimedia opportunities with DAB. Not only would a radio receiver of the future have a tuner, dial and

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Here's how it works: Six buttons on the left of the large computer touchscreen play what's on your log. Scheduled spots, songs, promos, PSAs and live scripts come in automatically from your production studios, traffic, music and copy computers. Jocks can revise sweeps at a touch (with the arrows at mid-screen), or work with the full day's log and add or rearrange anything.

On the right, 17 "hot keys" start **unscheduled** jingles, sounders, effects, comedy or promos **on the spur of the moment**. Your morning show will benefit from 26 sets of 17 user-defined instant audio "hot keys".

You can **preview anything** in a cue speaker at a touch. The Scott hard drive even lets you listen to endings **while** that song is playing on the air.

And **nothing** beats the Scott System for easy levels. Touch the label on the screen, moving right to left to fade as desired. If you'd rather adjust levels on the console, channel numbers show clearly on each start button.

The Scott Studio System is your **best** way to make the move to digital audio and eliminate troublesome carts. The touchscreen instantly plays whatever you want. All scheduled spots, jingles, promos, scripts and songs come in from your traffic, copy and music computers.

Phone Recorder On Screen

Touch **one button** and you're recording calls to hard disk. Another button and you've got the world's easiest editor. When it's ready, one touch and your call's on the air. The phone recorder only adds \$1,000 to the system.

The Best Digital Audio

When spots, promos, PSAs, or any other digital audio events are recorded, they're immediately playable in **all** your Scott System air studios. Nobody wastes time carrying carts down the hall or redubbing spots for additional stations.

One question you **don't** have to worry about is "What if it breaks?" The Scott System comes complete with **every** spot and jingle stored **redundantly** on **two** hard disks. It's a snap to switch to the "hot standby" system! You get touchscreen convenience, digital quality, and backup redundancy for no more money than cart machines and commercial tapes.

The World's Fastest Requests!

Touch either of the two buttons at the top right of the main screen to see our "Wall of Carts" with all your audio **on-line!** Touch the spot, song, jingle, sounder, promo, PSA or comedy you want and it plays **instantly**. Or, you can put it anywhere you want in the day's schedule.

During play, all Scott screens include large digital timers that automatically count down into times, and flash warnings 60-, 45-, and 30-seconds before the end. You also get clear countdowns the last 15 seconds of each event.

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Big & Small Have Made the Move!

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speakers, as the Swedes foresee, the unit will include a graphic screen, a loudspeaker processor and a more sophisticated user interface. Imagine reading the morning newspaper in electronic form while riding the subway to work. Access the latest weather update, sports scores, gambling odds...

Some of Germany's leading broadcasters—Radio NRW, a major network supplier; Antenna Bayern, one of the country's oldest private stations; and Radio Hamburg, a market leader in the city for which it is named—teamed with the German industry to develop DAB data services. The research and development company, German Data Broadcasting Research and Development Co., will focus on the data services and leave the transmission aspect to individual stations. The consortium is working to come up with new ideas for the new medi-

While Canada is the most ardent supporter of Eureka-147 outside of Europe, other countries are seriously evaluating the system.

um, rather than what the proponents consider the unoriginal lines of news, weather, traffic, stock quotes and song titles.

The ability to offer ancillary services could be one of the more difficult obstacles for in-band proponents to overcome when compared with Eureka-147, though in-band proponents beg to differ. Only time will tell.

European unity

Eureka-147 proponents are hoping to have more luck unifying European broadcasters on DAB than the economic sectors had in fortifying the European Community. The European Broadcasting Union formed a platform, the EuroDab Forum, for public and private operations to debate the issues and reach a consensus. Much of the effort so far focuses on bringing the commercial broadcasters into the fold because the public has been the driving force.

If the U.S.-developed in-band systems still in development had been completed at the same time as Eureka-147, indications are they probably would have been supported by the commercials. But Eureka-147 is so entrenched and further along, commercials accept it by default. That does not mean there aren't some criticisms and concerns.

While Canada is the most ardent supporter of Eureka-147 outside of Europe, other coun-

tries are seriously evaluating the system. But there appears to be more willingness to wait for the in-band systems to catch up.

An inherent lead

DAB interests in Mexico have tested both. Australia is not dismissing in-band, but Eureka-147 has an inherent lead. China formed a special center to study DAB, focusing on Eureka-147, and plans test projects in mid-1996. India is keeping a close watch on developments. Japan remains an unknown variable and is quiet on the issue, though Japanese delegates continually support the U.S. position to not shut out any other options to Eureka-147 when it comes to a vote within international standards-setting organizations.

As if the discussions surrounding terrestrial DAB weren't enough, there are also distinct issues surrounding satellite DAB.

The debate there is not as intense, but various moves are afoot. The BBC World Service, the German Deutsche Welle, Radio France International and Radio Netherlands World Service formed the European Digital Radio pan-European service in preparation for the next step past shortwave. Voice of America is a system proponent for a satellite system with NASA. Another player earning more and more respect throughout the process is WorldSpace, which proposes a system directed at Third World countries.

As for satellite digital radio in the United States, the FCC awaits comments due Sept. 15 on a proposed rulemaking that allocates 50 MHz in the S-band. The proposal is sympathetic toward the approval of satellite service, and the burden of proof is on existing terrestrial broadcasters to show cause why the FCC should delay the inevitable. 🌐

Alan Carter is assistant editorial director for Radio World's audio division and editor in chief of Radio World International.

This story was compiled with additional reporting by Radio World correspondents Mary Ann Seidler and Michael Lawton in Germany, Max Thrower in Australia, Jeffrey Cohen in the United Kingdom and James Careless in Canada.

Nothing Definitive Yet: U.S. DAB Still Awaiting Standard

In the U.S., testing of various DAB system proponents is scheduled to begin in late September in San Francisco. The results of these field trials represent the next important step for the technology here.

The tests are part of the official evaluation process for the FCC being conducted by the Electronic Industries Association and the National Radio Systems Committee. Laboratory tests have already been completed, with results due just prior to the NAB Radio Show in early September.

A true head-to-head comparison among the proponents may be impossible. As preliminary work began in preparation for the field tests, it became apparent that the L-band frequency may be made available for Eureka-147. The National Telecommunications Information Administration, which monitors spectrum reserved for government use including the military-held L-band, at the last minute was consenting to experimental testing.

Radio broadcasters have been against the use of L-band for Eureka-147 all along because it would require re-allocation of stations and would give parity to stations across the band. The military gave broadcasters another argument in their favor by putting a stop to the use of L-band in the U.S. when spectrum was being allocated for worldwide use. Adding more fuel, debate over the issue came at a time when the U.S. military was riding an extreme high: just after the Gulf War.

While many will closely examine the results of the USA Digital Radio system from a consortium that includes Gannett, Westinghouse and Group W, the tests will result in the first public details about in-band on-channel, in-band adjacent-channel and in-band replacement systems under development by AT&T Bell Laboratories. (AT&T proposes the in-band replacement-channel system for implementation once analog is a thing of the past and old systems are off the air.)

The other system being tested is a satellite scheme from NASA and Voice of America that would operate at 2.3 GHz.

—From staff reports

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More than a century ago, Northwestern University's School of Speech was founded as the Cumnock School of Oratory, offering a rousing curriculum of classes in elocution.

Today, elocution is probably taken for granted at the school's WNUR-FM. The greater challenge is understanding the technology behind the station's new state-of-the-art performance, production and interview studios and two control rooms.

"We had a number of challenging and diverse goals in designing the new studios," says Rick Morris, assistant professor and WNUR's faculty adviser, who supervised design and construction of the studios. "First, with a staff of more than 200 college students, they had to be very simple and yet very rugged. We also wanted the highest quality so that they simulate a real broadcast environment."

The 7,200 W, 24-hour station primarily broadcasts jazz, rock and world music to a population of nearly two million in the Chicago radio market and is one of the largest student-run stations in the country. Students, all non-paid, handle programming—including music, public affairs and sports broadcasts—as well as fundraising, business affairs, promotion and production.

The new studios, marking the 45th anniversary of the station, were designed by Russ Berger Design Group, which recently completed new facilities for National Public Radio. Included in the WNUR makeover are a Wheatstone A6000 on-air console and a Sony MXP2926 production console supplemented by a Pro-Tools digital workstation—some pretty serious learning tools. The station will cover college sporting events with new Telos Zephyr ISDN equipment. Studio equipment, meanwhile, is all digital: Sony MiniDiscs, DAT and Tascam CD601 compact disc players.

In all, the renovation cost in excess of \$750,000, principally donated by the McCoy Foundation, which is headed by radio station owner, businessman and Northwestern graduate Arthur H. McCoy.

"Students here have been recognized as learning in one of the highest-quality college stations in the country," Morris says. "Now, no longer will the equipment stand in the way of their creative abilities."

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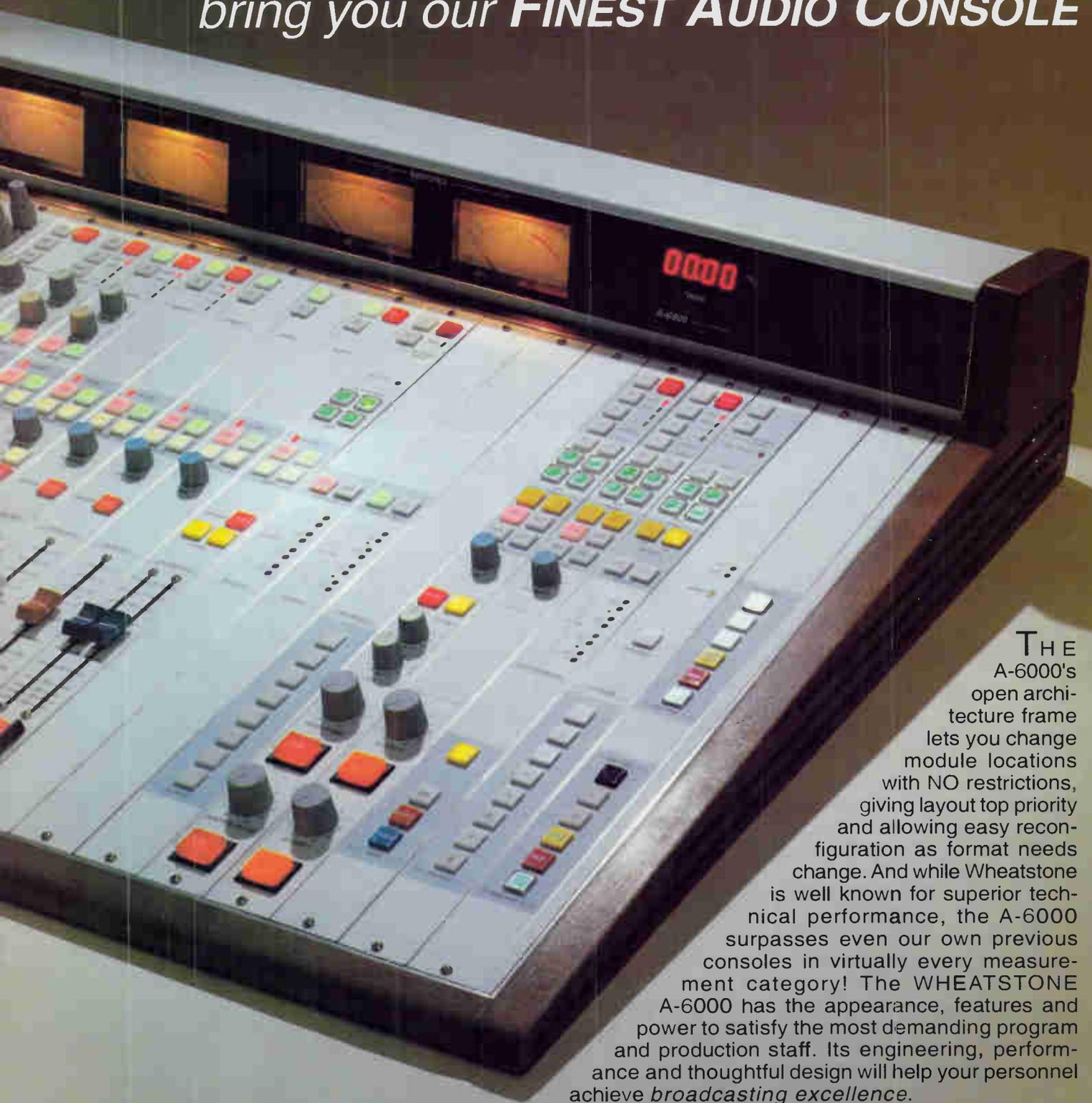
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