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"No Urban Dictates" still an issue for Urban GMs.
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Can radio websites generate NTR dollars?
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Radio's positive parade ends at 99

December 2000 will live in infamy, at least for a while. It is the first month in over eight years to come in with less revenues than the same month in the previous year. Both local and national business were down, and overall the month came in with 3% less cash than December 1999. Stats are from the Radio Advertising Bureau.

Nonetheless, radio blew away the old total revenue record yet again (this has been an annual occurrence the past few years). Local revenue, national revenue and total revenue are in perfect alignment, declaring the year's total to be 12% to the good. Local business stands at $15.223B, with about another $18 taken in by networks for a total of $19.819B.

NOTE: The Radio Advertising Bureau did not provide regional breakouts of revenue for the months of November or December.—Dave Seyler

Radio Revenue Index

Y2K dust clears with 12% gain for radio

The year 2000 started with fireworks fueled by the dot-com frenzy, and ended with a whimper after the dot-coms were gone, but all in all it has to be called an excellent year. What else can you call a year in which the all-time revenue record is shot up in January, but after the dot-coms were gone, but all in all it has to be called an excellent year. What else can you call a year in which the all-time revenue record is 12% to the good. Local business stands at $15.223B, with about another $18 taken in by networks for a total of $19.819B.

NOTE: The Radio Advertising Bureau did not provide regional breakouts of revenue for the months of November or December.—Dave Seyler

Superduopoly Dimensions

Industry Consolidation (as of February 19, 2001)

<table>
<thead>
<tr>
<th>Superduopoly: 59.2%</th>
<th>Market</th>
<th># of stns</th>
<th>percent</th>
<th>Total consolidation: 78.9%</th>
<th>Market</th>
<th># of stns</th>
<th>percent</th>
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<tr>
<td>1 to 50</td>
<td>919</td>
<td>58.1</td>
<td></td>
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<td>51 to 100</td>
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<td>906</td>
<td>79.5</td>
<td></td>
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<td>56.8</td>
<td></td>
<td>101 to 150</td>
<td>638</td>
<td>77.2</td>
<td></td>
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<td>151 to 200</td>
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<td>151 to 200</td>
<td>651</td>
<td>77.4</td>
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<tr>
<td>201 to 250</td>
<td>423</td>
<td>62.2</td>
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<td>201 to 250</td>
<td>530</td>
<td>77.9</td>
<td></td>
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<tr>
<td>251 to 276</td>
<td>170</td>
<td>54.7</td>
<td></td>
<td>251 to 276</td>
<td>245</td>
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<tr>
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<td>3,187</td>
<td>59.2</td>
<td></td>
<td>All markets</td>
<td>4,248</td>
<td>78.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: RAB
MBR Stats

Radio revenue trends

The RAB has released a look at the history of radio revenues. We are reproducing a portion of it here, going back year-by-year to 1989, and then in five-year chunks of the 90s and 00s back to 1945.

Notable facts: The $2.8 billion revenue figure registered for 1991 is the lowest ever (going back to 1945)—the only other negative year in the study was 1961, which was down -0.5%. In 1992, radio registered a small gain, but together, 1991 and 1992 mark the depths of radio's biggest slump (a combination of Docket 80-90 signal saturation, high-debt/low experience radio operators, a credit crunch and generally bad economic conditions). Ownership de-regulation became a reality in large part due to this situation, beginning in late 1992.

Growth has been robust ever since. Note in particular the national categories. Network has more than doubled since 1995, and national spot is not far behind.

On the more historical part of the chart, note the sharp shift of radio from a national to a local medium from 1950 to 1955, particularly the network category. What radio networks were, TV networks became, and radio adapted quickly to replace the

Automotive NTR also slow

After all we've been hearing about how Automotive slowed down as an advertising category in December and January, it's hardly surprising to find that it was also soft for non-traditional revenues. Recruiting showed strength, as businesses began the New Year with new positions in their new budgets—despite all of the reports of layoffs in some sectors. By historical measures, unemployment is still low and recruiting good employees is tough. —JM

Non-traditional Revenue Track

<table>
<thead>
<tr>
<th>% of vendor/new business by category (January 2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>2000</td>
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<tr>
<td>1999</td>
</tr>
<tr>
<td>1998</td>
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<td>1997</td>
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<tr>
<td>1996</td>
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<tr>
<td>1995</td>
</tr>
<tr>
<td>1994</td>
</tr>
<tr>
<td>1993</td>
</tr>
</tbody>
</table>

Source: Revenue Development Systems, based on revenues from 76 stations in 32 markets.
AMERICAN URBAN RADIO NETWORKS

THE URBAN RADIO LEADER

American Urban Pinnacle Network
2,009,000 Persons 12+
Monday-Sunday 6AM-Midnight
Average Audience to All Commercials*

American Urban Renaissance Network
1,551,000 Persons 12+
Monday-Sunday 6AM-Midnight
Average Audience to All Commercials*

ABC Urban Advantage
915,000 Persons 12+
Monday-Sunday
6AM-Midnight
Average Audience to All Commercials*

NEW YORK • 655 THIRD AVE. • 24TH FLOOR
NEW YORK, NY 10017
(212) 883-2100 • FAX: (212) 297-2571

CHICAGO • 30 NORTH MICHIGAN AVE.
SUITE 1218 • CHICAGO, IL 60602
(312) 558-9090 • FAX: (312) 558-9280

DETROIT • 1133 WHITTIER ROAD
GROSSE POINTE PARK, MI 48230
(313) 885-4243 • FAX: (313) 885-2192

*Source:Radar 67 Fall 2000 - Copyright©2000 Statistical Research,Inc.
Soliman replied that tracking of indecency complaints is already in place. Tristani's retort was, "But there are no statistics because I've been trying to get them and it's been very hard. For example do we have a sense of how many radio complaints there are compared to television complaints?"

Soliman appeared a bit flabbergasted but affirmed that all that information could be gathered for her. "But we don't have it readily available," Tristani hunched. "I know it's not your responsibility and I'd like to have the Mass Media Bureau, but I'd like to have a sense of the history of how complaints are being processed."—JM, KR

Tristani eyeing Capitol Hill?
It's never been any secret that Commissioner Gloria Tristani (D) regarded the FCC as a stepping stone to bigger things. After passing up an opportunity to run for the US House last year in her home state of New Mexico, in expectation that Al Gore would win the presidency and appoint her to chair the FCC (Oops! Slight miscalculation there.), Tristani is rumored to be preparing the leave soon to start fund-raising for the 2002 election.

If she picks the Senate as her target, Tristani would need to raise about $5M—so she'd need to get started soon. If Tristani leaves the FCC soon, President Bush would have a growing backlog of empty seats to fill—two that can go to Republicans, plus one which would have to go to a Democrat or independent.—JM

Premiere Traffic Network launching in July
Premiere has set the launch date for its new traffic operation for July. The new service, to compete against Westwood One's (N:WON) Metro/Shadow, will begin first with the Clear Channel (N:CCU) NYC cluster. "Premiere Traffic Network" is the corporate name, but stations can locally label the service as anything they want, i.e. "Z-100 Traffic Blast." It will be an arm of Premiere Radio Networks, under Premiere President/CEO Kraig Kitchin. It will be just for Clear Channel O&Os, according to Kitchin.

"When we made some of those tough decisions weeks ago [cutting staff and some network programs], this is one of the areas where we knew we could do more things for our radio stations. We started a traffic service in January, as you know. And by combining the efforts of Airwatch with the national sales effort behind the Premiere Traffic Network, the business intent this year is to offer traffic reporting services in an expanding number of markets where we have Clear Channel stations in need of that service," Kitchin tells MBR. "We are principally set up just to provide service to our own radio stations. The Clear Channel radio stations that have traffic services already from whatever source—Metro/Shadow or Traffic.com or any specific regional or local service—always have unsold inventory in their traffic sponsorships. It may be a smattering, but whatever it is, it's there and our service has been set up this year to sell that inventory for our Clear Channel radio stations."—JM

Former KKBT-FM LA GM Kraig Wilbrahim is the President, former KIOI-FM SF/current CNET Radio President Brent Osborne is the SM; veteran traffic service developer and Clear Channel VP Ops. Gary Lee is heading operations. Earl Kurtis, former President of Airwatch built the small radio group into a large radio group, then expanded through mergers and acquisitions to create a media empire. In recent years, Suleman has assumed responsibilities beyond his official title for overseeing radio and outdoor operations as Karmazin focused on CBS TV and then Viacom's far-flung media holdings. Now he has a title that reflects his actual role. In addition to being President and CEO of Infinity, Suleman will continue to be Executive VP and CFO of Westwood One.—JM

Viacom/Infinity merger complete
Infinity Broadcasting's stock closed forever on 2/21 at $31.50. Immediately after Infinity shareholders voted to approve the deal, the long pending merger was completed. Under the tax-free deal, Infinity shareholders received 59.2% of a Viacom Class B (N:VIAb) share.

With the completion of the merger, Farid Suleman has gotten new titles—President and CEO. He had formerly been Executive VP and CFO of Infinity when its stock traded separately from Viacom. Viacom President Mel Karmazin's right-hand man for more than 15 years, Suleman had been at Infinity since 1986. The two

In a departure from the usual practice, not a single item for action was on the agenda for the FCC's 2/22 monthly meeting. Rather, the new chairman had the chief of each FCC bureau speak to the four commissioners about their concerns, achievements and outlook for the future.

Television is well along the road to digital, but radio is just beginning, Mass Media Bureau Chief Roy Stewart told the special overview session of the FCC, noting that the Bureau is currently reviewing digital proposals for radio. Discussing the convergence of various types of media providers, Stewart proclaimed that we are standing at a watershed for traditional broadcasting. "Various media previously considered separate and distinct are now offering competing services to the consumer," Stewart said. Although he offered no specific proposals for how to deal with media convergence, Stewart said it is becoming increasingly important for the various bureaus of the FCC to work closely together.

Following Stewart's presentation, in which he applauded his staff for their dealings with LPFM, two Commissioners got into a bit of debate over LPFM. "When Congress has to come in and clean up the mess, it is not an accomplishment," Chairman Michael Powell said it is becoming increasingly important for the various bureaus of the FCC to work closely together.

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America, will also assist.

According to a Clear Channel insider, "after the existing providers' contracts run out in each market, we plan to transition Clear Channel stations over." The insider confirmed all the top 25 will go in-house, along with many more of the top 100. Most, if not all of the top 50 markets will have the service.

AMFM had launched an in-house "Total Traffic" service initiative based in Atlanta in early 2000 that was put on hold by the CCU merger. Clear Channel, and the companies it acquired such as Jacor have long shown an leaning toward doing their own traffic—including the AirWatch Acquisition in '97 and later Total Traffic.—CM

The Zen Master's ad forecast
You can add Viacom COO Mel Karmazin to the list of gurus projecting ad growth for various types of media. Of course, he actually runs a company which competes in each one of them.

Here's his 2001 growth forecast:

Cable: 10-12%
Radio: 6-8%
Outdoor: 5-6%
TV (all): 5-6%

Not surprisingly, he also expects Viacom's units to outperform their peers in each of those industries.—JM

Viacom pledges growth every quarter
You can talk about the soft ad market all you want, but COO Mel Karmazin has repeated his vow that Viacom will not participate in any recession." He, CEO Sumner Redstone and other Viacom (N:VIA & VIAb) executives are promising Wall Street that the media giant will show 5-6% revenue growth and over $6B in cash flow for 2001. "We're not backing off showing growth every quarter," chimed in CFO Fred Reynolds during the company's quarterly conference call 2/14.

Karmazin acknowledges that much of this year's growth will come in the second half, after getting past the tough comps of Q1 and Q2. "We're just dealing with an aberration," he said of the dot-com-fueled growth of late '99 and early '00. To illustrate how easy it will be to post strong growth numbers in the second half, Karmazin noted the quarter-by-quarter radio revenue results for LA in 2000: Q1 up 30%, Q2 up 28%, Q3 up 4.5% and Q4 down 3%.

Despite the loss of dot-com, Karmazin said he's already seeing growth in several sectors, including Entertainment, Utilities, Foreign Automotive and Media. He's not worried, either, about the current pullback by Chrysler and GM. "The dot-coms are gone. Foreign auto is picking up any slack from domestic auto spending. If the domestics don't come back, they're going to wind up losing market share, so we're expecting them to come back," Karmazin said. In his view, the US economy is still strong and will do well in Q4 and '02.—JM

Clear Channel has record year, tough Q1
CEO Lowry Mays was proud to report another record year for Clear Channel Communications (N:CCU), with after-tax cash flow per share (Lowry's favorite number) up 24% to $2.78. For Q4, ATCF was up 13% to 77 cents—beating the Wall Street consensus by two pennies. Net revenues doubled to $5.3B and EBITDA rose 76% to $1.7B. The company said pro forma radio revenues grew 6% in Q4 and radio cash flow gained 10%.

Things are tougher now, though. Clear Channel's guidance to Wall Street is that Q1 net revenues from its core out-of-home segments—Radio and outdoor, which total 87% of the company's cash flow—will be down 3%. Cost-cutting will also reduce operating expenses 3% for the quarter, but operating cash flow is still projected to drop 4%. Clear Channel had already promised nothing more than equaling last year's Q1 ATCF of 51 cents per share (RBR 2/5, p. 12), despite more than doubling the size of its revenue platform and buying back some of its own shares.

For all of this year, Clear Channel is projecting revenue growth of only 2% over its pro forma figure for 2000, including all acquisitions, which would take 2001 net revenues to $8.3B. Operating cash flow is projected to grow 9% to $2.9B and EBITDA by 10% to $2.7B.

President Mark Mays acknowledged the tough comps of the post-dot-com period, but also noted some ad categories which are showing strength in Q1, including Entertainment, Telecommunications and Retail. Automotive, however, is down, as has been widely reported.—JM

Clear Channel 2001 outlook, out-of-home media
(Radio and outdoor combined)

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2001</th>
</tr>
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<tbody>
<tr>
<td>Net revenues</td>
<td>-3%</td>
<td>2%</td>
<td>8%</td>
<td>8%</td>
<td>4%</td>
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<tr>
<td>Operating expenses</td>
<td>-3%</td>
<td>0%</td>
<td>4%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>-4%</td>
<td>4%</td>
<td>13%</td>
<td>13%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Clear Channel press release, 2/13/01

KISS is tops
BIA agrees with Duncan's American Radio that KIIS-FM Los Angeles was the nation's top-billing radio station in 2000. They even agree on the figure—$65.5M. The rankings (with slight differences in dollars) are identical throughout the top ten, except for 8th place, where BIA says ABC's KGO-AM San Francisco ($48.1M) and Duncan's says Infinity's KTWV-FM Los Angeles ($48.4M).

1. KIIS-FM LA, Clear Ch.
2. WFAN-AM NYC, Infinity
3. WXRX-FM NYC, Infinity
4. WLTW-FM NYC, Clear Ch.
5. WINS-AM NYC, Infinity
6. WHTZ-FM NYC, Clear Ch.
7. KROQ-FM LA, Infinity
8. KGO (BIA)/ KTWV (Duncan's)
9. WKTI-AM NYC, Clear Ch.
10. WCBS-AM NYC, Infinity

Source: Duncan's, BIA

Radio One buys Blue Chip for $190M
Ross Love is cashing in on his chips. The former Procter & Gamble executive, who entered the radio industry in 1996 with the $4M purchase of WIZF-FM Cincinnati, is selling most of his group for $190M. The deal will have the nation's largest African-American-owned radio group, Radio One (O:ROIA), acquire number three, Blue Chip Broadcasting. Love will then become a Radio One director and shareholder.

Radio One is buying 15 of Blue Chip's stations. It will LMA, but not purchase, WDBZ-AM Cincinnati, OH, which will be owned by a Love-controlled entity. WXLO-FM & WBTF-FM Lexington, KY will be sold separately to LM Communications.—JM
Each month we ask a few general managers from around the country to share with us, and you, their views of the industry. This month we quizzed:

Kernie Anderson:
GM of Inner City’s WBLS-FM and WLFB-AM New York, NY

Marv Dyson:
President/GM of Clear Channel's WGCI-AM/FM and WVAZ-FM Chicago, IL

Alan Lincoln:
Radio Division President for Sheridan Broadcasting

---

1. What are the major obstacles that Urban stations must tackle in the radio industry?

Anderson: The major obstacle continues to be obtaining the best salespersons available to sell the product. The next obstacle is convincing corporate America that the African-American consumer market is as valuable to them as is the general consumer market, and therefore, have parity as it relates to the rates that the Urban stations are able to obtain.

Dyson: Convincing advertisers that our listening audiences are as valuable as general market listening audiences in terms of what they're willing to pay to reach the African-American market. That's the number one major obstacle. Number two, "No Urban Dictates" is still a problem. The solution to both of these problems is for us to do a better selling job with the research backup on a continuing basis...in their faces to get them to change their mindset as to the value of the African-American audience to almost every major business in America.

Lincoln: It's the old story of being included and given the opportunity to at least submit on all buys across the board that fit your demo.

2. Have advertisers been reluctant to purchase spots on your station?

Anderson: "No Urban Dictates" continues to be an issue. Is it as bad as it was five years ago? No. Does it still exist? Yes...it's just a matter of degrees. Obviously, I will not be satisfied until they are completely eliminated and stations are bought based on the quality and the quantity of their audience. I think you need the CEOs and the VPs of advertising—those corporate offices at the highest level—to dictate to their advertising departments and their agencies that they want parity. It's not going to happen by osmosis. It's going to happen by corporate dictate from the top. It's going to happen when some of the members of the board of directors of these corporations spend some time in the board room and ask the questions. "How are you divvying up these advertising dollars? Are you really fair and equitable in targeting advertising dollars to the African-American and Hispanic and other minority communities?" I really believe that when it becomes an issue for corporate boards and when you have board members who will challenge the management of these corporations on the issue, I think it will get some real attention.

Dyson: I mean, some have...but by and large, I think that is really changing. I'm not sure if my brethren in other markets would agree with me but there are far less major advertisers not willing to advertise on Urban radio than there were in the past. In some instances though, I don't think we're doing a very good job of reaching out to all of the available advertisers that are out there. You can't sit and wait for the phone to ring. They're not going to call you—you have to go after them. See, a lot of times we listen to those other radio stations and we think, "God, why can't we get that business?" And in some instances, those businesses can't afford to advertise on our radio stations because our rates are so high. But the other side of that, though, is they can't afford to advertise because they don't want to pay the price to reach an Urban market. So it's kind of a catch 22. And for radio stations like mine—if I'm the number one biller in the market, it's pretty difficult for me to be screaming and hollering, "We're not getting our fair share." The only thing I can say is, I often wonder if we were a general market radio station—with the same kind of numbers that we have—instead of doing $40M+ a year, would we be doing $60M a year if we were not an Urban radio station? I do tend to believe that if we were a general market radio station, with the heritage and numbers that WGCI has—and probably in a lot of the other markets with the heritage and numbers that those stations have—I've got to believe that if they were general market with that, they would be generating more revenue. I just don't know how much more.

Lincoln: I think it's better now than it has been but I think there's still some stereotyping that goes on. We have two very simple approaches to it. One is to work as hard as we can with the agency but also work more directly with clients. If you fulfill the needs of the client, then the agency has to do what's in their best interest.

3. How did you get into radio?

Anderson: I got in many, many years ago. When I was a student at Howard University, I needed a job; so I got a job as a messenger porter at a radio station. After a relatively short time as a messenger porter, I went in as an assistant in traffic and shortly after that became traffic director in Washington, DC at WQMR-AM/VAY-FM. That's when I really got into radio. In '97, I came here to New York to run WRLS and now I run it and also our AM station, WLFB.

Dyson: I was really trying to teach school and that wasn't paying a damn thing. So my brother called me one day and said, "Hey, why don't you try radio?" So I went down to the radio station here in Chicago and the guy asked me to sell him an ashtray that was on his desk and I did that. That was about 30 years ago and I've been doing it ever since. I started in sales—moved up to local sales manager, national sales manager, general sales manager, and then station manager of WGCI and last August, President and General Manager of WGCI AM/FM and WVAZ here in Chicago.

Lincoln: Growing up in Pittsburgh, the opportunity to work for a major minority company had always been something that I wanted to do. Fortunately, Sheridan Broadcasting was one of the major minority companies in the Pittsburgh market place. So I sent a resume and somebody liked what they saw. I started out as an Account Executive 12 years ago and worked very very hard—worked my way up the corporate ladder.

---
Clearly above the rest with 40 kW of solid state FM power

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Invest in solid state excellence. Contact Nautel for more information about the new Quantum.

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Simply the best engineered transmitters
News of layoffs is reported daily. Many layoffs are in our own industry, and people are worried. It is only natural. Falling stock prices and corporate concerns about growth are topics from the water coolers to the boardrooms—and for good reason. It is very understandable that companies are taking precautions to better their bottom lines. Pro-active thinking makes good business sense. Therefore more cuts will be made and layoffs will continue. The economy has slowed down, and many believe one of the most reliable indicators to look at is the advertising industry. That is you and me.

If it is true that advertising spending leads the economy by six months to a year, it might not be appropriate to paint a completely bleak picture at this time. While many of us are off as much as 40% or more from 1st quarter of 2000, we must also recognize how outstanding our 1st quarter of 2000 was. In January and February of last year we were all saying how fantastic business was, but I do not remember anybody saying it was going to last forever. We all knew it would not. So this correction, or this recession, or whatever you call this should not be taking any of us by complete surprise.

Most of us who are 45 and younger do not remember the last real recession. It was 1972-1973 when all major stock markets (Dow Jones, S&P, etc.) declined by 50% to 60%. Many believe this kind of recession is overdue, and they may be right. However, advertiser pullbacks do not technically support that yet. We should have a much clearer picture by the end of 3rd quarter, and we will know for sure by 4th quarter.

Currently, our second quarter is stronger than our first quarter, and we are encouraged by our advertisers’ confidence. Increased commitments from long term accounts as well as an increase in new business has us optimistic for the rest of the year. We prepare for the worst, but work hard and hope for the best.

Many media companies in radio and television have not bluffed about their inventories and have made attractive offers that our advertisers have recognized and inked. Others are holding out with higher scatter rates to try and make up for lost 1st quarter revenues, but we are not biting. There is too great a risk of losing accounts by over paying for media when bargains abound.

During the last six months, national cable and local broadcast television have offered significantly lower rates to a point where many advertisers have moved money out of radio and into TV. We warn each advertiser who does this to be careful because of the strong qualitative audience they often lose. When the economy is tighter, it is better to market to larger purses and wallets, which is what radio provides. Ocean Media employs the reliability of radio for most of our advertisers because of its efficiency in reaching upscale listeners. When money is tighter with advertiser and consumer spending, it is smart to keep a solid allocation in radio.

As we all search for new business, we can use the efficiency of radio, both nationally and locally to test new companies. Many companies realize that 200K to 300K is sufficient to track lift and will commit further dollars based on results. Many experienced advertisers who track results closely are buying more of the proven properties and doing extremely well. One particular client we have worked with for eight years, who markets a male hair care program and monitors results on a daily basis, is doing extremely well. They do not follow the market, or ad sales, or anything but their bottom line. When prices allow, they heavy up on radio and attain higher sales for themselves. That is the beauty of buying for true direct response accounts. They only monitor the revenues, which they literally read every day. Several of our clients are pure direct response accounts, and their spending is increasing as rates drop. We expect this to continue if rates keep falling.

Without the ability to predict, we will continue to be prepared for difficult times, while focusing on new and existing business. We will avoid those media relationships where rates rise without considering the market place, and we will bill more with those who work with us. After all, in these times you discover who truly wants your business and who has their own agenda.

Mike is President and CEO of LA-based Ocean Media, Inc., a planning and buying agency. He can be reached at 714-969-5244 or mikerobertson@oceanmediainc.com
Get your atlas ready because MBR is heading out to find out what makes state associations tick. In our section, “State of the States,” we will discuss the hot topics and concerns of each state association. This month, MBR spoke with John Huffman, Vice President of the Oregon Association of Broadcasters about their convention which was held October 5-7.

OREGON

What concerns did the broadcasters have both locally and as an industry?

A lot of people wanted to know about the Internet and how to promote their websites. They also wanted to know how to make money on the sites. We had a session with John Mielke of Willamette Media Group who has a fairly extensive website. He talked about “How to Build a Million Dollar Website for Under $1000.” We also had a session with Dan O’Day who gave us his Internet presentation. It was mostly along the lines of how to design a website as far as what browsers are looking for and what turns them off.

We had a session on EEO led by Dwight Ellis, VP of the NAB. It really was a little weak. He didn’t really talk about the rules or regulations. In fact, I wasn’t really sure what his point was. I don’t think that anyone else did either because there were no questions in the Q&A section.

We spoke about LPFM a little bit at our legislative luncheon. Jim May spoke to us about it and reminded us of what is going on in the Senate right now. It was basically just an update.

Was there talk about streaming?

I found that there was a real variety in who is streaming. Some people are doing well while others are not sure of how to even start. We couldn’t come up with a good solid, “Should we or shouldn’t we.”

How is consolidation affecting Oregon?

Really the same ways that it has affected all the other states. It’s pervasive and people are dealing with it. There is a lot of fallout. A lot depends on who’s buying what, but in general I have not been impressed with consolidation. I see a lot of good intentions up front, but carrying through with that and having a good local presence and commitment to the community has turned out to be more of a lip service than reality.

Over the last few years, it seems like the larger consolidators aren’t coming to our conventions as much. It’s hard to have a sense of community with that. Some of the smaller consolidators still have a good presence. When Jacor was cutting a wide swath, we noticed that some of the broadcasters seemed to go away. We had a few Clear Channel people there, but not representative of what is in the market. We had about 225 at our luncheons. That attendance was down a little from last year, but not seriously.

Was there anything that you could see improving on next year?

Well, yes. I think that there needs to be more communication and preparation in general. For example, at our awards luncheon, we had a lot of dead air between awards and some of the people that the awards went to were not even at the luncheon. The awkward moments like that need to be taken care of.

Do you know next year’s dates and location yet?

Mid-September
Jay Williams:
Leading AURN into network radio's big leagues

By Ken Lee

How does an assistant staff auditor in Lancaster, PA in 1970 end up in New York as the President of the largest Urban radio network company in America today?
It is an amazing career and one that I'm truly grateful for. In graduate school, I majored in business administration with a concentration in accounting and finance. When I went off to the corporate world after graduation, I started off as an Assistant Staff Auditor analyzing numbers for major corporations, for about a year and a half. What it taught me was how to analyze business operations and how to look into the details, because winning is always in the details.

Now you have a consumer brands background and worked in the marketing department at Armstrong floors. How does that help you with what you do today?
Armstrong has a tremendous training program for new people coming into the marketing area. There they go through every type of marketing to work with the wholesalers, retailers, and distributor sales people; they covered the whole gamut of marketing techniques. They taught us how to analyze marketing growth, how to build ad campaigns, how to build your territories and how to train your people in the territory. That background prepared me for the advertising side of the broadcasting business. In fact, that is what led me to come to the broadcasting business.

How did that happen?
I was working on building a major ad campaign in the mid-Atlantic region for Armstrong. We were launching some new products and I wanted to create a major call-up-advertising plan for the whole mid-Atlantic region. I pitched corporate, they liked the idea, and they gave me an extra budget. I went out to buy TV spots and build a big radio co-op plan for my dealers in the region. In building that campaign, we launched new floors with dramatic results, and I got to know the broadcast people. They kept saying, “We’re looking for a guy like you who knows corporate marketing and understands how to build campaigns. Are you interested?” I said, “Gee, not really, but let’s continue the conversation.” In three months, I was in the radio business at KYW as Director of Cooperative Advertising and Marketing Services. A year and a half later, I was Sales Manager of this radio station because I redesigned a new way of developing new business. It was very successful.

Then you got into the rep business.
I was in national sales, representing the entire Group W stations nationwide. I worked with a good team and learned the national rep side of the business. After Blair bought Group W radio sales, they renamed it Blair/RAR, the old name for the radio advertising reps that Group W had had. I worked with some sharp people. Tommy Turner and Dick McCaully, who were legends in their own time in the radio representation business. They taught me the national side of the business.

Then you moved on to Sales Manager at WINS?
Yes, it was a unique opportunity to work at a great station during a great time in my life. I worked with John Waugaman and his crew and Warren Mauer, whom I still consider a mentor. At that point, he was General Manager and Vice President of all AM stations. We had a great time and dramatically grew the station’s revenues. We became the all-time billing station in the Group W chain. At one point, we delivered over half the profits of the entire Group W-Westinghouse radio station group.

In 1986 you went to Sheridan Broadcasting. Why the change?
Sheridan tried to recruit me to work for their local radio station in Pittsburgh as Sales Manager. We couldn’t work out the details, but I had admired the Chairman, Ronald Davenport, Sr. After growing WINS in New York, I looked at how I might further use my skills. I had a major interest in how to use my skills to broaden the reach in Urban radio. I thought the application of a strong marketing background would enhance and grow the Urban area. Davenport and I met to talk about what might be some opportunities in his business on the network side. We talked about it for another month or two. I went back and did some analysis of network radio. I thought I could bring some skills to Sheridan Broadcasting and that I could help them develop the network side of the business. He agreed and brought me on in a new title of Director of Cooperative Advertising and Marketing Services. A year and a half later, I was named President of Sheridan Broadcasting Network.

How did American Urban Radio Network come into being?
Sheridan Broadcasting had another competitor, a national black network. Over the years, we saw the opportunity to strengthen Urban by combining the forces of both companies into a stronger company. One, to be more competitive with the larger firms and two, to solidify the urban audiences on a national basis, and to be able to bring to advertisers a major audience in total. We began discussions in the late 80s and then came about in 1991, when we brought the two companies together in a partnership. I wanted to rename the new firm to give it a new beginning. We called it American Urban Radio Network (AURN). We began discussions in the late 80s and then came about in 1991, when we brought the two companies together in a partnership. I wanted to rename the new firm to give it a new beginning. We called it American Urban Radio Network (AURN).
If the migration to digital is in your future, then this is the route to take. Introducing the big performance analog router that also speaks fluent digital. A true hybrid that allows you to scale the number of analog and digital ports as needed. And even better, the SAS64000 Audio Routing System creates a forward path to AES/EBU digital audio without creating analog obsolescence.

This means you can mix your analog and digital I/O in the same router frame. Go direct analog to analog, or digital to digital. Mix it up with automatic 24-bit conversion analog to digital and vice versa. Either way you choose, the unique architecture of the SAS64000 sports uninterrupted signal integrity and non-blocking flexibility.

And the SAS64000 is wonderfully simple to integrate, upgrade and put into service. Just plug in our new digital port expander and that's it. Welcome to digital!—ce-existing flawlessly with analog—and all within the same framework.

There's much more to tell. Call 818 840 6749; or e-mail us at sales@sasaudio.com; or you can log-on and check out our website at sasaudio.com.

**ANALOG AND DIGITAL INPUT**

- 256 x 256 Large
- Mono-sum with stereo linking
- Wide variety of control panels
- 118 dB analog dynamic range
- Distributed multi-processor architecture
- Digital or analog inputs and outputs
- PC automation control
- +28 dBu max. input/output levels
- Superior broadcast-quality performance
- Automatic 24-bit analog to digital conversion

**ANALOG AND DIGITAL OUTPUT**
Network to clearly identify the business focus of creating a new vision for what we would do in the future. We then created our shield, which is an Americanized version of a Zulu warrior shield to tie to the African-American heritage, and to give us a new focus of bringing two firms together. It was the first time that two African-American media companies had come together to forge a new future. We celebrated our tenth anniversary in this new enterprise.

**In June of 1993, you left American Urban Radio Networks. Why did you leave?**

At that point, after doing the merger and pulling together the company, in about another year and a half, I had a burning desire to go off and create new tasks and challenges for myself. One, I wanted to do some other types of businesses, try my hand at some other marketing, and work with different media. I got hired by the Prime Minister of the Bahamas to come in a revamp their broadcasting system in television and radio. I spent some time in Japan working on some radio projects. I spent a little time in France on a major broadcast project. So I wanted to just get a broader range of marketing experiences with media companies.

**In June of 1999, you came back as President. Why did you return?**

The senior co-Chairman, Ronald R. Davenport, Sr. reached out to me through one of my old compadres and said that he might have a project for me to work on. So, obviously being a consultant, I was at least interested in chatting with him about an opportunity to do some work for him. We were still obviously friends, so I said, Great! We began to talk conceptually about what I had been doing for the previous six years and his vision from where he saw the company going down the future. And asked me to take on a short project to analyze the network industry at that point and as to what opportunities there might be, what are the present challenges at that point. This was in the fall of ’98 and we continued to chat. He thought I could bring some new life back to the company, return it to its promising marketing, and he wanted me to return.

**What makes AURN such a special place to work?**

I think we have a group of talented, senior people in the network radio industry. Our head of programming has been there for 20 years. Our combined marketing team’s time in the industry and marketing is over 200 years. Our head of affiliate relations, William Bryant is just a phenomenal guy, who has been the Research Director and head of sales in New York before he moved to affiliate relations. He brings a broad perspective to his role and is able to coordinate his activities with the sales guys. Jerry Lopes, head of Programming, certainly understands the news business that we’ve been in from the very beginning. Development of new programs works with our Entertainment Programming Chief, Jerry Boulding, who is based out of Atlanta at our operation down there. Jerry is one of the top people in urban radio. He’s programmed over sixteen stations. He has consulted many more.

He is revered by many urban radio programmers nationally and to have him on board leading our entertainment programming is just phenomenal. The team of people we put together is fantastic. We just added one, Ron Atkins, to the staff as Director of Entertainment Programming. He brings a really tight close look from the radio side. He has been working in our station in Pittsburgh, WAMO, the legendary WAMO. He brings a unique perspective and some real close to the street ideas that connect to the hearts and minds of what Urban radio programmers want to see from a national operation such as ours. I think I’m delighted because I’ve got a tremendous group of people to work with. We challenge each other, help each other, we beat an idea up until we make it the best that we can. And it is fun to work with a group of talented guys.

Sounds like a good group of entrepreneurs.

I think everybody in today’s world needs to focus on being entrepreneurial. Our guys see the need to treat this business as if it was their own personal business. They want to see it succeed. They want to develop ideas that they know will win in the marketplace. We are constantly searching for ways in which to improve ourselves. And frankly, we challenge ourselves continually to improve what we do to better serve the 365 radio station affiliates that we have in the network.

**Why did you reconfigure your RADAR rated networks?**

Back in the fall of 1999 and after being back for about 90 days, we pulled together a management conference and took the senior staff down to a resort in Miami. We sat down and analyzed every aspect of the business. We looked at what the competition was doing at that point, what had happened over the last six years while I was away. I wanted to make sure that I was taking into account all that had transpired in the industry and ensuring that I left nothing to chance. As part of analyzing, we looked at how networks had begun to split up their audiences into different marketing networks, not from a programming standpoint, but from a marketing standpoint. We analyzed what had been done. We looked at what we had and how that might benefit from such an application. And we had a process of about six months of analysis, working close with RADAR to ensure that as we did it, we built something even stronger than what we had at that point. We were able to reconfigure the old network into two new RADAR-rated networks. We named them American Urban Pinnacle ("pinnacle" obviously being the top of the mountain) and Renaissance for the rebirth of the business Pinnacle, in the reconfiguration, the audience level went up over 122% in the first book and in Renaissance, the audience level went up 68%. We were delighted and expected to do well, but we were tremendously excited to have that level of growth in that period. The second book later went up even further and so, over the course of the last two books, we’ve seen dramatic growth and tremendous acceptance from the advertising community.

American Urban Pinnacle Network is the #1 Urban audience ever in network radio history. American Urban Pinnacle is over 2,000,000 AQH and American Urban Renaissance is over 1,500,000 AQH. So it is a tremendous audience to provide to advertisers. It is larger than many TV shows that reach Urban audiences.

**Are advertisers starting to wake up as to the power of that marketplace?**

Let me go back to 1988, when I began to discuss the opportunity to grow with the urban consumer to many clients. Those that got on board in the late 80s and early 90s have maximized and have created a warm, close relationship with the urban consumer market. Over the last several years, more advertisers began to understand that the shift in population of America was coming and that it would be wise from a marketing standpoint, and frankly from a business bottom-line standpoint, to ensure an outreach of that marketplace, and to develop a constant dialogue with that marketplace. Many discovered that the best way to reach that marketplace and the medium that they used more than any other was radio. Those that had already been on board deepened their relationship. Many new ones came on board and began to understand the power of the $590B African-American consumer market in America. When you rate the African-American consumer market in America on a global basis, it has a higher income than all of Russia, Italy, Australia, Canada, and many other major democracies. It is a vibrant consumer base with a tremendous income. Obviously, this tremendous amount of growth is the fuel for any client who recognizes this marketplace. It helps them differentiate them from their competitor and frankly, grow their bottom line. We see the really sharp marketers understand that.
$8.1 BILLION.

MORE MONEY THAN THE TOP 100 FOUNDATIONS GAVE AWAY LAST YEAR COMBINED.

That's the value of community services generated by local radio and television broadcasters in a single year alone.

America's local broadcasters are helping communities care for the homeless, feed the hungry and fight problems like family violence, drug and alcohol abuse. We not only guide communities through natural disasters, we run on-air campaigns to aid their victims. And, of course, we air literally millions of public service announcements year round.

AMERICA'S LOCAL BROADCASTERS ALWAYS ON. ALWAYS THERE WHEN YOU NEED US.

www.nab.org
Sounds like you’ve done a little bit of research.

We’ve done a tremendous amount of research. We spend quite a bit of money every year to develop the best research on this marketplace, to be able to provide wise counsel on the value of this marketplace to marketers. In many cases, we do major research studies for them to show them the value of the marketplace, and what the growth has been for their specific product. We are delighted to work closely with them to secure this marketplace and grow their business.

Are there new advertisers that you are seeing that are waking up to this?

The categories that have opened up in the last several years are frankly, new product categories like the Internet and computer-related products. You see some consumer products that have awakened to the value of the marketplace. Some household goods products are moving in that direction. Some of the pharmaceutical industry and consumer healthcare products area recognize the strong self-medications in the African-American and other minority communities. They have focused a strong amount of attention on this marketplace. We see growing evidence of more marketers recognizing the value of this marketplace.

Are there promotional opportunities that a network can do?

We headed a promotional division, SPM Urban Network, which stands for Strategic Promotion of Marketing. We developed major national consumer sweepstakes and promotions for many of this nation’s consumer products. In fact, we’ve been very successful in that arena in developing major campaigns for car companies, consumer products, food products. We will create a promotion that may send winners to a particular location and we may tape a special or syndicate an entertainment special at the location. We may bring the winners down to see that happening action on a great Caribbean island. In fact, we have taken people all over the globe to many locations as winners in major consumer sweepstakes that we have run for super products.

You seem to be a very aggressive advertiser right now in the marketplace. Why are you so aggressive, while other RADAR networks seem so silent?

Well, I can’t speak to their particular thrust, but I know as part of helping to ensure that our growth continues, we want to make sure that people understood the unique opportunities of interfacing with our company to reach this marketplace. We want advertisers and agencies to clearly understand the value of what we bring to the marketplace and we have found tremendous results by doing so. A lot of people—are after many years in the business—they still did not know about our existence. Obviously that is one of the things that I was brought back to correct and move forward on. We are taking a strong tack in ensuring that people know about us, the value that we bring to the marketplace.

How’s business?

We choose not to participate in the recession. We talked with the staff a couple of months ago and said that there may be a softening, but that we had a mission. We were expecting to fulfill that mission. So we focused in on strong marketing techniques, ensuring that we increased our visibility working more closely with clients and began that probably last fall. And that has paid off for us handsomely. There has been some softening in the national marketplace. Obviously, some major advertisers have made some corrections in their marketing budgets. But we know that in order to move ahead, we’ve got to develop new businesses on a consistent viable basis and our present techniques are helping us to withstand what other people are seeing as a recession. It has not yet entered our realm.

So things are up then for you guys?

Things are coming along nicely. We are pleased with the year so far. We know that there is a huge challenging year ahead. We do not take a day for granted and know that in order to win in the marketplace, you have to stand ready on a razor’s edge to meet the marketing challenges that exist out here. I believe it is even more important for people to advertise at a time that there may be some softness at the consumer level. It is even more important to differentiate their product from other products to ensure that if a consumer is going to make the decision to buy, they need to make the decision about your product.

So, is this an opportunity to grow market share?

I think it is the only way a grow market share at a time where people may be retrenching. There is still a tremendous growth potential there, particularly for our medium. Radio is the medium when it is softest in the consumer marketplace. Historically, over these years when you see consumer products retrench from other mediums, they retrench and then return to radio because radio is a cost efficient, extremely effective vehicle. They recognize that. They are retrenching from some of the Internet advertising that they were doing a couple of years ago when the Internet appeared to be all golden. Some of that has retrenched and frankly, I believe, has returned to radio. Good, smart marketers, when they analyzed their cost for advertising and gross impressions returned to radio. As a guy mentioned down at the RAB2001 conference—the "R" word, don’t run from it. The "R" word was not recession, it was radio. Radio works at all times, including the tough times.

What trends to you see coming?

I think advertisers today appear to be analyzing every dollar spent, looking for a return on their investment. And they look to the expenditures and expenses of advertising. They look for a return on that investment as well. So they analyze even more than ever before. If they make an investment in radio, they want to see a return at retail and they want to see products moving. I think radio over the years has proven to be just the most effective product mover—moving products off shelves. It is a call to action. You can paint word pictures about your product. It is the theater of the mind as many have said over the years. It is the closest advertising that people can have on their way to making a purchase. It is the last thing that they hear and it is the last opportunity to give them a reason to buy. So radio is just a tremendous vehicle in all these times.

What does radio, as an industry needs to improve on?

Radio as a business—and I think they have begun doing so in the last several years—has to understand that it is in the marketing business, not filling spots business. It is an advertising medium that must deliver a good impact and return on investment for any marketer. Radio sales people at all levels, local, national, rep firm, should obviously talk to their clients about how they can interface with their marketing plan, how they can help them market their product because that is what marketers want to know. Not about what is the cost per point, what is the GRP, they want to know they can live in your medium, move their products and help them in these tough times. We need to talk marketing to them.

Any comments that you want to make about your media buyer friends out there?

I think the media buyers of today are intelligent, analytical group of people who are charged with delivering great values for their client. We certainly recognize in all negotiations with them that they are charged with delivering great value, so it is important for all of us in the sales and marketing arena in radio to be prepared to give them the information that they need to make a good judgement about how to use our vehicles. If we come to the table with good information, the buyers of today really need it and when they get that good information, they act on it. They appreciate all the radio people that come to them that way.

The ultimate question is, what do you have to do to become an Urban Knight?

We are creating a major sales award to honor the radio sales people in the Urban stations nationwide, along with the RAB. An Urban Knight is someone who brings the best values of sales and marketing to the Urban radio format. They go out not to sell spots, but to sell marketing campaigns that help move client products. They come to the sales opportunity filled with information and research to help their client move product. We believe an Urban Knight is someone who holds the best traditions of Urban radio, an understanding of this marketplace, the urban audience, and how to carefully and skillfully and intelligently lay out the values of that vibrant $590B marketplace and how it can best serve any marketplace’s needs. That is an Urban Knight.
From the development of the \textit{SPOTMASTER}™ tape cartridge machine in 1959; the perfection of \textit{SOLID STATE FM} technology in 1990; the introduction of \textit{AUDIOVAULT}™ digital studio systems in 1995; and the invention of \textit{PLUG 'N PLAY} in 2000, Broadcast Electronics has introduced more revolutionary solutions for radio than anyone.

Only one company provides the greatest value and return on investment for all their products and services. Only one has withstood the test of time with unmatched customer support and service. That \textbf{ONE COMPANY} is \textbf{BROADCAST ELECTRONICS}.

See radio's \textbf{NEXT REVOLUTION} at NAB 2001, Booth R2505 and I6126 in Las Vegas;
- FM-20S Solid State FM
- VaultXpress & Vault 2
- Software-Based Remote Monitoring
- Plug N Play 1000

\textit{Only one company delivers radio like this...}
Urban show prep puts pep in radio's step
by Karla Roberson

Radio stations that subscribe to these services can receive them via e-mail or fax transmission. The show reports can also be downloaded off of the web with a registered password. Cruickshank notes that, "There's also an audio version of the report that's sent out weekly on a CD which contains horoscopes and information about Hollywood movies and comedy and gossip."

Lopes highlights the variety of programming that his company offers, "AURN, itself, is a national company that provides news, sports, feature programming, and entertainment programming via satellite to over 300 radio stations across the county on an hour-by-hour, day-by-day basis. The morning prep service is but a small part of the myriad of services that AURN provides to its Urban stations across the country. As I said, we do national newscasts—two of them—per hour." Lopes says in addition, "We offer feature programs like movie review shows from an African-American perspective. We do 'Hollywood Live With Tanya Hart.' That's a piece where Tanya talks to the stars and she has a little bit of gossip on a daily basis. We're in the process of launching a new computer-related show, as well as a new Wall Street type show for beginning investors. So these are all elements that can be effectively used by station personnel as preparation and information pieces. The computer show, 'Surfing the Net' is a new offering we'll be providing the first broadcast week in March."

Just how is it determined what radio station gets which of the prep packages offered by Winstar, AURN, or any other provider of these services? Hypothetically, what if two different stations in the same market were to acquire the same programming? Wouldn't the duplication wreak havoc for competing Urban stations? "No," says Cruickshank, "We give market exclusivity according to the ADI or the market reach. For instance, if you're in Washington, DC and we were on at WPGC, then no other station in that format could have the service. The only way we would allow duplication is if they are sister stations. For instance, in Baltimore WWLN and WERQ, if they wish to share the service, then it's fine. It's up to the two of them, but basically, we give market exclusivity and no other Urban-formatted station can use it in that particular market."

Cruickshank further stresses, "Each radio station wants to be dominant in their market and we feel that we can help them do so. So if they take the service and use it, then we have to give them exclusivity. The same way on a television station, if one market has "ER" on channel 4, you can't have "ER" on channel 2. They have exclusivity, at least in the New York market. If "Oprah" is on channel 7 in my market, she can't be on channel 2 in my market."

Prep services help to enhance the overall production of a radio station. Lopes affirms that it is all about coming out on top—for the stations as well as the service providers. "We want the radio station to win and to win in their marketplace. Sometimes what may be a winner for a station in one market, may not necessarily work in another. So we do provide the stations with the flexibility to pick and choose from the wide menu of services that we provide. The objective here is to win. Because if the station wins in the marketplace, we will win because we're associated and or affiliated with that station. We want to create win-win situations."
average quarter hour for each location.

As you can see from the illustration, all of these stations produce the largest amount of quarter hour listening from the location that produces the smallest amount of cume. Even the Talk format produces more at-work AQH, albeit a slimmer margin of difference than the music formatted stations.

In his landmark study of at-work listening, done on behalf of Arbitron, Larry Rosin of Edison Research found the following: Approximately 70% of people listen to the radio at work and 70% of those choose the station they listen to! This means people are listening to their favorite radio station at work. If your station is among the top 10 stations in your market it will be among the top 10 at work, regardless of format.

So what we have are thousands of people listening to the radio in their workspace. That workspace may be an office, a cubicle, a bay at the auto shop, a retail store, etc. and if a person listens eight hours a day, five days a week that's 180 Quarter Hours of listening!

Problem is, most people get busy at work, talk on the phone, meet with co-workers and your radio station is not the foremost thing on their mind. So how do you increase their awareness of your station? Simple, call them. But that's telemarketing! Yes, that's right. Now before you put down this article and run screaming from the room, please keep in mind that the legal restrictions, caller IDs and call blocking that are available to residential telephones do not apply to business telephones.

Moreover, people don't seem to mind getting a call on the boss's time as they do on their own time. Plus the call is from a radio station offering to give them cash just for listening.

Callers are told the name, call letters and format of the station early in the call script. People who are P1, P2, or P3 to your station or format are the ones most willing to participate.

Telemarketing won't change a Country listener to a Rock listener. But it does heighten the listener's awareness of the station they have on in their workplace all day.

Then if they are given "listener appointments" times in the day to listen for their name, a song or a contest, your station will have a very good chance of having that listener write in a diary (should they have one) that he or she listened all day. For every 1,000 calls made, you should reach at least one diary keeper and it only takes a few diaries with 180-quarter hours of at-work listening to positively effect the ratings of your station.

Additional information can also be gathered in the call such as fax number, e-mail address, home phone number, business address. All of which can be used to contact or "touch" the listeners multiple times using varied advertising media, such a direct mail, e-mail and digitally recorded messages on home answering machines.

Plus the station will have a database for future use. Radio groups will soon be seeing the value in aggregating the databases of all their stations for marketing, sales and non-traditional revenue purposes. Databases are a form of currency, an asset, a source of revenue that stations and radio groups have not yet learned to utilize to their fullest advantage.

And here's the best news. At-work telemarketing costs a fraction of what it costs to do an effective TV or billboard campaign. In fact, a station could afford to do at-work telemarketing every quarter for what it costs to do a one-book TV campaign or a three-month showing of billboards.

Effectively marketing with today's budget constraints is harder than ever. Telemarketing and building databases is going to become a more and more important part of your station's and your radio group's marketing plans.

Joe Heslet is President of Touch Marketing Services.

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### Here are some typical numbers for some station's actual reports*

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*All numbers quoted are based on the individual station's target demographic and listening between the hours of 8AM-5PM Monday through Friday. All quotes are from the Spring or Winter 2000 Arbitron. Percentages do not equal 100 as an additional "other" location was deleted as insignificant.
Radio One (O:ROIA) founder and Chairperson Cathy Hughes will be honored with the 2001 Distinguished Service Award at the spring NAB convention in Las Vegas. Hughes broke down both race and gender barriers repeatedly throughout her career. Even today, she is apparently the only African-American woman to chair a publicly traded company.

Gary Stone has been promoted to Sr. Vice President and COO of Hispanic Broadcasting Corp. He succeeds David Lykes, who is staying with HBC as Exec. Vice President of Corporate Affairs. Stone had most recently been HBC’s LA market manager.

Two Katz Media Group veterans have gotten promotions at Katz Radio. Terry Volbert has been named Sr. Vice President and Director of Sales for Katz Radio in Los Angeles. He had been VP of Stations for the West Coast Division. John Hesano has gotten his VP stripes as Vice President and Director of Sales for Katz Radio in New York. He had been Manager and Director of Sales in the New York office.

After selling its streaming radio station contracts and assets to SurferNetwork (RBR 2/12, p.11), GlobalMedia (N:GLMC) has named a new board of directors to focus on its new core business of Internet broadband/video delivery and wireless solutions. Joining President/Founder Michael Metcalle at the board is GlobalMedia VP Business Development Winston Barta; Wiremix Media (Nextlevel.com subsidiary) CEO Patrick Smyth; Dr. Herbert Becker, CEO of Entervision and Canon Bryan, Director of Analytics and Corporate Development for LASIK Vision Corp.

Interrep National Radio Sales (O:IREP) has named Peter Doyle to oversee all three of its independent radio rep companies: Allied Radio Partners (including Cumulus Radio Sales), D&R Radio and McGavren Guild Radio (including MG/Susquehanna). As President of the independent rep group, Doyle will have all three firm presidents reporting to him. Succeeding Doyle as President of McGavren Guild is Tom Poulos, who had been Exec. VP/GM.

Klotz Digital has hired Greg Mensching for its Atlanta sales office, from Harman Pro International where he was Sales Administrator Supervisor. As a Klotz Sales Engineer here in the states, Mensching will assist in product development and design, market research and technical presentations to broadcast groups.

Holmes surfaces for NBG: NBG Radio Networks hooked a keeper in the Virgin Islands back in 1996 when Underwater Safari’s Ollie Holmes came up for air and wound up managing NBG’s affiliate relations department. Now Holmes has risen even higher, moving up to the VP/Operations slot.

Monty zooms to new Horizon: Idaho radio veteran Monty Ivey is the new GM for the Horizon Broadcasting Group’s Boise cluster of radio stations. He exits a similar position with Citadel.

Dick Carlson has been named Director of Sales for Infinity’s Minneapolis-St. Paul cluster, which includes WCCO-AM, WLTE-FM, KGSS-AM and WXPT-FM.

Orban/CRL hopes to McMake McMore McMoney with McMartin: Equipment company Orban/CRL has named Robert W. McMartin to its Controller post. McMartin is a refugee from the rapidly-deteriorating dot-com world.

Erik Hellum has gotten the nod to become an Executive Vice President and head of Clear Channel Group Sales. “Erik is a true radio junkie,” declared Mike Agovino, President of Clear Channel Radio Sales (CCRS), who selected Hellum to command the new sales organization which will focus on selling Clear Channel’s (N:CCU) national footprint of 1,200 stations. Hellum and his team will also be involved in cross-media sales, working with Clear Channel’s other units: SFX Entertainment, Eller Media (outdoor), Clear Channel TV and Clear Channel Internet. CCRS is a unit of Katz Media Group, which in turn is a subsidiary of Clear Channel Communications.

615 finds Appel of its eye, and a Hart throb to boot? Nashville-based 615 Music has brought in Steven A. Appel as Manager, West Region, as well as Randy Hart as Regional Sales Representative, Northeast Region.

Stationary change, plus he’s not just acting any more: Station Manager Michelle Williams and Acting DOS Jack Murray have both moved up at Radio One’s hometown cluster of radio stations in Washington, DC. Williams is now General Manager, and Murray is now the official Director of Sales.

Radio Unica has added to the workload of KIDR Phoenix VP/GM Jacqueline Bosque. She will now add KQTL Tucson to her list of responsibilities.

Mark Bradley is moving from one end of the Chesapeake Bay to the other. He is exiting Norfolk’s WPTE-FM (at the mouth of the Bay) to take the PD slot at Clear Channel’s WOCT-FM (at the top of the Bay).
Web NTR: Can it make money?

by Carl Marcucci

We've all heard (or said it): "The Internet doesn't work," or, "You can't make money on the web." Add to that the black cloud surrounding the recent RIAA victory at the US Copyright Office (streaming audio performance royalties) and radio websites find themselves more than ever under pressure to generate revenue—just to offset costs.

Without going into the viability of making money with streaming audio ads (another story altogether), we asked two web NTR specialists how—and if—money can be made from websites.

"In short, if a station or group doesn't do what makes sense, and provide what the listeners and advertisers are asking for, how can you expect to succeed?" asks Access Broadcasting President Patric Miller. "I hear this all the time in initial sales calls and at the trade shows, time and time again. When we ask what they are doing to make money on their site, in most cases their strategy has been vague. If they even have a legitimate source of revenue on their site (or a site at all), they are, in most cases, treating it as NTR, and trying to sell it as a separate product outside of their regular commercial airtime. This will not work. We have tried it. In most cases, particularly in the case of most stations in market sizes below 250 (65% of all radio stations) they simply don't have additional staff resources or expertise to pull this off."

Probably the bulk of stations have had an uphill battle getting everyone on the same page. Unless a clear vision is shared, the website becomes the unwanted stepchild of the station. "To be quite honest, I haven't heard of any broadcasters running to the bank with large checks," BuyandsellWFM.com President Viral Balliwalla tells MBR. "We have spoken with close to 1,000 broadcasters since September NAB, and have heard these four complaints in common: 1) Our sales reps don't really understand the Internet; 2) Our sales reps don't want to sell Internet (commissions too low compared to on-air); 3) Our clients are haggling for free online with the purchase of on-air; 4) Our web sites are cost centers and not profit centers."

On the flip side, Balliwalla also hears complaints from other web NTR providers: "I have overheard a number of e-commerce solution providers complaining that the broadcasters aren't promoting their solutions on air. In most cases, the revenue splits on the e-commerce solutions aren't even coming close to the value of the on-air space devoted to promotion, so I can understand the broadcasters' reluctance."

The first knee-jerk perception of most stations jumping on the web is a philosophy that the more listeners access the site, somehow more money will be made. Not necessarily true. "The average site is linked to all kinds of national shopping malls and e-tailers (which alienate your local advertisers and bring in little, if any revenue). They are full of jock bio, gags and 'fun stuff' to create stickiness. The bottom line is, unless you have a huge budget and staff, you're never going to compete with Yahoo! or AOL for this type of content," explains Miller. "But the national portals can never compete with what radio does best, delivering local information, discounts, promotions and content to a very loyal, and demographically controlled audience. The station's goal should be to motivate between 10-15% of your P1s and P2s to use the site every day, in conjunction with their listening experience. If you do that, you will then be able to turn them into active participants and buyers for your advertisers, who will gladly pay whatever you ask, for the results you can bring them."

Non-Traditional "Radio"?

For radio, having a website has always been about making money—it's just easier said than done. Access' Miller says his business model takes a different approach from the majority of the industry in regards to radio NTR. "Instead of Non-Traditional Revenue, we consider the Internet an opportunity in regards to radio NTR. "Instead of Non-Traditional Revenue, we consider the Internet an opportunity in regards to radio NTR. "Instead of Non-Traditional Radio," he explains. "By this I mean that almost everything that generally falls into NTR categories (remotes, station t-shirt sales, vendor promotions), have actually become very traditional in the scope of radio. The Internet now allows a radio station to expand its marketing, promotions and profit centers in a Non-Traditional Radio way. Where do the increases come from? They will come from our real competition—Print and Direct Mail."

To achieve those goals, Access' suite of NTR tools includes three modules: 1) News/Promotions/Events/Contests and the Tile Banner Management Tool. Provides a way for stations to manage local information and sell and manage tile banners that sponsors of the pages pay for. Categories include concert news, music news, music charts, and online surveys. Each category can place up to six sponsor tile ads. 2) Business Directories, Advertiser's Pages. Using web-based forms, the AEs or promotion staff can create a directory of the station's advertisers, full-page ads for the advertiser, web links, and up to 250 words of product and business description. Tied to the ads are print-based follow-ups and discounts. 3) Local Listener Database, Opt-In E-mail, Online Classifieds and Personals. This module is used to create the most important aspect of the Radio/Internet relationship—community. The tools allow e-mail database management of P1 and P2 listeners, along with the ability to send sponsored, opt-in email newsletters, promotional and contest updates. "This is the most effective tool you have to hit direct mail, while staying in close communication with your listeners and advertisers. It is a guaranteed way to increase the effectiveness of every promotion, contest and live event the radio station participates in," says Miller. "The online classifieds and personals can become a source of profit after you reach critical mass. You can sell tile sponsor to these services, as they almost always generate the most hits on a station site or make them part of a weekly on-air classifieds show. In any case, it helps steal away the effectiveness and profitability of your print competition."

BuyandsellWFM.com's model provides a "white label" online classifieds solution that stations can promote as their own and keep on their site. By tagging the link on our affiliates' sites, we can swap to their headers and colors and match their brand. Instead of taking the user to another window or to another site, we feed our content into a frame on the affiliate's site. Thus, the end user believes that the classifieds content is the affiliate's and never leaves their site," explains Balliwalla.

BuyandsellWFM.com has also launched "Automall," (RBR 2/12, p.6) a portal for car dealers that seamlessly ties into the company's classifieds solution. It's also white labeled to be branded as the station's. While not offering up any specific affiliates just yet, Balliwalla adds: "Our business model is simple. The stations already have a channel to the consumer. We leverage each of our core competencies and share the resulting revenues. At the very least, we offer a value-added service to our affiliates at no charge so they can provide a sticky, community-centric product to their audience. As a bonus, as it gets more awareness with the station's audience, people pay for listings and the station makes money from their e-commerce endeavors. We are already issuing commission checks monthly to affiliates."

Taking it away from print

Although radio's revenues have grown to just under $20B in 2000, newspaper and direct mail combine for an annual gross take of more than $122B. Ironically, The same methodology print uses to sell ads are available in visual form on a website. And we have terrestrial radio to drive consumers over. Stations in every market are conduits for everything that happens in a community—smaller markets could actually react more vigorously to their local station's site. Miller adds: "The station site needs to be the single source for listeners to find everything the station does on-air, everything that is happening in their hometown, and the absolute best place to get information and special deals from the local advertisers."

One Access affiliate group, KDUK-FM/KPNW-AM/KODZ-FM Eugene, OR (recently sold to Clear Channel), incorporates the website with every spot sale. "They have recently gone to a new strategy (similar to Jerry Lee's WEBB-FM Philadelphia) of making the web directories, discounts and coupons part of every radio advertising package they sell. They have recently increased their spot rates to reflect the new 24/7, three station coverage afforded their advertisers," says Miller. "In short, virtually every station who has used our tools have made some sort of revenue, almost immediately. But without question, if stations want to see the largest increases, they will incorporate into virtually every station spot package, quarterly and annual contract and increase the pricing accordingly. They will stop attacking one another, and go after print and direct mail with a set of tools that will easily justify ad increases of 15-20."
Calender of Events

MARCH 2001

Mar 8
NABOB 17th Annual Communications Awards Dinner, Washington, DC
(212) 370-5483

Mar 10-13
NAB State Leadership Conference, Washington, DC
(202) 775-3527

Mar 22
West Virginia Broadcasters Convention, Charleston, WV
(304) 744-2143

APRIL 2001

Apr 6-8
Illinois Broadcasters Convention, Oakbrook, IL
(217) 793-2636

Apr 22-26
NAB2001 Convention, Las Vegas, NV
(202) 775-3527

YEAR 2001

May 3-5
Louisiana Broadcasters Assn. Annual Convention, Lafayette, LA
(225) 267-4522

May 11-13
Alabama Broadcasters Convention, Perdido Beach, AL
(800) 211-5189

May 18-19
Hawaii Broadcasters Convention, Honolulu, HI
(808) 599-1455

May 18-20
Vermont Broadcasters Convention, Stowe, VT
(802) 476-8789

May 18-23
NABOB Spring Conference, Caribbean,
(646) 424-9750

May 20-22
Pennsylvania Broadcasters Convention, Hershey, PA
(717) 534-2504

May 25-28
Puerto Rico Broadcasters Convention, Fajardo, PR
(787) 783-8810

May 25-30
NABOB Fall Conference, Washington, DC
(646) 424-9750

June 2-3
Wyoming Broadcasters Convention, Douglas, WY
(307) 632-7622

June 7-10
Missouri Broadcasters Convention, Branson, MO
(573) 636-6692

June 14-18
Georgia Assn. Of Broadcasters Convention, Sea Palms, GA
(770) 395-7200

June 21-23
California Broadcasters Annual Conference, Palm Springs, CA
(916) 444-2237

June 21-23
Montana Broadcasters Convention, Big Sky, MT
(406) 244-4622

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"Your services have made us money in the first month. Not only have we sold more business pages than we've ever imagined, but our clients are getting results and that's what it's all about... we're now a major player, and stealing advertising dollars from print competition!" - Scott Wahl Program Director WCZT/WWZK, Avalon, NJ

The tools are so simple to use, that we have been able to get almost all of our staff trained in a matter of minutes. The sites look great, the listeners love them and most important, we're making money! - Pennie Hopkins, GSM, KDUK, KODZ, KPNW, Clear Channel

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- Loyal Listener Database and E-mail
- Local Banner Ad Opportunities
- Local/ National Classifieds
- Local/National Personals
- News, Contests, Charts & More!

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http://www.accessbroadcasting.com
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