

Winter 1995

BTR

RADIO

Beyond the Ratings

A magazine
for the
radio industry

Selling orchestra
seats with radio... 3

Radio Today
textile... 50

Q U A N T I T A T I V E

Q U A L I T A T I V E

*Gearing up
for tomorrow*

Scarborough unites with Arbitron

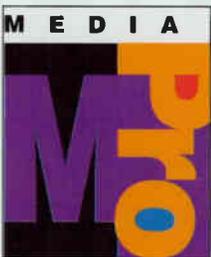
ARBITRON



Scarborough and Arbitron combine .. 6



Radio Today..... 10



New planning and buying system..... 14

FEATURES

Winning with radio	3
How Indianapolis orchestra does it	
CEO Corner	4
Digital audio	
Scarborough allies with Arbitron	6
Together they look ahead	
Radio Today revised	10
Updated version of this popular publication	
1995!	12
Great year to be in radio	
Media Professional	14
New for advertisers and ad agencies	
LocalMotion expands	15
Now in 11 markets	

REGULAR COLUMNS

Inside the Ratings	16
Arbitron People	19

Beyond the Ratings, a magazine for the radio industry, is published quarterly by The Arbitron Company as an information service.

The Arbitron Company
142 West 57th Street
New York, New York 10019, (212) 887-1300

Publisher: Thom Mocarsky,
Vice President, Marketing Communications

Managing Editor: Harry Doolittle,
(212) 887-1319

Editorial Staff: Chris Julian,
Diane Streckfuss

Design Director:
Stephanie Wai Lee, Art&Design Group

Design Staff: Kevin Summerfield,
Kay Wassam, Kathy Weisse

Contributors: Robert J. Coen, Bob Cohen,
Dan Mason, Christopher Stager,
Robert Unmacht

Maximiser[®] is a registered trademark, and LocalMotion[™] and Media Professional[™] are service marks of The Arbitron Company.

Windows[™] is a trademark of Microsoft Corporation.

The contributions of Arbitron clients may not necessarily reflect the opinions of The Arbitron Company.

Radio's selling power

It gets the job done!

Brahms would have applauded

For the Indianapolis Symphony Orchestra, advertising has proved to be the right note to increase attendance at its concert hall. And if Brahms or Mozart or any of dozens of other classical composers were alive, they might just want to dash off an ode to its success.

That's because it's one thing to use advertising to boost the sales of a product or service and quite another to sell something as nonspecific as filling seats at a symphony orchestra concert.

In this case, of course, it wasn't just advertising that did it. What scored for the Indianapolis Symphony was that it also used radio as the medium. Says Lee Anne Brooks, general sales manager, WNDE-AM, Indianapolis, whose co-owned WFBQ-FM station carries the orchestra's commercials when its strong morning team is on the air: "They use a media mix, which I think is a good idea. But when it's 7:30 in the morning and you want to talk to somebody, what's the superior medium to do it in? Radio. I'm very happy they're using us and that it's working so successfully for them."

Single-tickers are the target

Just who mostly is the target for those commercials? According to Christopher Stager, the orchestra's marketing director, at any given performance 75 percent of its seats are reserved for people who buy season tickets. That leaves 25 percent available to those who want to purchase single tickets. It is this single-ticket segment toward which Stager's department aims almost all of its



One of the nation's few full-time orchestras, the Indianapolis Symphony Orchestra performs over 200 concerts each year to a total audience in excess of 500,000. In addition to the many concerts in its home, the Circle Theatre in downtown Indianapolis, the orchestra is regularly heard in communities across Indiana.

Tours to New York's Carnegie Hall, Washington, DC's Kennedy Center and numerous cities throughout the United States have familiarized the nation's concertgoers with its excellence. Since 1987, the orchestra's music director has been Raymond Leppard, a conductor of outstanding achievement on the concert stage and in the recording studio.

advertising and promotions.

Explains he: "The average age of a symphony orchestra patron is in the low fifties. We tend to zero in on Adults 35-64, but, with single-ticket buyers on average being significantly younger than our average patron, we also look at 25-54 demos very carefully."

Moreover, to find out which radio stations those audiences prefer has led Stager to a novel solution. Twice a year he and his staff conduct surveys among another kind of audience, those who attend the concerts. Questionnaires included within the printed programs are filled out by the patrons and their answers are tabulated by a local marketing research firm.

Diversity works

Surprisingly, what Stager has found out is that, in addition to Classical formats, selecting stations as diverse as Adult Contemporary, Oldies, Hard Rock and Talk have worked well for him. For example, WFBQ's format is AOR. Overall, Stager places commercials on six stations within the Indianapolis Metro.

Stager has had his current job since May 1994. Before that he worked for the Cleveland Orchestra and has served as a consultant to the Houston, San Francisco and Sacramento symphony orchestras.

Says he: "In virtually every case where

radio advertising was strategically implemented, ticket sales have increased, and new patrons have come into the halls and developed into season subscribers. Further, the general public gains a sense of the orchestra's weekly activities, even if they don't attend. The profile of the orchestra and its role in the community is elevated — an ancillary, though important, issue."|||



PHOTO BY B&L PHOTOGRAPHERS, INC.

Christopher Stager is director of marketing for the Indianapolis Symphony Orchestra. He believes radio is an ideal medium for selling seats, in that it can present

a program-specific message clearly and effectively. Certainly that has proved to be so during the past year. Notes he: "By the end of December 1993, the orchestra had sold almost 2,000 single tickets. By December of 1994, we had sold 3,000. That's a 50 percent increase. Moreover, 40 percent of this season's ticket buyers had never attended one of our concerts before. Radio not only increased our audiences, it brought new ones to us."



Listener- and broadcaster-friendly digital audio

An idea whose time has come
by Dan Mason

As anyone who has stepped into the contemporary living room, kitchen, den, automobile, nursery or office surely knows, the world is going digital. We have digital music from CDs. Digital television is on the way. Digital information flows down the so-called super-highway and into our personal computers. Can the digital cheeseburger be far behind?

Perhaps not. But one thing's for sure. If it's analog, it's yesterday, or soon to be. And those of us who deliver entertainment and information to the public must either learn to dance to the digital tune or risk being left out, sitting on the wall, wondering why we're suddenly so unpopular at this society event.

This, of course, is not news, and most broadcasters are hustling right now to become an integral part of the digital revolution. The National Association of Broadcasters sent one of the first shots across the bow when it proposed the implementation of a new digital audio standard for broadcasters.

The NAB's digital vision – which proposed new frequencies and new licenses for those wishing to broadcast in the new standard – came with no assurance that existing broad-

casters would be part of this new service, nor that their investments in existing AM and FM facilities would be preserved.

This article reports on work that goes in another direction to the same goal, an approach being pursued by a group of three broadcast organizations: Group W Radio, Gannett and CBS Radio. This group – USA Digital Radio, or USADR – was formed to strategize digital audio broadcasting solutions, for broadcasters and by broadcasters.

Builds on existing systems

From the outset, and for obvious reasons, engineers from those three organizations, already deeply committed to the media, focused on a path to digital audio broadcasting that would build on existing facilities. We called this concept In Band On Channel, or IBOC.

Simply put, In Band On Channel DAB involves the addition of a digital audio (DAB) signal to the station's assigned broadcast channel. IBOC simultaneously delivers the DAB signal along with the existing analog broadcast, preserving the broadcaster's capital investment and providing a comparable upgrade path to

the future. IBOC meets economic, political and regulatory needs of broadcasting and is the only approach endorsed by broadcasters. It enables those already knowledgeable in the art and business of radio to build on their histories and move forward.

USADR's initial focus was on FM DAB, with AM DAB to follow. USADR contracted with Stamford Research Institute to demonstrate the feasibility of transmitting CD quality in an FM channel.

Not to put too technical a spin on it, the FM approach worked very well. The viability of USADR's system was proven to general acclaim at the spring 1992 NAB show in Las Vegas. Upon completion of that test phase, USADR began to focus on further development of the FM system – and moved to an approach for AM broadcasters as well. The implications for the quality of the AM band signal are even more significant than those for FM broadcasters, of course. Digital AM could do much to invigorate that part of the radio business.

DAB design goals

- No degradation to the existing analog station's broadcast
- DAB coverage area to match station's existing analog service area
- Quality indistinguishable from the original CD quality
- Robust signal to mobile vehicles
- A significant digital data stream
- Utilize existing broadcaster capital assets
- Spectrum to fit within existing FCC standards
- System to operate in the existing channel allocation scheme

USADR's AM challenge was in many ways more difficult than developing an FM system. The FCC's authorized AM channel's bandwidth is one-tenth that of an FM channel and is subject to severe interference and noise. The challenge was to develop a transmission system for AM that met USADR's goals of digital-quality stereo in a limited-bandwidth channel.

As in the FM model, the AM DAB signal is transmitted simultaneously on the same channel as the analog signal. The system delivers audio quality that exceeds today's analog FM quality to a service area that matches the usable listening area of the existing AM station, literally bringing digital FM to the AM signal.

Operational this year

The testing phase has been most encouraging. An independent testing program sponsored by the Electronic Industries Association and the NAB is under way at the NASA Lewis Research Center in Cleveland. USADR's In-Band On-Channel AM and FM systems are being quantitatively and qualitatively assessed to determine performance under laboratory conditions.

Over-the-air tests are scheduled for the spring of 1995 in San Francisco. Since the submission of these systems to the test program in January 1994, USADR has continued its development program and completed initial testing.

Upon completion of its initial field testing, USADR conducted a public demonstration in Cincinnati for the AM system and in Chicago for the FM system. Members of the NAB staff and executive committees attended the demonstration. The AM transmissions were broadcast

Dan Mason, president, Group W Radio, is head of one of the largest nonnetwork radio station groups in the United States. He has had a long and successful career as a radio general manager with an extensive background in programming.



He began in radio in 1975 as program director of WZGC, Atlanta. In subsequent years he has served as vice president/general manager of KTSA and KITFM, San Antonio, TX, and executive vice president of First Media. In 1988, when First Media became Cook Inlet Radio Partners, he was named president of that organization.

Group W Radio, a subsidiary of Westinghouse Broadcasting Company, owns and operates 16 radio stations in eight of the top 10 U.S. markets, 11 markets overall.

through a Harris transmitter into longwire antenna. Participants were driven around in a van where they could compare the AM analog and AM DAB signals. The FM system was operating on WBBM-FM, the CBS-owned and -operated station in Chicago. The participants were picked up at Midway Airport and driven into the downtown business district. The observers monitored both analog and DAB signals, and were clearly able to hear the effects of the urban environment on the analog signal. The more robust DAB signal, on the other hand, remained unaffected.

Our group is currently working with several hardware manufacturers to bring the IBOC system to the consumer market. We expect to have a digital AM and FM product fully operational in early 1995 – and a major demonstration at the spring 1995 NAB in Las Vegas. We think that's good news for all broadcasters with an existing commitment to the industry, the communities and the listeners we all serve. ||||

Arbitron and Scarborough

Allies for the future

It was a little over two years ago that trade publications across the country were announcing, "VNU Business Information Services, Inc. (BIS) grants Arbitron exclusive rights to sell its broadcast customers subscriptions to the Scarborough Report."

Now, illustrating the theory that what goes around comes around, Arbitron and Scarborough are making headlines again.

This time the news is that starting in January the two companies formed a joint operating arrangement whose purpose is to produce *and* market the Scarborough Report together.

It's an evolutionary development for both, which, as Bob Cohen, Scarborough's president, says, "puts the two of us in an even stronger position to serve the needs of our clients." "And," adds Arbitron's president, Steve Morris, "will result in better research for radio stations, ad agencies and their advertisers."

The complete picture

By offering clients information based not just on the Arbitron local market report but also on the Scarborough study, Arbitron can provide powerful dual selling tools with many advantages – not the least of which is how it can help a radio station market itself in a way it may not have attempted before.

For example: By using Scarborough reports' single-source media data, in addition to working with Arbitron ratings, the station can access all male listeners 25-54 who drive either American or foreign-made cars. And – provided this is information that's important to a po-



tential advertiser – the station can use this combined approach to make a more persuasive sales pitch to advertisers for new business.

Or, let's say a radio station's sales staff targets a fast-food chain. By working with Arbitron *and* Scarborough data it can build the most effective and efficient schedule that reaches families who like to eat out. A case in point is the data KBOS-FM, Fresno, CA, recently presented to its local McDonald's client.

"Thanks to Scarborough," explains Shawn Knight, the

Fresno station's local sales manager, "we pulled up information about McDonald's in San Francisco and found out the chain does very well there within the 18-to-34 age group. Thus, we were able to tell our local McDonald's client that there are lots of people within that age bracket who listen to our station. In fact, almost 30 percent more than our closest competitor."

Other beneficiaries

Radio stations aren't the only ones who are going to benefit from the new Arbitron and Scarborough alignment. Media buying services and ad agencies will, too.

In addition to media planning and buying, they can put this unique new arrangement to work for them in other ways. According to Lisa Hidalgo, Scarborough's senior vice president, Product Development and Marketing, they can use the Scarborough reports to collect "marketing intelligence."

Says Hidalgo: "The reports make a great deal of data available which buying services and ad agencies can use to dope out the market itself. In turn, this helps

them develop more effective selling ideas and promotions. The data can even help ad agencies with their creative executions.”

Henry Laura, Arbitron’s vice president, Sales, Advertiser/Agency Services, contends Scarborough will enhance other Arbitron products. Allows he: “Ad agencies and their advertisers are becoming more sophisticated in their micromarketing strategies and sales efforts. Now, with this new partnership, we’ll be in an even stronger position to serve their needs.”

Echoing Laura is Jay Guyther, Arbitron’s general manager, Radio New Ventures. He believes bringing together the strengths of both companies will result in an overall better product.

Says he: “For one thing, Arbitron will get a better response rate for Scarborough by helping them with their materials, their telephone scripts, and the look and feel of their packaging. For another, we’ll be helping them streamline their production process. This can result in faster, more reliable delivery of their data.”

As for how the alignment relates to MaximiSer, Arbitron’s PC application, Guyther has this to say: “We’ve been working on a MaximiSer module that lets the user bring in qualitative data and merge it with Arbitron radio estimates. This qualitative interface portion has been finished since April 1993. What we’re now working on is getting the Scarborough data into a readable format that will work in MaximiSer. This is very time consuming and labor intensive because each market is different.”

Overall, Guyther believes the merging of Scarborough “qualitative” with Arbitron “quantitative” presents a “dynamite combination.” It gives radio station sales and ad agency media personnel two invaluable tools with which to work – two ways to deal with radio audience measurement that, when properly applied, can mean more money in the bank. ||||



Scarborough specialists, next page

Radio stations say it all:

Scarborough delivers

Targeting

“When we talk to our local advertisers about quantitative information it doesn’t tell them anything about whether our listeners are going to buy Nike shoes or cellular phones, or a car or their products or services. But Scarborough is like a plain-language selling tool that lets us talk to clients in lay terms. It makes it easy for us to qualify our customers; to explain to them that the reason we’re on their doorstep is we’ve found our listeners are patronizing their businesses and using their products.”

– Shawn Knight, local sales manager
KBOS-FM, Fresno, CA

Demonstrating

“Being an Urban contemporary station, Scarborough data are extremely important to us, probably much more than for any other format. Because, number one, you’re dealing with a different culture that a lot of buyers are not familiar with. We’ve got to convince them that many of the same characteristics that exist in the general market also exist in ethnic markets. And number two,

in addition to WXYV-FM we have WCAO-AM, whose format is Black Gospel, with maybe half-a-million listeners between them. And while it’s great to have Arbitron numbers, we also use Scarborough to demonstrate what those people buy, what their incomes and occupations are and whether they rent or own their homes.”

– Larry Jennings, local sales manager
WCAO-AM/WXYV-FM, Baltimore, MD

Defining

“In our case, we’ve got a duopoly situation. We’ve got KRZR-FM, which is Album-Oriented Rock and targeted to young adults 18 to 34; and we’ve got KTHT-FM, which is Adult Contemporary and targeted to women 25 to 54. Scarborough has been invaluable in helping us sell them as a combo. Just as important, it’s helped us to overcome local ad agency bias and objections, allowing us to tell our true story – namely, that our listeners are *not* plastered with tattoos and driving around in old, beat-up pickups.”

– Jeff Negrete, general sales manager
KTHT-FM/KRZR-FM, Fresno and Hanford, CA



Scarborough specialists

The people pictured below have joined Arbitron Radio Station Services as Scarborough specialists. They are responsible for training, servicing and selling to Scarborough clients throughout their respective areas.

PHOTOS BY PHOTO CIP



Mike Holderle,
Dallas



David Oglevee,
Los Angeles



Dominic Fails,
Chicago



Julie O'Donnell,
Atlanta

“Arbitron’s Scarborough specialists are a wonderful return on investment for our customers. That’s because the best way to make a customer successful is to make sure they know what Scarborough is all about and how best to use it.”

*—Barbara McFarland,
vice president Broadcast Sales and
Development, Scarborough
Research Corporation, New York*

When it comes to covering the top 58 DMAs, the Scarborough Report is the single most comprehensive local-market study around. Available on a Windows™-based PC system or on-line, the report delivers key facts for more than 500 products, services and retail shopping categories.

With information from the report, a radio station can look at listeners as customers, allowing it to:

- profile a retailer’s customer, age, income, occupation, where they live, where else they shop and more;
- discover how the customer of a specific retail store uses radio, television and newspaper;
- demonstrate how the profile of a listener is the same, psychographically, as its prospect’s customer;
- prove that the listeners are buying the products and services that its prospect is selling.

Helping stations’ sales representatives to understand all this is the job of the Arbitron Scarborough specialist. Currently there are four of them, including Mike Holderle of Dallas, TX, who is typical.

Holderle demonstrates not only how to find answers to questions like “Do 20-something moms spend more on their kid’s clothes than 40-something moms?” he, like the other specialists, makes regular visits to his clients and sends them a monthly newsletter.

A recent letter to Holderle from client Vesta Brandt, general manager and national sales manager of KQUE-FM/KNUZ-AM, Houston, TX, indicates how effective a specialist’s efforts can be.

Writes Brandt: “The training sessions you gave our staff were extremely well done. The material you covered was good, solid information they can use in making presentations. We appreciate how well organized you were and the fact that you stayed right on the schedule you furnished to us in advance.

“Each one of our salespeople has thanked me for giving them the opportunity to take the time for your sessions. We believe we will see new dollars generated with some of the new skills you have given our people. This was time well spent for all of us.”

Scarborough specialists’ training: It’s help from Arbitron that makes dollars and sense for radio stations. ||||

A winning combination

by Bob Cohen

For members of the media, agency and advertising communities, the formation of a joint venture between Arbitron and Scarborough Research on January 1, 1995, is a notable event.

It provides clients with a unique opportunity to draw upon the resources of two accomplished corporate parents, each with extensive experience in local marketing. Arbitron's expertise in broadcast media measurement on a local level is well established and is a product of its strong operational, production and research capabilities. This, in conjunction with Scarborough's experience in measuring media habits and consumer behavior in the top 50 markets, plus eight others, yields a strong winning combination.

Data grows in importance

The partnership has staked its future on the market's growing need to add dimensionality to the selling and buying of local media. The combination of ratings,

enhanced by an understanding of consumer behavior, has become increasingly important for local media who want to differentiate themselves from one another as well as advertisers who need to target specific consumers.

This need for greater insight into media usage of local-market consumers has heightened the interest and acceptance of in-depth local-market measurement, thus increasing the importance of Scarborough's data.

Targeting local markets

Scarborough's comprehensive measures of shopping and purchase behavior, along with measurements of radio listening, television viewing and print readership, meet the needs of broadcasters and advertisers. Stations are able to sell advertising space based on their ability to precisely survey audiences – who they are, how they shop and which means are optimal for reaching them – while advertisers are

able to accurately target media audiences and qualify prospective purchasers. This type of precision is possible because Scarborough:

- provides thousands upon thousands of market, store, brand and product-specific measurements for actual purchasers within each market;
- measures sample sizes ranging from 1,650 to 10,000 per market;
- collects data via telephone interviews and a mailed product booklet.

Scarborough's objective is to serve as *the*

definitive local media and marketing currency with which local broadcast, print, cable, outdoor, agencies and advertisers understand and analyze consumer behavior in their local target markets.

What's ahead

Many enhancements are in store for Scarborough users. Presently, research is conducted annually in each market, but more frequent surveying is planned and, consequently, greater frequency of data delivery.

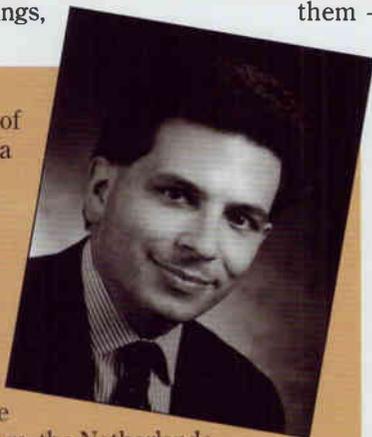
In addition, the time lapse between the initial interviews and receipt of the data will be reduced, making the data as timely and relevant as possible. And, a team of nine customer service representatives were recently hired to help clients more efficiently use Scarborough data. Already the service reps have immersed themselves in training and servicing clients in both the hands-on and marketing applications of Scarborough data. Further, Scarborough has applied for EMRC accreditation as an indication of the commitment to provide high-quality research.

Ultimately, Scarborough expects to serve as a key ingredient of an integrated set of services, complementing both Arbitron's ratings (via Maximizer and other delivery systems) and VNU's family of Marketing Information Services companies (via Scarborough's PRIME, IMS, MRP and additional delivery systems).

This new relationship between the two companies is receiving overwhelming support and enthusiasm from both sides. The result is the best and most responsive product possible, supported by an eager and dedicated team of Scarborough and Arbitron management, sales groups, product specialists and client service representatives. ||||

Bob Cohen is president of Scarborough Research, a partnership between VNU Business Information Services and Ceridian Corporation. The former is the American division of VNU, an international marketing and publishing conglomerate headquartered in Haarlem, the Netherlands.

The Arbitron Company is a division of Ceridian. His diverse media and research background includes positions at J. Walter Thompson, Warner Amex Satellite Entertainment and the Los Angeles Times, as well as seven years of research experience at Yankelovich Partners, culminating as managing partner. He holds a Ph.D. in sociology from Columbia University, with a specialization in media research.



A new *Radio Today*

Hitting
the charts!

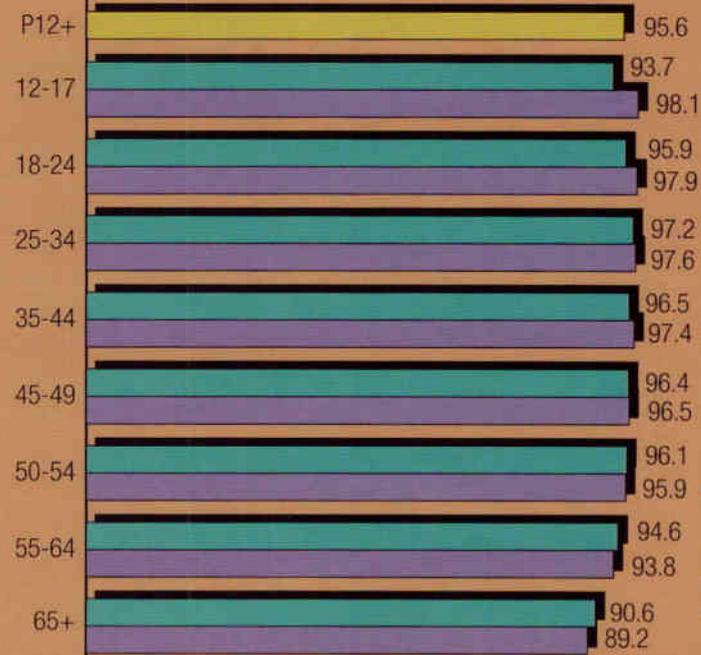


Throughout the United States over 95 percent of the population 12 and older use radio! The average radio listener spends the equivalent of one full day a week with radio. That's more than three hours a day! Where can you find these kinds of radio facts? You find them in the newest national radio study compiled by Arbitron, called *Radio Today* (America's listening habits). This new edition of *Radio Today* is the latest in the *Radio Today* and *Radio Year-Round* studies that provide insight into radio listening trends across the country.

Using a series of charts and graphs, *Radio Today* draws on various sources of information to examine how people in America use the medium. Information comes from Arbitron's National Database, which combines Arbitron ratings data in 96 continuously measured markets with *Billboard* magazine's format definitions. Other analyses come from MaximiSer®, Arbitron's radio respondent-level software application, and *Radio Business Reports, Inc.*

Radio Today demonstrates radio's pop-

ularity in two sections: "How America Listens" and "What America Listens To." Learn where and when people are tuning in, and examine which formats they prefer. And with a variety of formats to choose from, listeners have their favorites. For example, the top five formats among listeners are Adult Contemporary (15.9%), News/Talk (15.4%), Country (12.9%), Top 40 (9.8%) and Album Rock (9.1%).



Weekly Cume Rating

Source: Arbitron National Database, Spring 1994, Mon-Sun, 6AM-MID

“How America Listens”

This section provides you with insight into how people spend their time with radio. Look at charts with information on hour-by-hour listening, overnight listening, listening location and much, much more.

Here’s a peek into some facts you’ll find in this section:

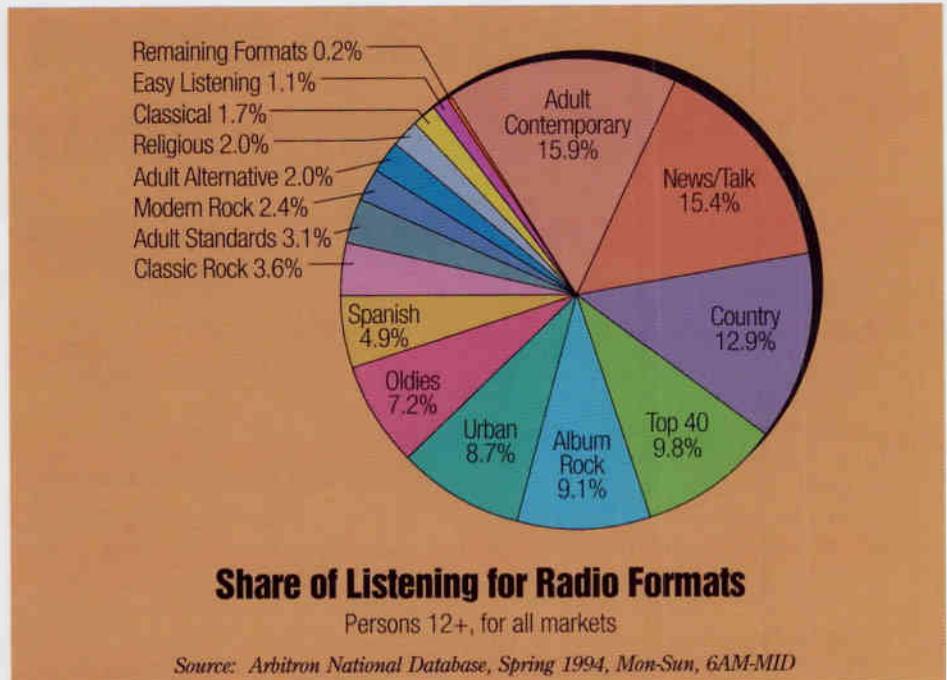
- Peak listenership is at 7AM every weekday and between 12N and 1PM on weekends.
- During the week, 43.5 percent of Persons 12+ listen at work 10AM to 3PM.
- Female teens are the most frequent users of radio.
- Summer 7PM-Midnight is the peak listening period for both men and women 18-34.

“What America Listens To”

Examine radio station formats and how they attract their own unique audience in this portion of *Radio Today*. Detailed charts and graphs show data by breakdown of age composition, region, season and time spent listening.

Here’s just a glimpse at what you’ll discover in this section:

- Classical music listening is split evenly

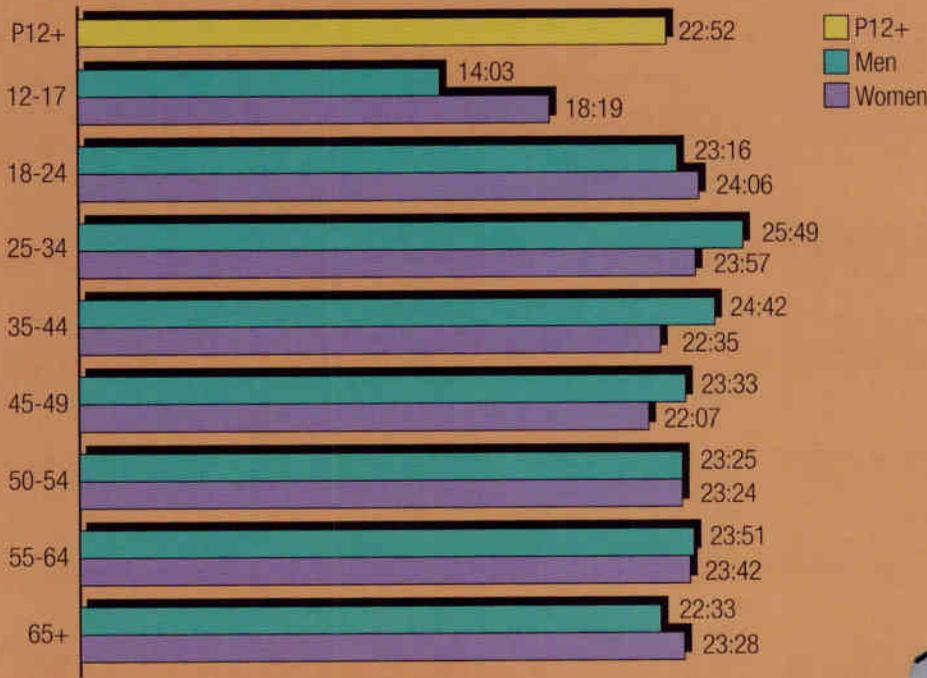


between men and women.

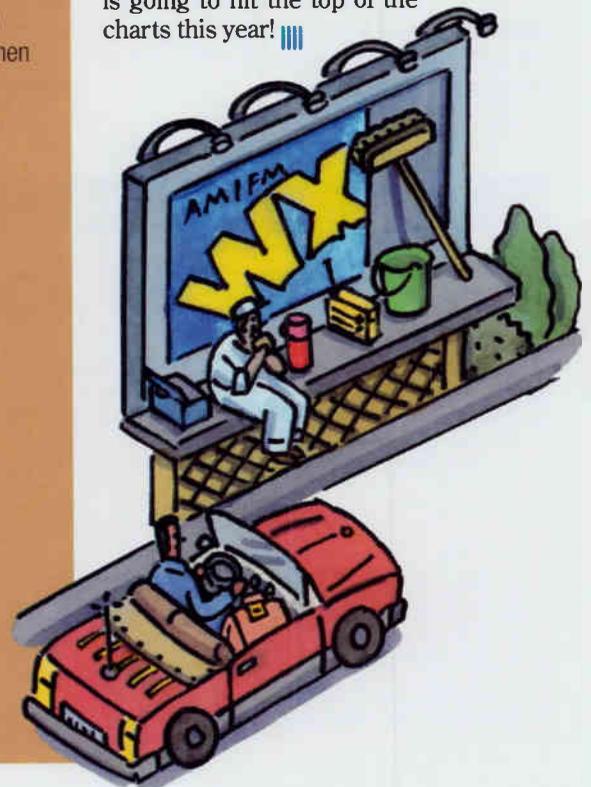
- Persons 18-34 make up 71 percent of Modern Rock’s audience.
- News/Talk has a sizable audience in every daypart, but has an especially strong presence in Morning Drive.

- The Spanish-language format has extremely loyal listeners; they listen consistently throughout the day and for long periods of time.

The information in *Radio Today* demonstrates not only radio’s ability to reach specific listeners but also its popularity as a medium. So, contact your local Arbitron sales representative to obtain a copy and see for yourself why we think *Radio Today* is going to hit the top of the charts this year! ||||



**Time Spent Listening
Hours and Minutes per Week**



Industry pundits predict...

What's ahead for ad spending and radio in



For every dark cloud there's a silver lining

That old saw may or may not have been running through Robert J. Coen's head as he looked out of his plane's window during one of his frequent fact-finding trips in 1992. Even if it wasn't, a sentiment close to it was on his mind when on December 5 of that year he announced to the broadcast and advertising agency industries, "I think the worst is over."

On that date, Coen, senior vice president, director of Forecasting, McCann-Erickson, Inc., was making his 20th annual forecast to hundreds of anxious participants at the PaineWebber Media Outlet conference in New York City.

Pervasive among those attending was a feeling of gloom and doom. It had been brought on by the previous three years' slow, if not outright negative, growth in advertising expenditures. But in a matter of moments their woe turned to hope as Coen's audience heard him say, "I believe the super-pessimism that was heard in 1992 is about to end, and optimism will gradually take hold and continue for the rest of the century."

Continuing growth foreseen

More than two years have passed since Coen's 1992 prediction. And while he's not yet ready to forecast advertising expenditures up to the year 2000, he's optimistic as ever about the remainder of 1995 and beyond. Presenting his prognostications at the annual PaineWebber conference is not all Coen does. He's also publisher of the *Insider's Report* issued every December through his ad agency.

In his 1992 report, Coen predicted that for 1993, total U.S. advertising spending would grow by 6.9 percent to \$141.2 billion. For 1994, he figured U.S. ad spending would end 7.9 percent ahead of 1993, resulting in total U.S. ad spending for 1994 of \$149 billion. As for 1995, Coen expects spending gains will increase at about the same percentage rate as in 1993, but he expects 1995 total U.S. spending to reach \$159 billion. That's \$10 billion more than last year, and a whopping \$17 billion more than in 1993.

will benefit? Possibly. Says he: "I think it (1995's predicted increase in ad spending) certainly gives radio a wedge for it to promote the targeting and exclusivity and other types of things radio offers."

Predictions aside, one fact about which there can be no dispute is that 1994 was a banner radio ad revenue year.

Overall ad revenue from January through December was 12 percent ahead of the same 12-month period in 1993. Says Gary Fries, president, Radio Advertising Bureau (RAB): "By the close of 1994 we were seeing the shaping up of a truly exceptional radio year. And right now we're seeing signs of a very strong 1995 first quarter. This is a great time to be in radio."

Billions up for grabs?

A prediction Robert J. Coen's *Insider's Report* makes is that, compared to last year, 17 billion more ad dollars are going to be spent in 1995. He also believes that this year's "media capacity" is filling up.

Both those factors could affect radio's future ad revenues in a positive way. However, according to Robert Unmacht, editor, the *M Street Journal*, New York, there's small chance they will.

Unmacht talks to some 100 radio stations each month. This has led him to conclude that, "in the future, radio's going to have to do things differently. Stations have got to stop beating each other over the head and go after other media. What's more, on the street most radio stations are very *unaggressive*. They wait for business to come to them. But at the same time they're very *aggressive* in giving an advertiser 12 reasons why he shouldn't buy another station."

Unmacht acknowledges that radio ad revenues are increasing, but he finds that fact "meaningless." Instead, he's convinced the industry should concentrate on "growing its market share." And for him, radio won't be able to do that as long as so much of it is used to reinforce TV commercials. "Too often," he declares, "a soundtrack is

Who will benefit?

If true, where will those "extra" ad dollars end up? One industry conjecture is that they will go into "new media," like interactive. Coen doesn't agree. He believes that, "even though media capacity will start to get filled up, there *won't* be an exodus in traditional media dollars to the newfangled alternatives." Then, does that mean radio

THE OUTLOOK FOR 1995 - NATIONAL ADVERTISING:

	% CHANGE OVER 1994	1995 PROJECTION \$ (000,000)
Four TV Networks	+ 5.0	11,630
Spot TV	+ 4.0	9,085
Cable & Syndication TV	+ 8.0	4,300
Radio	+ 6.5	2,445
Magazines	+ 6.5	8,500
Newspapers	+ 7.0	4,185
Subtotal	+ 5.7	40,145
Direct Mail	+ 7.5	31,510
Yellow Pages	+ 7.0	1,385
Other National Media	+ 6.5	19,290
TOTAL NATIONAL MEDIA	+ 6.5	92,330

Source: Dec. 1994 *Insider's Report* by Robert J. Coen, Senior V.P., Director of Forecasting, McCann-Erickson, Inc.

More young males sought in surveys

stripped off a TV spot and played on a radio station. Radio can do much better than that."

Indeed it can, especially with Arbitron and Scarborough to help.

Together they can enable radio to offer what neither newspaper nor other broadcast media can match. This is the opportunity to reach specific audiences based on quantitative as well as qualitative information. Such "targetability" not only enables radio to continue its revenue growth, it allows it to more effectively compete against other media as well. According to Unmacht, with a possible \$17 billion up for grabs in 1995 radio should make sure it gets its share.||||

1995 MAY BE EVEN BETTER!

- The combined increase in total national advertising is expected to grow nearly one percentage point faster than the economy in 1995. The outlook for local advertising in 1995 is even better.
- In 1993, consumers were still uneasy about the future and retailers were still wary of taking any risks even if the trends were improving. Last year (1994) consumer spending at retail made a strong recovery and the good retail sales trend provided underlying strength for continued advertising expansion into 1995 and beyond.
- Local advertising strength is expected to spread to all regions in the country, and to a wider number of local marketers in 1995. The combined expenditures for both local and national advertisers is expected to rise 6.8 percent for a projected 1995 U.S. advertising expenditures of \$159 billion.

Source: Robert J. Coen, the Dec. 1994 Insider's Report.

New ways to reach them now under way

Why is it more difficult to measure the listening characteristics of young men than other demographic age groups? According to Arbitron researchers, there are several reasons.

One is, individually they're harder to locate. In many markets a greater proportion of men between those ages attend college, or are in the military. This means their names are not included within their local markets' telephone directories, the main source that Arbitron uses to develop its sample universe.

Another reason is that young males are less motivated. Studies suggest that traditional marketing approaches are not as effective with young males as they are with other groups. And certainly for those who may be living with their parents, not all the mail that arrives at their homes gets their full attention.

Key initiatives taken

During the past year, research teams obtained valuable input from Arbitron clients and major marketing firms. The purpose behind these projects was, and continues to be, to develop ways that would improve what the researchers call "young male proportionality."

Topping the list of initiatives now being implemented is a new policy that enhances sampling procedures for markets with high group-quarters populations.

Special efforts are in the works to identify usable and private phone numbers currently associated with college or military residential housing. These numbers then will be included within the sample frame for possible inclusion within the Arbitron radio survey. A limited phase-in of this policy began last year, and plans are in store to extend it to additional eligible Metros for the Spring 1995 survey.

Tests began in Fall 1994

Another way Arbitron is breaking new ground to reach young males is by increasing the standard Arbitron premium. This was moved from \$2 to \$3 in young male households in all markets this Winter. Moreover, the diaries sent to these same homes are being packed in a colorful box. This, it's believed, will more likely induce respondents to open the box and start the survey.

The research team also is exploring the use of alternative premiums. Among those alternatives is a Fall 1994 test of a telephone debit card in the place of the standard premium. The idea is being explored because of its "higher-tech" approach, which researchers think young males will perceive as a benefit.

Finally, Arbitron is testing new materials and procedures engineered to grab young males' attention. A leading marketing communications company has been contracted to help. Its aim is to design all facets of Arbitron's respondent materials. This includes rewriting and redesigning scripts, brochures, letters and even developing an audiocassette for a planned Fall 1995 test. The goal is to make them more appealing to young males.

All of these initiatives are being put into place for the short term, with additional strategies under evaluation. For, when it comes to young male proportionality, Arbitron's goal is to achieve both consistent and long-term improvement.||||



Debuting soon from Arbitron...

Media ProfessionalSM

*a planning and buying system for
advertisers and agencies*

Radio is the original targeting medium. With the industry's continued focus on micromarketing, radio is the perfect vehicle for advertisers to use to reach their specific consumers. So, how can planners and buyers at agencies match advertisers' specific needs with the radio audience? How can they capitalize on radio's strength? The answer is simple: Media Professional. Arbitron's Media Professional is a new, powerful software application designed to help advertisers and agencies buy radio. "Arbitron's goal is to provide our industry with the best tools for target marketing. Media Professional makes buying radio simple, quick and effective," says Henry Laura, Arbitron's vice president for Advertiser/Agency Services.

Targeting via customization

Media Professional is a micromarketing solution for advertisers and agencies. This new software application provides access to Arbitron's respondent-level data, which means that users have the option of customizing data to suit their specific needs. Geographies, dayparts and demos can be customized to reflect advertisers' unique

sales territories or daypart and demo requirements. Lifestyle cluster data also enhance the ability to target the advertisers' customers.

The Package Builder: Planning and buying made easy

By combining the power of respondent-level data with the system's report flexibility, Media Professional's Package Builder gives planners and buyers the option of using standard listening estimates or of creating client-specific, custom estimates for their advertising campaigns. The Package Builder, the heart of the planning and buying system, lets agencies prepare detailed radio plans, generate a total media mix in a flowchart, and work within a buysheet to develop their radio buy.

Strength and flexibility

Along with the power of Arbitron's complete radio listening database, Media Professional delivers flexibility. Media Professional makes users radio market specialists. All of the standard ranking reports that advertisers and agencies

require are available in Media Professional. Moreover, the system offers unique reports that make it easier and faster to perform analyses. Looking for Women 35-44 who listen at work during the afternoon? Media Professional prepares the data. Trying to reach ethnic listeners? Media Professional can provide listening estimates for any demo in Arbitron's ethnically qualified Metros.

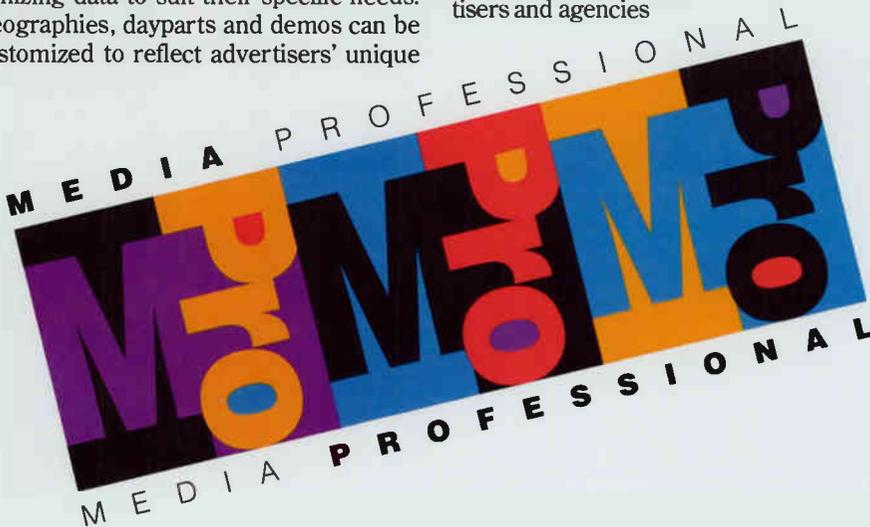
Need to plan a special event or create a sports analysis? No other system can give you the flexibility that Media Professional's Sports/Events reports do. With a built-in calendar for highlighting dates, Sports/Events reports give you estimates for each event as well as an average for the entire schedule. Media Professional makes special-events planning a breeze.

Powerful, yet simple to use

Media Professional operates within WindowsTM. It's highly graphical. It's simple to learn. Less experienced users can work with the built-in step-by-step feature that walks them through the report setup. More experienced users can work through the system in their own way. Preview buttons save time by showing what a report looks like and what kind of data it offers. Plus, we offer a toll-free support line staffed by a highly trained customer service team.

A quality application backed by quality data

The combination of Arbitron's high quality, reliable data and the flexibility and power of Media Professional means that buying radio is easier now than ever before. ||||



LocalMotionSM continues to grow

Expands from 5 to 11 markets



Arbitron's new LocalMotion Retail Ratings service has now become available to radio stations in six new markets: Baton Rouge, LA; Little Rock, AR; Las Vegas, NV; Richmond, VA; Syracuse, NY; and Tucson, AZ. During the past year, the service has been available in five other markets: Colorado Springs, CO; Erie, PA; Ft. Wayne, IN; Montgomery, AL; and Peoria, IL.

Measures local-market consumers' retail and media behavior

The service measures radio, television and cable audiences, and profiles how these listeners and viewers read local newspapers, shop at local retailers and patronize restaurants, banks and other local-market establishments.

LocalMotion enables radio stations in medium and smaller markets to compete more effectively for local retail dollars – especially against newspaper. With LocalMotion, stations get the information, tools, training and support they need to *partner* with retailers in their markets.

It allows stations to provide a retailer with a detailed profile of the store's customers – where they shop, what competitors they also patronize, as well as the programs they watch, the stations they listen to, the newspapers they read (or don't read). In this way they grab the retailer's attention and pave the way for an ongoing business relationship.

Notes Daryl (Mac) McIntire, general manager, WAJI-FM, Ft. Wayne, IN: "Local advertisers are going to accept LocalMotion. Before, they never had access to this kind of information unless they spent their own money to bring in a company to tell them 'what's my market share, and who's using my product.' Now, with LocalMotion, they have a lot to gain."

How it gathers its information

The LocalMotion Retail Ratings service collects television station and cable channel ratings, gathered year-round through a personal television diary. Radio ratings are drawn from Arbitron's syndicated radio market report service. Newspaper, retail and consumer behavior information is collected through a follow-up telephone interview and through a brief questionnaire at the back of the television diary.

As part of the service, LocalMotion provides a powerful, easy-to-use software package that works within WindowsTM. Unlike conventional audience ratings software that just reranks station rating within rigidly established geographic areas, demographics or dayparts, the LocalMotion software gives clients complete control over the media and consumer information that is reported. For example, a station could easily profile the listening habits of people within driving distance of a retailer's stores, giving the station salespeople the chance to disprove the often used objection "I'm not interested in reaching people who can't get to my store."

As with software, training is part of the service. It is designed for the entire sales

staff and covers general marketing information, presentation skills and information about how to talk to retailers in various categories. The training also instructs salespeople on how to make the best use of the LocalMotion software.

A newcomer to LocalMotion and a great believer in it is Ron (Mitch) Mitchell, general sales manager, KKLI-FM, Colorado Springs, CO. Says he: "We made money with it the first month. It enabled us to prove to our Wendy's client that our 25-54 female audience really eats their burgers.

"It sets us apart, gives us a point of difference. As a stand-alone FM radio station in a marketplace full of Local Marketing Agreements (LMAs), we think it's a valuable part of our success." ||||

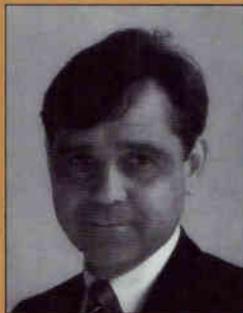


COUNSEL ON THE COUNCIL

1995 Radio Advisory Council



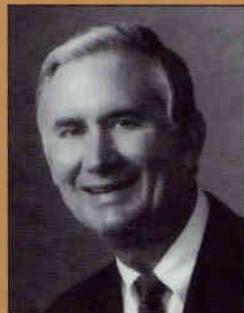
Chuck DuCoty



Roger Cavaness



Dan Fabian



Ron Rogers



John Cravens

The results of the Arbitron Radio Advisory Council elections were announced at the Council's December 1994 meeting. William Kelly, general manager of WKBN in Youngstown, OH, was elected as the Advisory Council's chairman for 1995, and Steve Goldstein, executive vice president, Saga Communications, Stamford, CT, is vice-chairman. Marla Pirner, executive vice president and director of Research at The Interep Store, NY, was reappointed as a Council research representative, and Gary Fries, president, Radio Advertising Bureau, New York, was reappointed representative-at-large.

In addition, beginning January 1995 and to serve for three years, the Council was joined by five newly elected members:

Chuck DuCoty, representing News/Talk in all markets, is vice president and general manager of WISN/WLTQ, Milwaukee, WI. His previous positions include serving as music director, program director and station manager at WYYY, Baltimore, MD.

Roger Cavaness is the president and general manager of KDEA, Lafayette, LA, and

represents Easy Listening in all markets. Formerly an on-air personality while in college, he went on to start his first radio station. He's currently the owner of three, including KDEA.

Dan Fabian, representing Middle-of-the-Road (MOR) in all markets, is vice president and general manager of WGN, Chicago, IL. Fabian has been at WGN radio since 1965. During that time he has served as an intern, producer, writer, account executive, sales and promotion manager, and program director until his current position.

Ron Rogers is president and general manager of KVET/KASE, Austin, TX, and represents Country in Continuous Measurement markets. Prior to joining KVET, he was president of Dynamic Broadcasting Corp./ Texas Communications Inc., owner-operator of four stations in Texas and Louisiana.

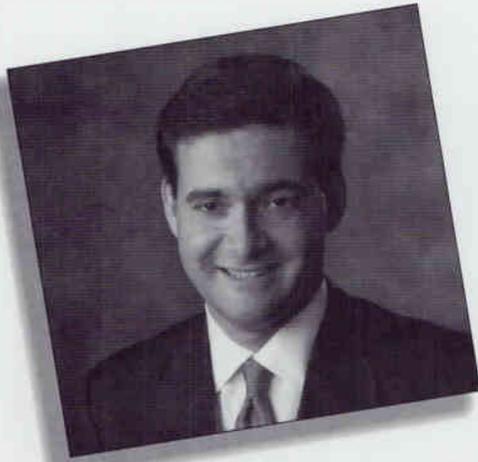
John Cravens, representing CHR/Top 40 in Continuous Measurement markets, is president and general manager at Detroit, Michigan's WHYT. A past Council chair-

man, Cravens previously has been vice president and general manager at Houston's KSSR, and national sales manager at WLS, Chicago.

Mickey Luckoff, president and general manager of KGO, San Francisco, and immediate past chairman of the Council, remains a Council member for 1995. ||||

Arbitron Radio Advisory Council

The Council was founded to provide a forum for continuous exchange of information and opinions between radio station clients and The Arbitron Company. The Council consists of 13 elected radio broadcasters who hold the position of general manager or higher, two appointed research representatives and an appointed at-large member. All members are elected by their peers from stations in their formats and market size.



Meet Pierre Bouvard

*Arbitron Radio's new
general manager*

The announcement that Pierre Bouvard would join Arbitron in the newly created position of general manager, Arbitron Radio, beginning February 3, was made in January by Steve Morris, Arbitron's president.

Bouvard arrives from his previous position as executive vice president, Coleman Research, and is rejoining Arbitron having begun his career with it in 1982. While there, he rose from customer service representative to Dallas office manager.

In his new job, Bouvard's first priority is to help Arbitron customers translate programming strategies into selling strategies. He will be responsible for developing and marketing a roster of new and improved services to aid in integrating ratings with other databases, analyzing audience and consumer information using sophisticated software, and training customers in effectively and profitably using Arbitron data.

Additionally, he will be responsible for managing Arbitron's national sales and field sales operations, as well as marketing, customer service and software applications.

Bouvard, who reports directly to the president, will have revenue and profit accountability for Arbitron's radio audience

measurement business, including sales to radio stations of the Scarborough local-market consumer, media and retail research service.

Says Morris: "An Arbitron veteran who has spent years working directly with radio stations on programming and sales strategies, Pierre Bouvard is a natural fit for the position, and we are pleased to welcome him back as a member of our team. His demonstrated qualities of leadership, industry knowledge and proven track record of building a business will significantly enhance Arbitron's radio audience measurement business."

Bouvard will be relocating to New York. He is a graduate of Northwestern University and holds a Bachelor of Science degree in radio, television and film.

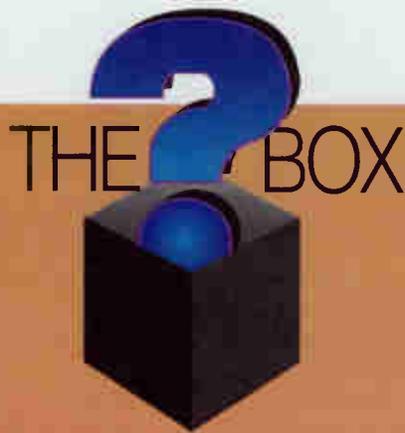
With Bouvard's arrival, Jay Guyther, who has headed up Arbitron's Radio Sales and Marketing division since 1991, assumes his previously announced role as general manager, Radio New Ventures. He is responsible for Arbitron's new MediaMAPS acquisition and for developing additional information businesses for Arbitron within radio.||||



Arbitron relocates

In a move made in December 1994, three of the company's Laurel and Beltsville, MD, facilities have been consolidated into a new 127,000-square-foot location. The place is the Patuxent Woods Business Park, Columbia, MD. Within this area, Arbitron's main address for its research, technology and operations center is 9705 Patuxent Woods Drive, Columbia, MD 21046.

In addition to these facilities, Arbitron maintains sales offices in New York, Los Angeles, Chicago, Dallas and Atlanta. The company's executive offices are at the New York location.||||



Arbitron radio and advertising agency sales representatives respond to a variety of client questions on a daily basis. Below are some representative inquiries which might include a few of your own.

Q: *What percent of the country's radio listeners does Arbitron measure?*

A: Arbitron Radio surveys provide marketplace variety and depth of coverage throughout the United States. With 261 markets, the company measures 98 percent of the Persons 12+ population of the country. From New York, NY, to Eugene, OR, Arbitron Metros cover all metropolitan statistical areas, mid-size markets and smaller communities. With special services such as MaximiSer, access is also available to county and zip level data as well as block group clusters.

Q: *How can I find out where, when and how long people listen to my station? Also, how does my station compare with others in my market?*

A: With the *Programmer's Package*, a special feature of MaximiSer, you can receive this information directly on your PC. It can help you examine listening patterns by dayparts, when listeners tune in and out, and turn their radios on and off; evaluate your station's programming to recycle listenership to other dayparts or different days; and analyze your competition by looking at the top 10 stations sharing audience with your station.

Q: *Please explain the purpose of Station Information Packets.*

A: To ensure the best possible crediting of all diary entries, Arbitron collects information on every station in the U.S. Station Information Packets are mailed to all FCC-licensed radio stations at least twice a year and as often as four times a year in many markets. This information is augmented by thousands of updates each year and by constant research on call letter changes, frequency and other changes occurring in the radio marketplace.

Q: *What is meant by the term "sample representation?"*

A: Sample representation refers to having a survey sample that includes all segments of the population. As an example, if African-Americans represent 15 percent of a market's population, then they should compose 15 percent of a survey sample. To ensure representation for all demographic groups, Arbitron uses a differential survey treatment (DST) for hard-to-reach groups, which include blacks, Hispanics and young men 18-24. DST enables Arbitron to maximize response from and representation of all these demographic groups.

Q: *Which formats do Hispanic radio listeners prefer? And how do these preferences differ among Hispanics, the general population and blacks?*

A: The Spanish-language format is the number-one preferred format by Hispanic Persons 12+ (share of Spanish listening 43.8 percent). Among the general population, Persons 12+, the preference for Spanish-language listening is a mere 4.9 percent. For black Persons 12+, it's practically nonexistent (0.1 percent).

Conversely, Urban, a major format preference among black Persons 12+ (52.5 percent), rates only 3.1 percent among Hispanic Persons 12+ and 8.7 percent among Persons 12+ in the general population. Top 40 is the number-two preferred format among Hispanic Persons 12+, number four among the general population and third among blacks. (Source: *Spring 1994 Arbitron/National Database*)

Q: *Just how does Scarborough collect its data, especially for radio?*

A: Randomly selecting one person age 18+ per household, Scarborough uses a multistage, single-source methodology that combines telephone interviewing with self-administered written data collection instruments. When collecting radio data, the telephone interviewer asks specific information about yesterday and day-before-yesterday listening behavior, e.g., stations, start time, stop time, probes to clarify responses, etc.

Look for more questions to be answered by The ? Box in the next issue of Radio BTR. Meanwhile, for answers to any questions you may have, send your inquiries to Editor, Beyond the Ratings, The Arbitron Company, 142 West 57th St., New York, NY 10019.

Marketron to link with Maximi\$er

Showers that bring spring flowers are not all that April is going to bring. That's the month when Arbitron will be introducing Maximi\$er 5.0, with a major new enhancement.

This is a new reach-and-frequency proposal program, part of which will allow Maximi\$er users to link up with the Marketron FirstRate Sales and Inventory Management System. With it they'll be able to go from proposal to sales order to contract at the push of a button. To put it another way, it promises to be the ultimate connection to the ultimate traffic system.

More and more new users

Maximi\$er was created in direct response to clients' needs and the economy. It's a PC application that permanently replaces the Radio AID system. Compared with a

C A L E N D A R	
<i>January 5 - March 29</i>	Winter radio survey
<i>February 16-18</i>	RAB convention, Dallas
<i>February 27</i>	Station Information Packet return date
<i>March 15</i>	Diary review appointment notifications mail for Winter
<i>March 28-30</i>	Arbitron Radio Council Advisory meeting, Annapolis, MD
<i>March 30 - June 21</i>	Spring radio survey
<i>April 10-13</i>	NAB convention, Las Vegas

printed report, it offers many advantages. Among them, it allows clients to create their own ratings book on the PC – build geographies, demographics and dayparts, and with no on-line charges to worry about.

By bringing out Maximi\$er 5.0 in April, Arbitron is keeping to its plan of introduc-

ing new enhancements to the system every six months.

In the year-and-a-half since it first came out on the market, Maximi\$er's sales have quadrupled, from 187 clients to 733, and that figure continues to increase every week. ||||

Arbitron People



Rob Klemm
Midwestern Manager,
Radio Station Services
(312) 266-4160

Rob Klemm, previously an account executive, has been

promoted to Midwestern manager, Radio Station Services in Chicago, where he will be responsible for serving radio station clients throughout the Midwest.



Becky Burkett
Account Executive
Advertiser/Agency Services
(214) 385-5387

Becky Burkett has been promoted from client service representative to

account executive, Advertiser/Agency Services, Dallas, where she will spend half her time serving clients in Louisiana, Utah and Texas. The other half of her time will be spent as a senior client service representative, Advertiser/Agency Services, serving clients in the Southwest.



Jerry Sacchetti
Account Executive
Advertiser/Agency Services
(212) 887-1502

Jerry Sacchetti has joined Advertiser/

Agency Services, New York, as an account executive, where he will be responsible for serving clients in New York and eastern Pennsylvania.

Beyond the Ratings/Radio

9705 Patuxent Woods Drive
Columbia, Maryland 21046-1572



DAVE GRUDT
FAR WEST MEDIA SERVICES
4140 NORSE WAY
LONG BEACH CA 90808

ARBITRON
A division of Ceridian Corporation

New York
142 West 57th Street
New York, NY 10019-3300
(212) 887-1300

Chicago
211 East Ontario, Suite 1400
Chicago, IL 60611-3289

Atlanta
900 Central Parkway, Suite 300
Atlanta, GA 30328-1639

Los Angeles
5670 Wilshire Blvd., Suite 600
Los Angeles, CA 90036-5606
(213) 932-6500

Dallas
One Galleria Tower
13355 Noel Road, Suite 1120
Dallas, TX 75240-6646

Washington/Baltimore
9705 Patuxent Woods Drive
Columbia, MD 21046-1572
(410) 312-8000