MBR Stats
Q1 Stats are pacing well ahead of last year. Is more double-digit growth on tap for 1998?

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Syndication News
Radio gets its newest RADAR® network in 20 years

Page 12

Programming & Positioning
In a pig's ear: KPIG listeners save their format.

Page 14

REMOTE JACKPOT

with a COMREX HOTLINE

Uses one plain old telephone line — no antennas to set up and no digital lines to install.

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COMREX Corporation, 65 Nomet Path, Acton, MA 01720 USA Toll-free: 800-237-1776 in North America email: info@comrex.com Fax-on-Demand: 508-264-9973
Our people specialize in doing just one thing and doing it exceptionally well: Strategic guidance based upon customized, advanced Strategic research.

So, you can't buy "virtual radio" from us, or telemarketing, or "nest" type database building, music logs, program consulting, or direct mail.

And, we don't do any other type of research at Moyes Research Associates...not ratings, advertiser studies, call-out, focus groups or mall intercepts. We do only Strategic research and only for radio, not for TV and other media. For all those other services - from telemarketing to call-out - we make it our business to know the best firms for a particular client station's needs and we counsel our clients on how to access the best on the most advantageous terms.

This total dedication to one focus has two benefits. True, it keeps our advice totally objective (there's no "hidden agenda" to sell you other things), but, more importantly, it keeps our company way ahead in the one area that has always proven to be the key to our client's successes: smart Strategy.

As a result, we've assembled a team of the best Strategists in the radio business, led by Bill Moyes...experts totally dedicated to working only for their client's benefit. That's why, for the past 20 years, America's leading radio stations have come to respect one name in Strategy above all the imitators...

Moyes Research Associates
AMERICA'S PREMIER RADIO STRATEGISTS
205 East Cheyenne Mountain Blvd., Colorado Springs, CO 80906 • Telephone 719.540.0100

SEE WHAT A DIFFERENCE SMART STRATEGY CAN MAKE:

B-101 (AC) Philadelphia: No. 1 25-54 Women.¹
B-101 (WBEB) is on a four-year uptrend in its target.
ARROW 93 (Classic Rock) L.A.: from No. 12 to No. 4.²
ARROW 93 (KCBS-FM) soars in its 25-54 male target.

¹Fall 1997 Arbitron Share, Monday-Sunday 6AM-MID.
The Media Audit

MBR Stats

1997 Will Be Radio's Best Year, Maybe For A Year

The radio industry enjoyed its best year ever in 1996, but when the final tally is in for 1997 it will likely beat that benchmark by 10-11%. Already spot pacing for the first quarter of 1998 is leaving 1997 in the dust. At press time, results from November pegged radio revenues at plus 10%, with national business enjoying a sparkling 16% improvement over the previous year.

Two thirds of stations in Arbitron-rated markets are now part of a consolidated operation (at least two same-band and no more than four total stations in a single market), and 42-6% are in a superduopoly (at least three same-band stations to a maximum of eight stations in a single market). The mergers of the past two years may well constitute the heavy lifting of industry consolidation. Look for 1998 to feature smaller deals as owners smooth out the corners of their station portfolios.

Locally, the gains were even throughout the country. While no region did better than 9%, none were worse than 6%. National business spiked 20% in the Southwest, and was up at least 9% everywhere. Nov. 1997 beat Nov. 1996 by a healthy 8%. Local was up the same 8%. As has been the case for most politicians kept their ad dollars in their pockets. Nevertheless, most in every odd-numbered year.

Radio stations are now putting audio on the web, almost triple the number that began the year there. Two thirds of stations in Arbitron-rated markets are now part of a consolidated operation (at least three same-band stations to a maximum of eight stations in a single market). The mega-

Superduopoly Dimensions

Radio consolidated (as of January 12, 1998)

<table>
<thead>
<tr>
<th>Market</th>
<th># of Stns</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Industry</td>
<td>66.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Superduopoly</td>
<td>42.6%</td>
<td>64.5%</td>
</tr>
</tbody>
</table>

Sales are Off and Running for 1998

While many were opening gifts, the radio sales force has apparently been knocking on doors. Spot sales for the entire first quarter of 1998 are pacing well ahead of last year. Miller, Kaplan's George Nadell-Rivin believes the numbers indicate a trend away from the seasonality of radio sales, marked by a lessening of the traditional post-holiday drop-off.

1997 Year-End Stock Performance

What a year 1997 was! Investors almost couldn't go wrong, with the S&P 500 gaining 31% and the Dow Industrials up nearly 23%. Investors in radio stocks generally did even better. Among the Big 10 radio groups, the nine public companies posted gains ranging from 39.31% for Emmis to 198.5% for Chancellor Media. Beating them all though, was tiny Faircom Inc., which is merging with Regent Communications. Faircom shot up an astounding 395.68%. The year's other mega-mover was satellite radio wannabe CD Radio, which rose 310.59% although the launch of its first satellite is still about two years away.

The Media Audit: Foundations of strength: MRC Accreditation.

MRC accreditation is about research reliability...a point advertising agencies are becoming more concerned about. What you see isn't always what you get. Thus the need for MRC accreditation. It starts with disclosure. What is the scope and limitations of THE MEDIA AUDIT study? How is the sample constructed? What verification procedures are followed in the coding, editing and data tabulation process? Every procedure must be documented and ultimately audited to make sure that we did everything we say we are doing. Minimum standards governing the quality and integrity of the study have been met. It's a test of reliability that no single media, agency or advertiser could afford to undertake on their own. The time and cost would be prohibitive. Yet there is no other way to be assured that what you see is everything there is to see. That's the importance of the MRC. They do it for you. Every year for every service willing to step up to the plate. THE MEDIA AUDIT stepped up to the plate...and passed the test. Today it is the only local market qualitative service accredited by the MRC. If accurate and reliable qualitative data is important to your sales team, call us: 1-800-324-9921. We would like to talk to you.

Manager's Business Report ◆ Jan/Feb 1998
Radio on Track to Post Double-Digit Ad Increase in '97

Don't pop the cork on the champagne yet, but get it ready. Radio is on track to post its sixth consecutive year of advertising growth. While the forecasts vary, the general consensus is that radio revenues will gain 11% in 1997 to about $13.77B.

Much of the boost came from a robust national spot market, which, if November levels hold steady, will end the year up 16% to about $2.43B. By all accounts, the performance of national is directly related to consolidation and radio group's new ability to package a critical mass of stations for advertising campaigns.

Below, radio's revenue performance since 1992. For 1997, we've estimated revenue performance based on YTD November increases.

<table>
<thead>
<tr>
<th>Year</th>
<th>Local</th>
<th>Spot</th>
<th>Network</th>
<th>Total</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>6,899</td>
<td>1,479</td>
<td>377</td>
<td>8,755</td>
<td>1.9%</td>
</tr>
<tr>
<td>1993</td>
<td>7,532</td>
<td>1,629</td>
<td>407</td>
<td>9,568</td>
<td>9.3%</td>
</tr>
<tr>
<td>1994</td>
<td>8,374</td>
<td>1,867</td>
<td>411</td>
<td>10,652</td>
<td>11.3%</td>
</tr>
<tr>
<td>1995</td>
<td>9,124</td>
<td>1,920</td>
<td>426</td>
<td>11,470</td>
<td>7.7%</td>
</tr>
<tr>
<td>1996</td>
<td>9,854</td>
<td>2,093</td>
<td>465</td>
<td>12,412</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Radio Revenue Trends

National Revenue Trends

Web Stats

544 radio stations (488 commercial) are now putting audio on the Internet. There were a total of 185 webcasting stations at the beginning of 1996, representing a gain of 194.1% during 1997. Country, with 52 webcasting stations, is the leading format as broken out by BRS Consultants. However, if you add the various permutations of News-Talk-Sports together, they total 104 and account for more than 20% of all commercial webcasting activity.

RealAudio remains the streaming platform of choice with over 85% of the business. Microsoft NetShow, while still trying to attain the 10% mark, is by far the fastest-growing competitor. StreamWorks remains an alternative for 4.5% of all webcasters.

Webcasters by Format as of January 1, 1998

<table>
<thead>
<tr>
<th>Format</th>
<th>Stns</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-commercial</td>
<td>56</td>
<td>10.3%</td>
</tr>
<tr>
<td>Country</td>
<td>52</td>
<td>9.6%</td>
</tr>
<tr>
<td>Rock</td>
<td>45</td>
<td>8.3%</td>
</tr>
<tr>
<td>News/Talk</td>
<td>42</td>
<td>7.7%</td>
</tr>
<tr>
<td>Religion</td>
<td>41</td>
<td>7.5%</td>
</tr>
<tr>
<td>CHR</td>
<td>35</td>
<td>6.4%</td>
</tr>
<tr>
<td>Alternative</td>
<td>28</td>
<td>5.1%</td>
</tr>
<tr>
<td>Sports</td>
<td>28</td>
<td>5.1%</td>
</tr>
<tr>
<td>Talk</td>
<td>24</td>
<td>4.4%</td>
</tr>
<tr>
<td>AC</td>
<td>24</td>
<td>4.4%</td>
</tr>
<tr>
<td>Classic Rock</td>
<td>23</td>
<td>4.2%</td>
</tr>
<tr>
<td>Hot AC</td>
<td>22</td>
<td>4.0%</td>
</tr>
<tr>
<td>Oldies</td>
<td>20</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Audio on the Internet

<table>
<thead>
<tr>
<th>Medium</th>
<th>Stns</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio Stations</td>
<td>544</td>
<td>55.3%</td>
</tr>
<tr>
<td>International</td>
<td>322</td>
<td>32.9%</td>
</tr>
<tr>
<td>Networks</td>
<td>30</td>
<td>3.1%</td>
</tr>
<tr>
<td>Internet Only</td>
<td>87</td>
<td>8.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>983</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Streaming Players

<table>
<thead>
<tr>
<th>Platform</th>
<th>Stns</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>RealAudio</td>
<td>844</td>
<td>85.9%</td>
</tr>
<tr>
<td>Microsoft NetShow</td>
<td>83</td>
<td>8.4%</td>
</tr>
<tr>
<td>StreamWorks</td>
<td>44</td>
<td>4.5%</td>
</tr>
<tr>
<td>AudioActive</td>
<td>7</td>
<td>0.7%</td>
</tr>
<tr>
<td>Netscape Media</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>Interfix</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>GTS Audio</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>Vosac</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>Radio Destiny</td>
<td>1</td>
<td>0.1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>983</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: BRS Radio Consultants
Well, just about everything. AudioVAULT from Broadcast Electronics can't make coffee (yet), but it will build your ratings and grow your bottom line and that's a good start. AudioVAULT was designed to be designed by you—to fit your operations, your format, your overhead goals and your technical challenges. That is why it is the best selling digital system in the world. It works for you.

Anything you can imagine, AudioVAULT can handle. From playlist management, show prep to satellite integration, spots, even walk-a-way automation, AudioVAULT is your studio manager. If you want it to happen in the studio production suite or newsroom, it can happen with AudioVAULT.

For station groups, AudioVAULT is the key to harnessing the power of your WAN. Everything it can do for one station, it can do for dozens. And because of its architecture, AudioVAULT will grow as your station grows. And it's backed by Broadcast Electronics, The World's Radio Company, with 24-hour service and support, every day of the year.


Broadcast Electronics, Inc.
The World's Radio Company
4100 N. 24th Street/P.O. Box 3606/Quincy, IL 62305-3606/(217)224-9600/Fax: (217)224-9607
Internet: http://www.bdcast.com • E-Mail: bdcast@bdcast.com

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News in Review

Final '97 Tally: $15.29B

Radio station trading set a record in 1997 as $15.29B worth of radio stations changed hands. The previous record had been $14.4B, set just a year earlier, the first year of superduopoly consolidation under the Telecom Act.

Will 1998 make it three record years in a row? That's tough to predict. There are fewer big groups available to be acquired. However, any purchase of a top 10 group would carry a multi-billion-dollar price tag. A couple of those deals and the record could be threatened again.

In any case, look for more consolidation this year in medium and small markets as small broadcast companies bulk up to remain competitive—and the giants move into ever smaller markets.

Groups Rush Into Network, Related Businesses

Radio groups are looking more and more like TV networks combining programming with distribution. Now that Chancellor has its AMFM Radio Networks up and running, six of the top 10 groups have radio network and/or syndication arms.

Diversification isn't even limited to the radio business. Even as they're spending hundreds of millions to acquire radio stations, more and more groups are also buying non-station assets that have some synergy with the radio business. To the right, a look at some of last year's examples.

What's Hot, What's Not

What do chardonnay and pine cleaner have in common? They're both on the list of items expected to be advertising hot spots in 1998. Telecommunications is also bubbling, says Chuck Armstrong, Chancellor Media's EVP/national sales, "Nextel just dropped $2M into two markets, including New York.

RAB EVP Judy Carlough agrees, adding business-to-business to the list. While that category has been dominated by yellow pages and trade publications, many computer companies are now hitting News and Talk formats.

Other hot categories include TV nets, prescription drugs, packaged goods, household products plus beer and wine. "We're competing more with cable than anything else. They're seeing cost per thousand going up higher than audience—and brand managers are only seeing modest budget increases," says Traug Keller, SVP/Advertising, Sales & Marketing, ABC Radio Network.

So what will fall off in 1998? Armstrong says automotive and retail are the only possibilities. Most expect radio advertising to keep going strong in the coming months. Keller adds, "Its looking like the least amount of attrition in years.

Radio Salaries Stagnant

Consolidation was supposed to cut the number of people on the payroll, with those left making more money. However, NAB's latest salary survey shows that is not yet the case. The average radio GM made $550 more last year, while PDs checks were $154 smaller. Radio's biggest increases went to research directors and morning drive producers, both saw their paychecks grow by 9.7%. An across-the-board increase for TV came despite declining viewership, Mark Fraitik, NAB VP/Economist says he is "suprised by the low numbers, considering how strong radio was (in 1997)."

The radio salary survey is based on stations in the top 150 markets with at least a 2.0 share, compiled by Miller, Kaplan, Arase & Co. The TV figures are based on the average of the NAB's bi-annual survey of 538 commercial stations.

Washington News in Review

Several lawmakers on Capitol Hill are asking the FCC to move forward with a review of two ads on radio and TV. In November, Chairman Bill Kennard (D) said he felt the FCC should consider reviewing the affects of alcohol advertising on underage drinking.

Assistant Secretary of Commerce says radio consolidation has gone too far, and it has hurt minority ownership, citing statistics which show the top ten groups doubled in size from 1996 to 1997 while minority ownership slipped 10%. Irving supports increasing capital to minority owners.

A towering debate looms over tower siting issues. The FCC is reviewing its review of ITV and public interest obligations, while one member says radio is off the hook. Gigi Sohn, executive director, Media Access Project, says radio broadcasters should "cool their jets," while minority owners.

The Gore Commission continues its review of DTV and public interest obligations, while one member says radio is off the hook. Gigi Sohn, executive director, Media Access Project, says radio broadcasters should "cool their jets," although an NAB spokesman says its too soon for radio owners to look the other way.

The FCC's proposed move to the Portals office building in southwest Washington, DC may be delayed. House Telecommunications subcommittee chair Rep. Billy Tauzin (R-LA) has raised questions of illegal campaign contributions, influence peddling and kickbacks.

1998 Hot Categories

Business-to-Business
Employment & Recruitment
Long distance & PCS
Media, TV, Entertainment
Packaged & Household Goods
Prescription Drugs

Non-Radio Station Deals 1997

<table>
<thead>
<tr>
<th>Price in millions</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,700.0</td>
<td>Universal Outdoor (billboards) to Clear Channel</td>
</tr>
<tr>
<td>$1,150.0</td>
<td>Eller Media (billboards) to Clear Channel</td>
</tr>
<tr>
<td>$373.0</td>
<td>Katz Media (rep) to Chancellor Media</td>
</tr>
<tr>
<td>$185.0</td>
<td>Premiere Radio Networks to Jacor Communications</td>
</tr>
<tr>
<td>$117.3</td>
<td>ARS' American Tower Systems buys tower assets from several sellers</td>
</tr>
<tr>
<td>$100.0</td>
<td>Hicks, Muse backs OmniiAmerica Wireless in launch of new tower company</td>
</tr>
<tr>
<td>$77.4</td>
<td>Multiverse Networks (rep) and &quot;Dr. Laura Schlessinger Show&quot; to Jacor Communications</td>
</tr>
<tr>
<td>$70.3</td>
<td>Micronet Inc. (towers) to ARS' American Tower Systems</td>
</tr>
<tr>
<td>$54.0</td>
<td>EFM Media (programming) to Jacor Communications</td>
</tr>
<tr>
<td>$20.0</td>
<td>Emmis wins bid for Hungarian FM</td>
</tr>
<tr>
<td>$11.0</td>
<td>NSN Network Services (satellite links) to Jacor</td>
</tr>
<tr>
<td>$1.5</td>
<td>Illinois Radio Network to Saga Communications</td>
</tr>
</tbody>
</table>

Group Sale

Game Show Nation

Source: Radio Business Report

Radio

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td>+0.4%</td>
</tr>
<tr>
<td>GSM</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Chief Engineer</td>
<td>+2.3%</td>
</tr>
<tr>
<td>Program Director</td>
<td>-0.2%</td>
</tr>
<tr>
<td>News Director</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Sports Director</td>
<td>-4.2%</td>
</tr>
</tbody>
</table>

Source: NAB

Television

<table>
<thead>
<tr>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>+4.0%</td>
</tr>
<tr>
<td>+4.1%</td>
</tr>
<tr>
<td>+3.1%</td>
</tr>
<tr>
<td>+5.0%</td>
</tr>
<tr>
<td>+4.4%</td>
</tr>
<tr>
<td>+4.3%</td>
</tr>
</tbody>
</table>

Huge Revenue Goals ... Less Time

Imagine if each AE had 30 minutes more each day... more time to sell new prospects and service existing clients.

Hire us to create your sales one-sheets and graphic presentations.

Call Rhody Bosley or Julie Heath Today!

410-377-5859

Research Director, Inc.
Just because radio revenues are posting double-digit increases doesn’t mean radio is about to break the 7% advertising barrier. Radio still lags behind TV and newspapers in ad dollars, and both are also experiencing strong revenue increases in this year’s booming economy.

As radio sales execs look to 1998, they will have to continue to convince new and current radio advertisers to spend even more in the medium. Three advertising categories offer new and lucrative new business opportunities for radio—prescription drugs, classifieds/recruitment, and, despite the controversy that comes with it, liquor.

### Prescription Drugs Are No Bitter Pill

Prescription drug makers have been freed of the FDA’s regulatory shackles and are able to widely market their drugs via radio and TV. In August, the feds made it easier for drug makers to take to the airwaves (RBR 8/18/97, p. 3) and in doing so gave radio stations a new source of revenue.


By the year 2000, direct-to-consumer prescription ad product spending is expected to exceed $1.5 billion annually, surpassing such traditional big spenders as fast food and soft-drink marketers,” says Beth Miller, a senior vice president at Campbell Mithun Esty.

While many in radio may be scratching their heads trying to figure out how to sell to a new industry, Carlough says the tried and true is best, “Targetability and reach are number one. The RAB is jumping past agencies and directly touting radio’s benefits to pharmaceutical firms. ‘We can’t always count on ad agencies to sell radio with enthusiasm. We have to create an appetite for radio at the manufacturer level,” says Carlough. Packets of information were mailed in August to the top 20 drug makers, followed by a telemarketing effort.

Few expect drug companies to buy local spot radio at first, but analysts predict a trickle-down could occur if network and group buying systems were already using radio; drug makers may just take a bit longer, since car companies could easily tailor their products and their message. What better place to put an ulcer medication’s ad than during a traffic report? But Yaguda advises wasting no time, saying radio must “go after the dollars before all the money ends up in TV.” “Radio is part of our overall direct-to-consumer campaign,” says Claritin’s Bob Consalvo. The New Jersey-based company is making big media buys to inform consumers who may not know there are new non-drowsy allergy medications. Consalvo says most of their money goes to magazines, since companies will need to provide a lot of detailed information to consumers. Yaguda feels the car leasing and prescription drug categories are analogous, “But more important, we’re not just taking money from newspapers—we’re opening up bigger and bigger budgets.”

### What’s Being Advertised

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Claritin Allergy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norplant Contraceptives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rogaine Hair Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caverject Impotence</td>
<td></td>
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<td></td>
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<tr>
<td>Emetrol Nausea</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Habitrol Nicotine</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Colon Chicken Pox Vaccine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accutane Acne</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salopas-Muscle Spasm Patch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Competitive Media Reporting, Interpr

### $595.5M was spent by drug companies in 1996.

Less than $1M went to radio — RAB

can refer consumers to print ads for more information.

Doctors are not happy with the flood of broadcast ads, which have sent millions of Americans into their doctors' office asking for specific brand-name drugs. A recent survey of 9,000 physicians by IMS America and the Internet service Physicians Online found more than 60% want drug makers to cut back or stop TV and radio advertising altogether.

Deja vu

Of course, this is not the first time radio has been a big influence in the rules of advertising. In 1994, auto leasing regulations were changed, opening a new category in ad dollars. Predictions were the change could bring $20-50M dollars to radio. Those predictions are born out in a review of auto sales and leasing advertiser spending. In 1994 auto ad spending was up a mere 4%, until the President signed the bill, and car ad spending shot up 51%, compared to the previous year. While that coincided with the new model year, over time, from 1995 to 1996, spending has also risen 34%, from $159M to $195M.

So does this mean radio will see another boost in ad revenue? Yaguda feels the car leasing and prescription drug categories are analogous. “But more important, we’re not just taking money from newspapers—we’re opening up bigger and bigger budgets.”

May just take a bit longer, since car companies were already using radio; drug makers must first be convinced it’s a good buy. It is a category that may be slower to build.

Many of the largest manufacturers are preparing for a marketing free-for-all, with the impending expiration of several of the top-selling drugs' trademarks. Yaguda foresees more ad spending because drug companies will want to protect their products from other brands or generics. “I think radio can be a powerful tool,” says Miller.
Radio recruitment jumped 164% last year.

It is an old sore spot for GMs and GSMs—losing a buy to the newspaper. But many broadcasters are now seriously putting classifieds on line, but a recent rate increase may give companies even more reason to give radio a try.

Employment recruitment and business proposition national spot and network spending jumped 164% in 1997, rising from $1.1M in the first half of 1996 to $2.8M in first half of 1997. Competitive Media Reporting says the biggest national spenders include Target, Bell South and Dean Witter Reynolds. At Boston's WEEI-AM, they're cashing in on Massachusetts' lowest unemployment rate in 15 years. The Sports station forecast to bill roughly $300,000 in 1997 from recruitment advertising. "The opportunity is out there, especially in markets where the unemployment rate is so low," says Local Sales Manager Jim Rushton. He says they're going after companies that are buying big ads in the Boston Globe, which ran a 157-page special Fall employment section. For instance, a firm which buys a full page ad in the Sunday paper can put full page ad in the Sunday paper and get a live frequency. Rushton says many spots even potential employees to a newspaper ad. A Boston business association liked the idea enough to make a two week, $30,000 buy to plug an upcoming open house.

While conventional wisdom may say the more people out of work, the more opportunity there is for radio. Wrong, say Grizmer and Rushton. They say the fewer available workers forces corporations to get more creative in their recruiting. Moreover, newspaper becomes less effective, since few of us with a job browse the Sunday employment section.

Alene Grevey, GM at Jacor's WEBN-FM and WOXC-FM Cincinnati, says radio recruitment ads reach a totally different segment of the population—those with jobs who may not be thinking of jumping ship until they hear the radio spot.

Most often, recruitment ads are straight read spots written in-house, that run three weeks in different dayparts since today's 24-hour society means everyone's drive time isn't the same (1/3 of workers pull the graveyard shift).

While WEEI's Rushton thinks you still need a high frequency to convince people to leave a job they may love, Grizmer says, "You don't need to do a high frequency money there."

"There's definitely because you're making people an offer, instead of getting them to buy something."

Many stations and groups are reluctant to hire another sales person to hit the streets in search of recruitment ads, but that may be what's needed to ensure placing recruitment ads on their homepages, with the help of companies like classifieds2000. Rushton says WEEI makes their web site part of a buy—and they even run contests to attract listeners to give it a look.

Sani El-Fishawy, president and CEO of classifieds2000, says radio and TV stations can use their broadcast outlets for reach and frequency to bring people into their website, so performance is measured by resumes. One Texas TV station makes "well over $100K a month, according to El-Fishawy, but he says that's only the beginning; "The idea is to make additional money that you did not get before."

He says radio stations should go after the "meaty, low-hanging fruit," by taking classified ad dollars from the Fortune 500 companies. "Radio will always work, but in tighter job markets, newspaper becomes less effective."
She took on the day and won the Marconi. Now Dr. Laura is going to take on the morning and help you conquer the competition. Premiere Radio Networks is proud to present A Dr. Laura Moment—a 90-second Monday through Friday feature that includes the stimulating opinions, humor and common sense heard on Dr. Laura's award winning show. And each segment is introduced by Dr. Laura in her own straightforward, compelling style.

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Liquor Wants Shot at Airtime

With Gen-Xers rediscovering the "cocktail culture" and martini bars dotting most urban settings, it is no wonder hard liquor sales are up for the first time in 15 years. With a renewed interest, many marketers are looking at raising their product awareness levels. In March, a new consumer magazine called *Spirits & Cocktails* will hit newsstands. But broadcast is where many marketers are now looking to make their mark.

Seagram began an all out campaign last year to get its advertisements on radio and television. The Montreal-based liquor company has placed ads in trade magazines such as MBR's sister publication, *Radio Business Report*, urging broadcasters to air their spots.

To make those ads more palatable, Seagram spots included a statement urging responsible drinking. Each 60 will begin with this: "People of legal drinking age should enjoy alcohol responsibly, but don't drink if you're under 21." Seagram makes Royal Canadian whiskey and Chivas Regal Scotch.

Washington Worries

Just moments after being sworn-in on the Bible his father carried through Europe during World War II, FCC Chair Bill Kennard said a review of alcohol advertising should be undertaken by the new Commission. "It is too important an issue for America to put in the closet and say that government can't do anything about it," Kennard told reporters, although he conceded there may be "legal and Constitutional problems." The previous Commission deadlocked on the issue last July (*RBR* 7/1/97, p.2).

"The FCC does not have jurisdiction over alcohol advertising. It's a mystery why he is singing out distilled spirits while ignoring beer and wine," says Lisa Hawkins, spokeswoman for the Distilled Spirits Council. She says the Council gets dozens of phone calls from broadcasters each week, and estimates there are 100 stations already airing liquor ads.

"We can target our message to adults, so radio is a key strategy for us."

—Seagram's Bevin Gove

"There has been absolutely no public outcry in markets where we have run," says Hawkins.

Congressman Joe Kennedy (D-MA) sent a letter Dec. 3 to Kennard urging him to move forward with a review of liquor ads on radio and TV. "We believe the FCC has a critical role to play within its own jurisdiction to safeguard the public airwaves. The FCC's review would produce a factual record on the topic of liquor advertising," Kennedy wrote.

Alternate Strategy

Hiram Walker Inc. launched a radio campaign in Denver and Knoxville, TN for its repackaged Canadian Club whiskey. The "Club Rules" campaign will be tested in the two cities until April, when it will be expanded to other markets.

Hiram Walker's Cutty Sark scotch has found a way to steer its ships clear of the controversy surrounding alcohol advertising. They are using radio to promote a brand-sponsored yacht race instead of what's inside their bottles.

That has opened up groups long nervous about running liquor commercials. Some of Cutty Sark's ads will air on CBS radio stations. CBS' policy book still includes a "longstanding prohibition against the airing of advertising for hard liquor," but VP Helene Bleiberg says because the spots are for a sponsored sporting event, they don't violate that policy.

"We're still getting a lot of questions from liquor companies, but not a lot of radio stations are taking it," says Stewart Yaguda, president, Interrep's Radio 2000. He sees more willingness to take the spots in smaller markets and among second tier stations. Radio One is the largest of the groups accepting alcohol ads.

Greg Zegras, an account executive for Scaros & Casselman, says they are "out promoting an event. This is not a brand-first advertisement about Cutty Sark scotch.

Their targeted demo is men 30-45, so:60 spots will air on Rock, Sports and AC stations in Florida, California and Texas, plus Chicago and Boston.

Carl Casselman, the agency's creative director, says the excitement and adventure "just doesn't come off in print" but radio "does that very well." Cutty Sark's positioning statement has long been "The Spirit of Adventure."

While they do place print ads in magazines like *Sports Illustrated*, Casselman says it is "very hard to get on TV," since many television stations won't air liquor ads. Zegras adds that radio hits their demo and "gets into markets more efficiently" than TV.

The radio spots will be supported by print and outdoor ads, plus point-of-purchase and promotional materials in bars and restaurants. Cutty Sark's Race Week will be held in Miami, February 25 through March 1.

This is the second big radio ad campaign for Cutty Sark. In 1996, the company spent $161,000 on radio promoting a tall ship race in Europe. They ran ads dramatizing the adventure and to recruit eight "crew" members from the United States—asking listeners why they should be aboard the 200-foot Brigantine.

"Heed the call" may be Moosehead beer's marketing slogan, but it is also the message the Canadian brewery is sending to advertisers. Half the budget went to print and outdoor, which were supported by radio in six core markets like Chicago and Philadelphia, and along highways to getaways in upstate New York and New England. Marketing Director Ron Christesson says they found out going to radio was the smart choice.

"We have been more successful in running radio spots."

—Seagram's Bevin Gove

*Manager's Business Report*  Jan/Feb 1998
AMFM Joins Net Ranks

Radio got its first new RADAR®-rated network in 20 years when Chancellor Media (O:AMFM) debuted AMFM Radio Networks on Jan. 5. Chancellor's 99 stations and 159 Capstar stations clear one minute of commercial time each hour 5A-Mid, Monday to Sunday on two networks, Adult and Youth.

Before July, AMFM plans to enter the syndication business by syndicating talent within the company or by acquisition of existing shows or talent. It also intends to enter the news and information biz, maybe even looking to purchase major market AMs to round-out Chancellor's strength in FMs.

ProStar Entertainment Opens for Business

Yet another new syndicator is hoping to ride the demand wave for more programming. Clearing three programs, Alexandria, VA-based ProStar Entertainment opened for business December 12. Former Westwood One Senior Director of Affiliate Relations Bob Dane is the President and founder of ProStar.

Specializing in Talk programming, Dane's company is handling clearances for Burns Media Strategy's "The Dr. Gabe Mirkin Show," Sweet Talk Productions' "The Best of Debbie Nigro" and "The Debbie Nigro Show."

Look for the company's first syndicated launch in March or April.

Perry to OneOnOne

OneOnOne Sports hired Damon Perry to host the network's morning show (6-10A ET) on December 29. Perry comes to OneOnOne from a morning show slot at Sports Radio WDFN-AM Detroit, with previous experience at ESPN, KJ-R-AM Seattle and KNBR-AM San Francisco.

New Feature for SportsFan

"Just a Minute, With Keith Olbermann" debuted Feb. 2 in the SportsFan lineup as a daily 60 second feature. Clearance is handled by Winstar Affiliate Sales. Olbermann is a member of the NBC News and Sports staff and currently hosts MSNBC's "The Big Show With Keith Olbermann," airing weeknights.

"Just A Minute" is somewhat unique to SportsFan programming in that the topicality is not limited to sports. "The folks at SportsFan have granted me a blank palette on which to paint every day," said Olbermann.

American View Acquires Ken Hamblin Show

"The Ken Hamblin Show," syndicated with Premiere since Sept. '96, has been picked up by newbie syndicator American View Jan. 1, carried on 99 existing affiliates. The show will continue as barter only, with ad sales cleared by Global Media.

Hamblin—author, New York Times columnist and three-year national talk show veteran, a.k.a. "The Black Avenger"—is well-known for speaking his mind on some very volatile racial and political issues. While some despise him, others consider him an American hero. "Everyone calls me a hero and all I am is a pissed off American because I see the quality of our country going down the toilet. We're hurting—our kids can't read, the streets aren't safe. When I was a young kid the notion was that black kids couldn't read because they were stupid. Well, guess what—thanks to groups like the NEA and the whole liberal agenda inside the Beltway, white, Asian and Hispanic kids are too stupid to read now, too."

"Like all great personalities, Ken has something to say. He is magnetic, charming and very direct. I've heard him on the air many times, and have read his New York Times columns. How fortunate we are to have him," said Kent Burkhardt, Director, AVI.

Syndication Launches for 1998

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Listeners Unite to Keep Their Station in the Pink

by Carl Marcucci

It's often easy to forget who really owns the radio station in the midst of merger mania. One homegrown example is KPIG-FM Freedom, CA (Monterey-Salinas-Santa Cruz). Bought and sold twice, forced to switch formats once, KPIG endured the latest ownership transition thanks to the rallied support of listeners, advertisers and the press.

New Wave Broadcasting, which purchased KPIG in June as part of a three station group buy ($5.2M), decided not to change the format based largely on listener support and the ratings that went with it.

From Winter to Spring, 12+ listeners jumped from 2.7 to 4.0; A25-54 increased from 4.3 to 6.5, and KPIG is still #1 with Men 25-54. And through the Summer book. "The ownership change had a big impact. With so much previous publicity surrounding that, the loyalty of the listeners jumped," said Laura Hopper, PD KPIG.

Hopper was right—after the 12+ jump to 4.0, the station settled back in the Summer book to 3.2, very close to the 4-book average of 3.3.

KPIG's in-house programming is an eclectic mix of Triple A (Adult Alternative), "Americana," and whatever moves the DJ at the time. "The Americana format is sort of a combination of organically grown Country and Americana roots music—Bluegrass, Zydeco, Country, Folk, and Blues. KPIG runs the gamut—we have a consistency of style, but not a consistency of musical definition," said Hopper.

The same goes for the DJs, whose spontaneous and humorous style is an integral part of the programming. "A lot of people listen to us because they don't know what's going to come up next," said Frank Caprista, GM, KPIG.

CHR Catastrophe

KPIG began squealing in 1987, under owner Radio Ranch, Inc. In Sept. 1995 it was sold to Eletra Broadcasting. In June 1997 KPIG was sold to New Jersey-based New Wave.

First owner Radio Ranch tried a format switch to CHR for eight months. "An unmitigated disaster," said Hopper. "Ratings plummeted, dollars plummeted."

According to Caprista, much of the reason for the 1991 switch was the late '89 earthquake that leveled local businesses. "Most of KPIG's advertising was local. Radio Ranch switched us to CHR to try and get more national buys with a more national format," he said.

KPIG went back to its original format. Soon after, it achieved break-even numbers and by 1994, KPIG was making a profit and continues to do so.

A Market Squeals

When New Wave was purchasing KPIG, the media and listeners rallied. One headline from a Monterey Herald story read: "In a Piggie's ear: It's irreverent, unique and under new ownership—and KPIG fans warn 'Don't mess with the Pig!'"

This quote from a listener is typical of the loyalty KPIG generates. "We think of [the DJs] as friends, as family. Now don't screw up—leave the pig as it is, because it could not be better."

Even the advertisers joined the cause. "Being such a locally-oriented station, we pull people into their businesses. They wrote letters and contacted New Wave," said Hopper. In meetings with New Wave management and KPIG sales staff, regional and national agencies gave KPIG "glowing reports."

"We got a lot of letters and email from both fans and advertisers. I just made copies of everything and sent it to [New Wave]," said Caprista.

New Wave owns three other market stations—KMBY-FM (AOR), KXDC-FM (NAC) and KCDU (Modern Rock)—and KSAs KBOQ-FM (Classical). While it changed one format in the group and [former owner] Electra had changed two—KPIG was left alone.

"KPIG is unlike any other radio station in the country. Santa Cruz and Monterey are unlike any other market in the country. They match up well together. We're very proud to be associated with a radio station that breaks all the rules and still gets the ratings," said Will Douglas, VPGM, New Wave Monterey Group and managing partner. "Its progressive radio how it's used to be done and it definitely grabs that share of the audience. We soon realized that KPIG was like a franchise—a radio station with a following that nobody else could compete with."

Soirees in the Stye

KPIG's marketing bolsters its loyal, eclectic following through effective promotions and remotes. The station has been known to hold "parties for the people"—pig roasts with free food for the first 300, live bands and giveaways, "Fat Fry" music festivals and ugly Hawaiian shirt contests. "We like to make it an event, rather than just set up a booth and sit there. We don't have a van—I don't want a van," Hopper stressed.

In addition, KPIG pushes its radio brand on its web site (www.kpig.com), in print ads and on bus tails.

"This station is built around a lifestyle," said Hopper. "That doesn't happen overnight. It's hard work—more than putting on a cookie-cutter format. In the long run, this will be longer lasting. We've done all the ground work and I'm just hoping in two years we don't go the way of the rest of them and get sold at a profit and have to do this all over again."

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