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*Radio*

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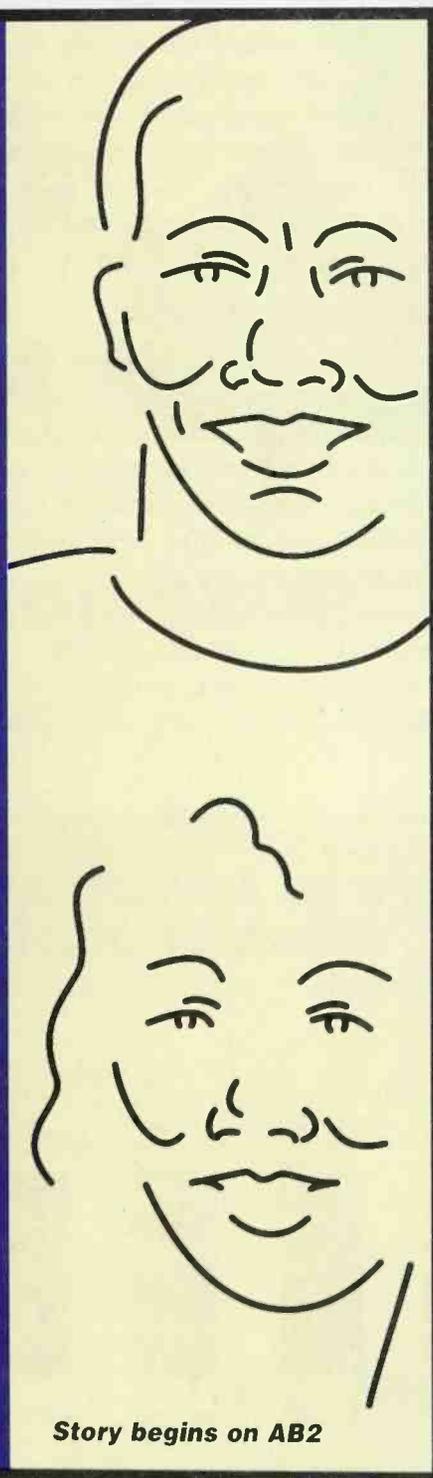
Volume 3, Issue 10 October 1999

## Urban Radio: A force to be reckoned with

by Karen Maxcy

We've all heard about the no-Urban dictates and minority discounts affecting the bottom line of Urban radio broadcasters. But the truth is, the players involved with Urban radio have risen to the challenge and are gaining strides despite unfair practices or prejudices on the part of corporate America. Success stories abound when innovative and astute people take center-stage, but the true success story lies in the increasing affluence of the Black population and perhaps more importantly, the unique relationship that African Americans have with their radio sets.

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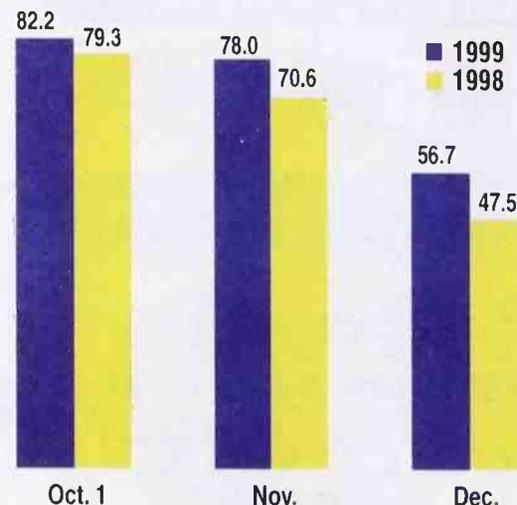
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### RBR/Miller Kaplan Market Sell Out percentage report

#### Pacing in high gear

The first look at December shows radio inventory selling out fast. This year's break-neck pace just keeps accelerating.—JM



October 1999, Volume 3, Issue 10

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continued from cover

**The state of Urban radio: alive and kicking**

**Sherman Kizart**, Director of Urban Marketing for Interep, tells *AdBiz* that in 1990, there were only four variations of the Urban format—Black News/Talk, Urban AC, Gospel and Urban Contemporary. In 1999, the number of formats have doubled to eight with the additions of Churban (blend of CHR and Urban), Urban Oldies, Classic Soul/R&B and Hip Hop.

Kizart adds that in 1990, there were 289 Urban-formatted radio stations. To date, there are over 371 radio stations that are considered Urban radio stations and that number is projected to grow an additional 20% by 2002.

**Brian Knox**, VP/Managing Director of Katz Urban Dimensions, says the interesting thing is that with more Urban stations per market, in a lot of cases, these stations are still top three stations in the key demographics in larger markets. Even with the splintering into different formats, instead of one mass appeal Urban station in a large market, there is enough popularity to sustain a few Urban stations in the upper rungs of the ratings chart.

**Inequities still exist**

So far the vital signs look good. But Urban radio stations' power ratios belie an inequity that must be addressed. Kizart says that the power ratio for Urban stations 10 years ago was 0.72. It is now about 0.93. But Urban radio still lags behind compared to other general market formats that are one plus.

Knox agrees. "What I'd like to say is that it's not whole yet. To be converting at a one-to-one ratio would be considered whole in my mind. It should be receiving proportions of the

dollars at least equivalent to that of its market share. Urban radio is still underperforming other formats, particularly Adult Contemporary." But Kizart points out that the growth in power ratio is at least an indication that the advertisers are increasingly more willing to buy Urban stations.



**Brian Knox**, VP/Managing Director of Katz Urban Dimensions

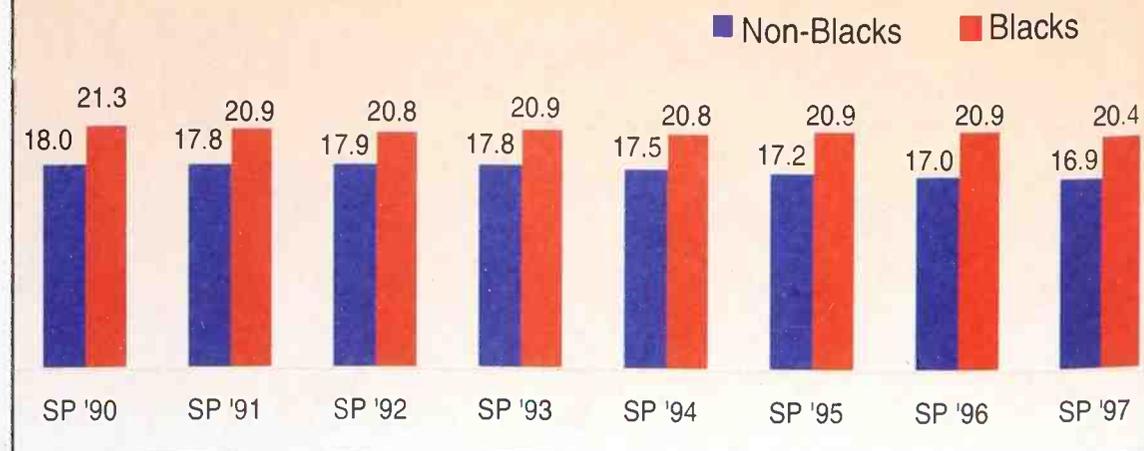
**Dollars and sense (lack thereof)**

"The Black population is the richest and smartest it's ever been in history," says **LaTanya Junior**, Media Director at Stedman Graham & Partners. As a group, they are 34M strong and spending at a rate of \$600B per year, according to Junior. That kind of money ranks the African American population at number six in terms of national GDP, if the group were a country. (There are varying accounts of where the African American population ranks but it is around top 10 in GDP on all accounts.)

Junior doesn't understand the need that some advertisers have for minority discounts when minority radio is already so inexpensive. She explains that it costs three to four times more to go into a general market station than

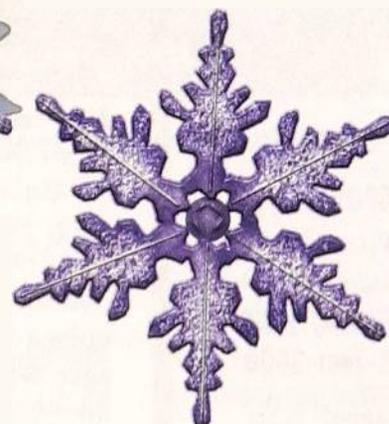
continued on AB 4

**Blacks are consistently heavier radio users than other population segments.**



Source: Interep

**October's  
Sell Out  
will soon  
turn to  
January's  
Freeze Out  
... unless you have**



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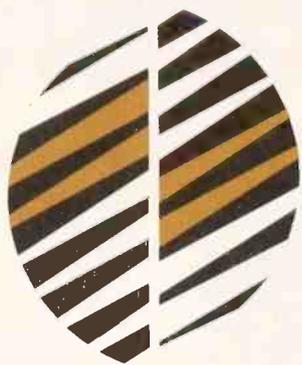
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## AMERICAN URBAN RADIO NETWORKS

AMERICAN URBAN RADIO NETWORK  
News & Sports - Reports & Updates

USA MUSIC MAGAZINE  
John Monds

THE WHITE HOUSE REPORT  
April Ryan

COMING SOON  
Lorraine Turner

STRAIGHT UP WITH BEV SMITH  
TY'S TAKE ON SPORTS  
Ty Miller

NEW PROGRAMS & PROMOTIONS  
Launching Fall '99 & Year 2000

"On Ya with Tanya"  
Daily Hollywood Celebrity Show

"She's Every Woman"  
Salute to Successful Black Women

"Comedy Classics"

"Travel Affair"

"Super Summer Jam 2000"

"Road to the Olympics"

"Minority Business Report"

"Black College Football Weekly"

"Lifestyles in the New Millennium"

"Profiles in Black"

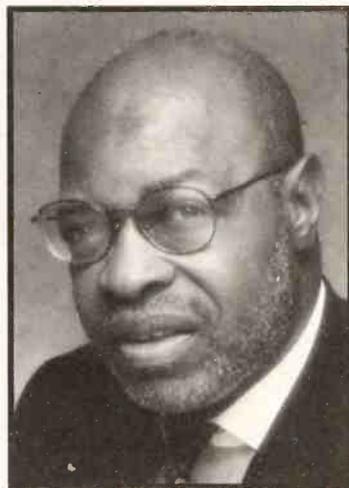
"To Your Health"

"Black Caucus Corner"

### THE URBAN VOICE OF AMERICA

continued from AB 2

to reach the minority population via minority radio. But some brands that are targeting the general market actually need the minority sector even more because they are the trendsetters for those brands. "It's no secret that there are major brands and categories that the African American actually sets the trend. If the Black kids aren't buying them in the urban communities, the white suburban kids don't wear them and don't use them," she explains. Junior wonders why advertisers would discount and distort the loyalty of these customers when they are the ones who drive their sales.



Kernie  
Anderson, GM,  
WBLS-FM,  
Inner City  
Broadcasting

#### *The many shapes and forms of no-Urban dictates*

No-Urban dictate is of course passé. However, make no mistake—the term may no longer be fashionable or acceptable but the concept and practice has reinvented itself quite adeptly. **Judy Ellis**, SVP/Station Manager WRKS-FM, Emmis Broadcasting, says that no-Urban dictate is now replaced with absurd qualitative criteria. For example, an advertiser who wants to advertise a certain product will state its demographic but throws in a criteria that is very difficult to get. Ellis elaborates, "How many people make over \$100K a year? Not that much really; maybe 7% of the population. So they'll throw that in and that's really code for no-Urban dictate. We all know that you don't need to earn \$100K to buy yogurt or a lot of the things that these advertisers are advertising. So it's just their way of getting around it."

But Ellis offers some hope and says that the situation is getting better. However, she stresses that it is by no means a problem of the past. "It's still a problem. They just throw in new road blocks. It's so interesting—people would rather wrack their brains coming up with new road blocks than listen."

**Kernie Anderson**, GM, WBLS-FM, Inner City Broadcasting, agrees with Junior and

Ellis that discounting the minority consumer is foolhardy. "It's almost criminal malfeasance on the part of agencies and or corporate advertising managers to not target advertising to the community that has the ability to spend the sort of money we do. To not nurture that market is nothing short of insanity."

#### *Good times spell good times for everyone: will Urban radio thrive when the good times are over?*

Business will not always be as good as it is now. With plenty of good cheer to go around, it's hard to get a clear picture of how much is real and sustainable in the longer run and how much is part of the general euphoria.

Ellis describes current business conditions as "taking the receipts of a store three days before Christmas to determine what kind of business it does on a daily basis." Everything is in accelerated mode and it's hard to get a fair view of how things are.

But when slower times roll around, Ellis believes that Urban radio stations may actually weather adverse times better because it is currently not as dependent on dot-com business the way the other stations are. That is not to say the Urban stations are completely missing out on the dot-coms' massive injection of capital into the medium. Ander-

continued on AB 14

### Black Consumers and Radio

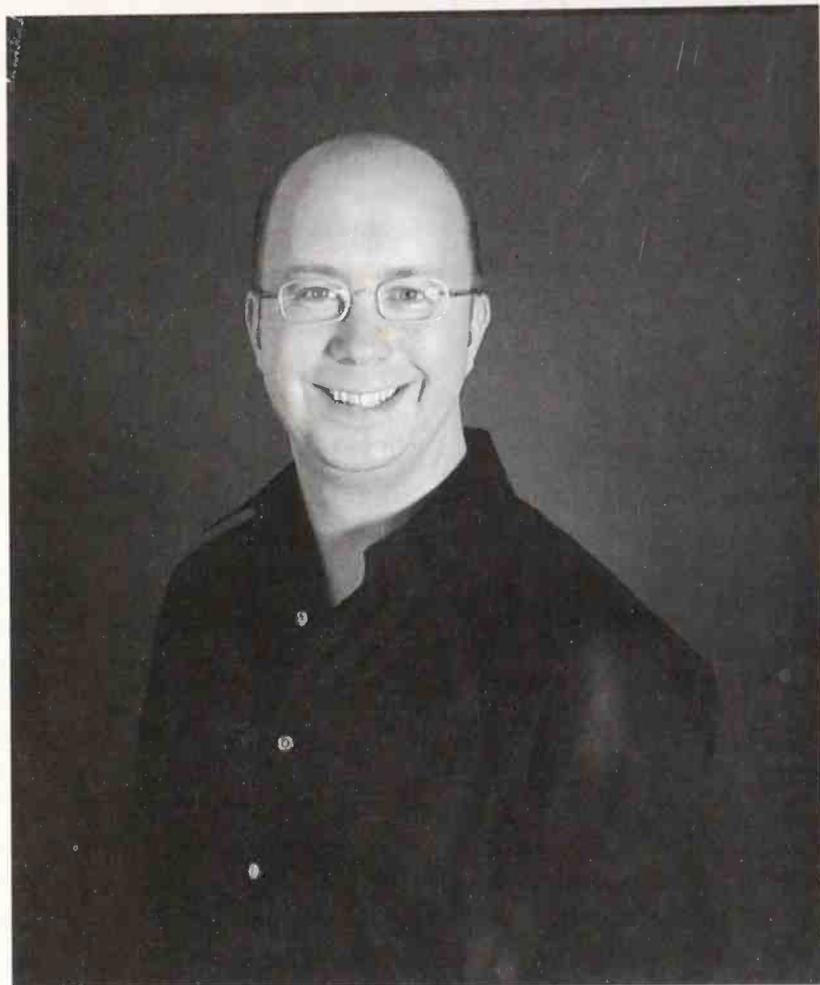
- 96% of African Americans listen to radio weekly
- Black consumers listen to radio 25 hours per week—3 hours and 15 minutes longer than all other persons 12+
- The Urban radio format ranks number one in listening for Black consumers with a 60% share
- Of all radio formats, the Urban radio format has the highest Time Spent Listening (10 hours, 33 minutes)
- Over 85% of all Black women and over 80% of all Black men can be reached by radio on the weekends
- Of all listening by Black consumers, 51.1% is at home, 22.7% is in the car and 22.4% is at work
- Black consumers spend 16.9% more time listening to radio at home than other persons

Source: Arbitron 1998

# MediaCom's Matthew Warnecke

on how common sense  
goes a long way,  
but it helps to know the  
nuts and bolts too

by Karen Maxcy



Matthew Warnecke, Group Manager, Network Radio was brought in to do a specific job for MediaCom Worldwide. The newly created group and title is a testament to Grey Advertising's acknowledgment that network radio is in boom times. Before, the unbundled media group of Grey had a national broadcast department, so if someone wanted to buy network radio, then one of the TV buyers would negotiate the deal. Warnecke says that Grey "really saw the writing on the wall" when they created the new group and position for him in May.

Prior to unbundling, media buyers could only work on accounts that the creative department could win. Unbundling offers media buyers the unlimited potential to expand and grow without being hampered by the larger advertising agency. The buying group can generate all the business they want by telling clients they can do their creative assignments some place else.

Before MediaCom, Warnecke ran the national and local radio and local TV division at Campbell Media Alliance for three years. He was at The Media Edge for three years prior to that. While there, he managed spot business for several accounts and bought network radio and TV as well.

At MediaCom, Warnecke buys for Procter & Gamble, SmithKline & Beecham, American Egg Board, Days Inn (Cendant), Upjohn, Warner Brothers and Hasbro.

***How has the upfront season been so far?***

The upfront season has been highly active and challenging. All of the activity has served to extend its duration. There are advertisers who are seeing the activity over the course of 1999 as an indicator that they need to spend earlier and are doing so. However, there are also advertisers who won't be rushed or who spend their money a little bit faster than in previous years and as a consequence, the marketplace is extended over a longer period of time. This constant state of activity I won't say is more difficult to manage, but it is challenging to read the state of inventory and prices. I'm interested to see how the coming year plays out since upfront is being negotiated in the midst of a very active scatter marketplace. Some broadcasters can have short memories. Who's to say that in four months the marketplace hasn't completely altered? It will be interesting to see how the market plays out once the upfronts are done.

***Do you think network radio is truly an emerging medium that will continue to gain popularity into the new millennium?***

Absolutely. The rating base and audience size, if anything, has increased which is unlike

network television whose audience has fragmented to the degree that there are diminishing available ratings. Network radio over the past several years has seen a new set of networks appear and that has increased the size of the rating pie. So we aren't seeing the existing audience chopped up into smaller pieces. An expanding rating picture is wonderful from a buyer's perspective. More ratings and increased inventory usually means lower rates and greater programming selection.

***What else is driving the popularity of network radio?***

Globally speaking, the US economy is healthy and advertisers are looking for places to spend their increasingly available advertising dollars. More importantly, people are finally rediscovering the reach implications of network radio. On reach curves, planners are taking advantage of radio's impact on the overall media plan when linked up with outdoor, print, traditional Network TV and even local broadcast. And CPMs are still enticingly low.

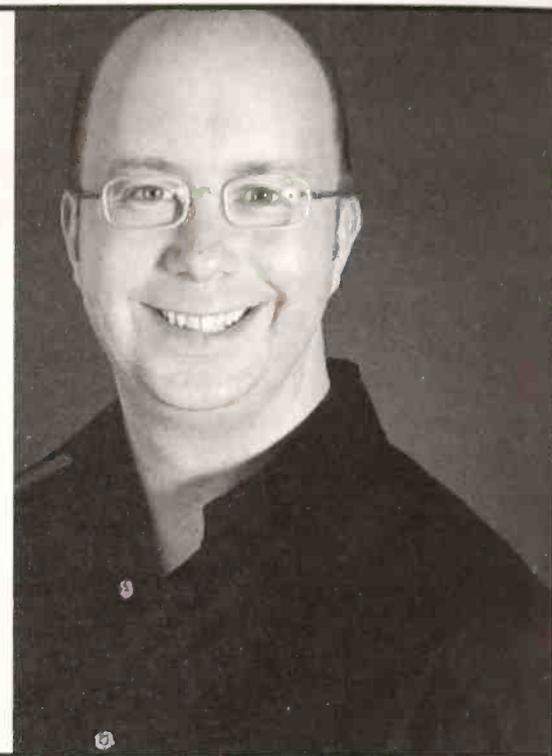
***How different is the relationship between buyers and sellers now that the networks are also the big group owners?***

From a purely executional standpoint, there are more salespeople per vendor. With larger network radio providers like Westwood and Premiere, they're forced to place multiple salespeople on one agency. There's simply so much inventory to sell that the volume of business (to say nothing of commission structures) practically demands that networks use multiple salespeople. This has advantages and disadvantages. Usually, there's always someone available when you call. However, multiple contacts can disrupt the speedy flow of info if you have to "cover off" a group of people. I will say that as these mergers settle, MediaCom will be looking for ways to structure deals that take advantage of single owners.

***Who's at an advantage—buyers or sellers?***

It's a balancing act. Most sellers pick their battles. I would say that most salespeople know which advertisers they can expect more profit on and which they can take less profit on. But at the same time, MediaCom buyers know when to push for the bottom of the rate and when that is less necessary. We've all heard "we can buy it cheaper." The point is not high prices or low prices, but effective schedules that deliver the most receptive audience to the advertiser's message.

“The point is not high prices or low prices, but effective schedules that deliver the most receptive audience to the advertiser's message.”



***What new trends do you see affecting radio and its continuing success?***

There's Radio Disney, which is huge in terms of what they are able to open up to advertisers that previously wouldn't venture into network radio. They have funded ratings analysis for a demographic that previously had not been served at all. There are also more line networks. With consistency in clearance lists and continuity in daypart avails, network radio will make itself more understandable to clients with little experience in the medium. And that all speaks to continued success.

***What do you enjoy most about buying network radio?***

The process of negotiation. With the goal in mind of finding what the consumers of a product or service or client are like, and then finding the location for the message and stitching together the pieces. It's the give and take through the course of the negotiation that I enjoy the most.

***What do you find the most challenging?***

I would say the same thing. What makes it fun is what makes it challenging. You don't always get what you want, but knowing that you can get as close as the market will allow is the goal. It's important to recognize your place in the market and to be able to respond to that, as well as use that to your advantage.

***What would you like to change about the business?***

Two things. The first is the disconnection between a clearance list and actual airings. Monitoring services often show us a disparity

between lists as sold and lists as aired. The second is the need to use a variety of ratings services in the course of one schedule, indeed, in one vendor's submission. You usually have a buy with RADAR rated networks, Arbitron rated programs and even Bruskin or sports ratings. So there isn't one overriding way to quantify and pull all the rating information together. You have to piece the different services together. They all offer valid information, but the fact that you have to use them piecemeal is one of the quirks that the industry will have to address to move the medium of network radio forward.

***How did you get into radio?***

I started out in spot—my local background is an advantage. I think that those people who are successful in national radio often have a history at the agency level in spot or at a local station. If you have bought local radio, you understand the nuts and bolts of the media and you can understand, therefore, clearance lists and conceptualizing the entirety of the lineup from market to market.

***What makes a good radio buyer?***

Common sense goes a long way to achieving success in media, specifically national radio. Enjoying the process is important too. And it's not just about getting the buy finished; it's about the negotiation. Understanding and appreciating relationships is also an important skill. And that's all kinds of relationships—from the relationship between inventory and price, between one quarter's price and the next, between the buyer and the salesperson.

## AdNews

### FTC tells alcohol industry good job, but let's do more

The Federal Trade Commission (FTC) may not be bubbling with praise in its latest report entitled "Self-Regulation in the Alcohol Industry," but overall, the FTC acknowledges that self-regulation "can be effective."

**Robert Pitofsky**, FTC Chairman, says, "Self-regulation can deal quickly and flexibly with a wide range of advertising issues and brings the accumulated experience and judgment of an industry to bear. While we found that the alcohol industry, for the most part, complies with its existing codes, our review also identified steps the industry can and should take in this area." The report recommends that a third party review be set up to monitor the industry.

At the Beer Institute, to which over 90% of domestic brewers belong, VP of Alcohol Issues **Jeff Becker** disagrees with the need for a third party review. "There are many hoops advertising must go through before it ever sees the TV screen," he explains. The advertisement has to comply with the guidelines

from the institute, brewers, standards and practices bureaus and oversight from the FTC. He believes that the report vindicates their efforts to advertise responsibly.

The Wine Institute, representing 500 California wineries and 80% of all US wine shipments, also agree that a third party review is redundant. **John De Luca**, President/CEO of the institute says there would need to be evidence that a third party review is necessary before they adopt it.

Over at the Distilled Spirits Council of the United States, VP, Office of Public Affairs **Lisa Hawkins** says they would consider a third party review so long as the beer and wine institute join them at the table.

The FTC report also urges the industry to go beyond minimum code requirement and adopt the current best practices. For example, the codes require that ads be placed where more than 50% of the audience is over 21. The FTC found that half of the alcohol beverage companies involved in this report complied but the other half did not. Two companies had weeks in which ads were shown to a majority underage audience. The report recommends the industry raise the 50% standard so less underage people are exposed to the ads.—KM

### Line-up firmed for ANA Conference

The biggest names and companies in the nation will hear from the biggest names from the radio networks at the Association of National Advertisers Annual Conference at Amelia Island, FL 10/11 (*AdBiz* 9/99, AB14). American Urban Radio Networks, AMFM Radio Networks, ABC Radio Networks, Westwood One Radio Networks and Premiere Radio Networks will jointly present the day called "Network Radio: Turn Up Your Brand Power."

One of radio's most recognizable names—**Rush Limbaugh**—will provide the keynote speech. The network presidents, **Jay Williams** (AURN), **David Kantor** (AMFM), **Lyn Andrews** (ABC), **Joel Hollander** (WW1) and **Kraig Kitchin** (Premiere) will also present the successes experienced by network radio as a result of deregulation and the future relevance of the medium.

Representatives from Ogilvy & Mather, Warner Lambert and NBC-TV will present case studies on brand-building. The session ends with a round table discussion consisting of the network presidents, Limbaugh, **Charles Osgood**, **Tom Joyner**, **Casey Kasem** and **April Ryan**.—KM

## AdStats

### 1999 ad spending strong but overall increase smaller than previous years

Competitive Media Reporting's latest figures show ad spending was up 6.9% for the first half of 1999 compared to year-ago numbers. However, that increase is the lowest in the last five years. General Motors was again the leading overall advertiser, and McDonald's is still the most advertised brand. The telecommunications sector made the biggest jump—it increased spending by 20.7%, pouring \$1.9B into advertising the first half of the year. The financial sector also making big waves—look out for the astronomical increases in spending for some of these companies and brands.—KM

### First Half 1999 Advertising Expenditures

#### Overall (All Advertisers)

Rank	Parent Company	1999	1998	% Change
1	General Motors Corp.	1,417,826,800	1,092,743,200	29.7%
2	DaimlerChrysler AG	734,443,400	661,292,500	11.1%
3	Procter & Gamble Co.	703,677,800	796,233,900	-11.6%
4	Philip Morris Companies	681,980,900	752,988,800	-9.4%
5	Ford Motor Co.	654,679,200	611,276,700	7.1%

Rank	Brand	1999	1998	% Change
1	McDonald's	297,915,000	282,524,500	5.4%
2	Burger King	196,886,600	186,828,600	5.4%
3	Circuit City	182,937,600	180,803,200	1.2%
4	Home Depot	120,187,700	105,841,500	13.6%
5	Wendy's Restaurant	110,859,100	96,289,400	15.1%

#### Telecommunications

Rank	Parent Company	1999	1998	% Change
1	MCI WorldCom	381,448,300	295,154,700	29.2%
2	AT&T Corp.	373,189,800	282,168,800	38.3%
3	Sprint Corp.	227,496,400	150,310,300	51.4%
4	SBC Communications, Inc.	95,413,600	102,040,600	-6.5%
5	ALLTELL	82,004,200	52,972,400	54.8%

Rank	Brand	1999	1998	% Change
1	Sprint Long Distance	198,920,900	74,705,300	32.4%
2	1-800 Collect	82,966,100	68,486,000	21.1%
3	10-10-220 Long Distance	82,111,400	—	—
4	ALLTELL Cellular Service	76,784,600	46,649,700	64.6%
5	Sprint PCS Digital Service	73,897,000	20,269,400	264.6%

continued on AB12

## Dot-com business helps make August revenues dot-terrific

Radio's string of double-digit revenue gains was lengthened by a month as August's total came in a whopping 16% over the same month last year. Local was up 14%, and national surged ahead by 21%. Of note was the East's rocket-fueled 30% ascent in national business. As has been the case for most of the past two years, the wealth has been spread throughout the country, with double-digit gains across the board for the month.

YTD, the Southeast's relatively poor national increase of 7% is the sole single-digit number on the chart (and it is more than offset by the Southeast's 15% YTD improvement in local business). Total YTD gains stand at 13%.

Radio's fortunes have been helped a great deal by intense demand for time by Internet services, particularly in the top 25 markets. This bodes well for the future. As RAB president **Gary Fries** noted, "...all indications are that this demand will continue and filter down into markets below the top 25."—DS

August 1999	Local	National
All markets	14%	21%
East	12%	30%
Southeast	16%	16%
Midwest	14%	20%
Southwest	12%	24%
West	17%	16%

### Local & Nat'l revenue August 1999

Jan-Aug 1999	Local	National
All markets	13%	12%
East	13%	18%
Southeast	15%	7%
Midwest	10%	12%
Southwest	12%	12%
West	15%	10%

### Local & Nat'l revenue Jan-Aug 1999

All markets	13%
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Source: RAB

## Interrep files IPO

**Ralph Guild's** Interrep National Radio Sales is the latest company to line up on Wall Street for an IPO. Interrep has filed with the SEC to sell \$74.75M in stock to the public. Interrep, which already has public bonds, has not indicated how many shares will be sold, nor what percentage of the company's equity will be offered to the public. Underwriters will be Robertson Stephens, Bear Stearns & Co., HCFP/Brenner Securities and SPP Capital Partners.

## Clear Channel & AMFM merging

The latest mega-merger will combine the #1 and #3 billing radio groups, creating a new industry giant with over \$3B in annual billings. Under the deal announced 10/4, AMFM (N:AFM) will be merged into Clear Channel (N:CCU), with AMFM shareholders receiving 0.94 shares of Clear Channel for each AMFM share.

**Lowry Mays** will continue as Chairman & CEO, AMFM Chairman & CEO **Tom Hicks** will become Vice Chairman of Clear Channel and **Mark Mays** will continue as President and COO. Current Clear Channel shareholders will own about 63% of the merged company and AMFM shareholders 37%.

Including about \$6.1B in assumed debt, the Clear Channel acquisition of AMFM is valued at \$23.5B—by far the largest radio transaction ever. After divesting an estimated 125 stations to comply with ownership limits, the merged company will have 830 radio stations in 187 US markets—roughly as many stations as the next 10 groups combined. The deal also brings Premiere Radio Networks and AMFM Radio Networks under the same corporate umbrella.

### Ad agency reaction

On the advertising agency side, **Kevin Gallagher**, VP/Director of Local Investment, Starcom Worldwide, was surprised by the size and scope of the deal, but called it "a somewhat logical progression from all the mergers and acquisitions that we've been seeing from the radio side."

Regardless of the big players getting bigger (and fewer), Gallagher is confident that the ultimate leverage still lies with the media planners. If radio rates continue to escalate, he says he can always take his business elsewhere. With the influx of dot-com ad dollars into radio, Gallagher says he has already steered some money away from radio to TV in Q4.

At MediaCom Worldwide, **Matthew Warnecke**, Group Manager, Network Radio, says deals like this will help his shop become more creative. "We may be able to come up with opportunities across clients and brands to take advantage of single ownership," he said. "We could even do inter-media deals."—JM, KM

## How Many Spots Are Too Many?

One of the hottest topics tackled in the NAB Radio Show's "Group Executive Super Session" was clutter and whether the radio industry may be driving listeners away by adding advertising inventory.

"The spot load debate is overblown," said AMFM Radio (N:AFM) COO **Ken O'Keefe**, who insisted that "everybody" had increased inventory. That brought a chorus of protests from fellow panelists, who insisted that their four groups were holding the line.

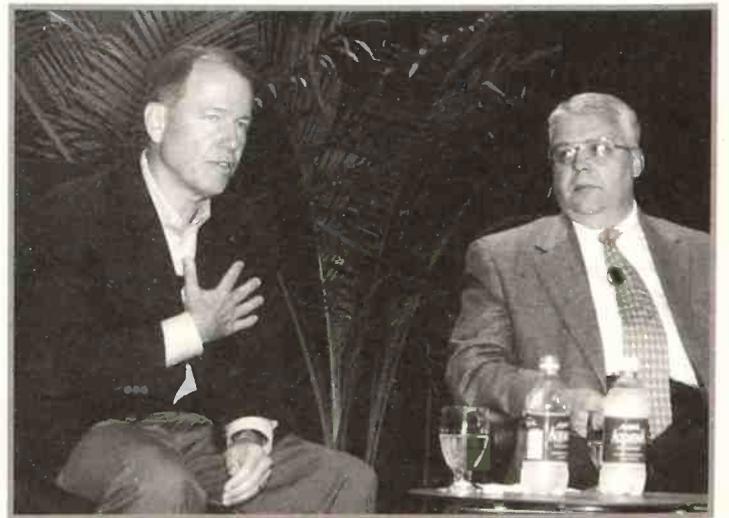
"The increase in spot loads has potentially raised [radio's] vulnerability," declared Entercom (N:ETM) President **David Field**. Rather than add inventory, he said, radio stations should be able to raise rates, since the gap in CPMs continues to expand between radio and its two main competitors, TV and newspapers.

Although radio ad revenues are growing dramatically now, there are concerns about the impact that spot clutter may have for the future.

"The greatest impact of over-commercialization is with 18-24 year-olds," noted Cox Radio (N:CXR) COO **Dick Ferguson**. That's left an opening for New Media competitors to exploit and Ferguson said XM Satellite Radio (O:XMSR) is going to make "disaffected young people" a major focus of its marketing effort.

As was the case throughout the NAB Radio Show, the group heads had nothing favorable to say about LPFM and its potential to cause interference to existing stations. "It's terrible physics," said **Randy Michaels**, President, Clear Channel Radio (N:CCU).—JM

Cox Radio's Dick Ferguson shares his views of radio's challenges and opportunities as Clear Channel's Randy Michaels looks on.



## Newspapers fear classifieds competition

Morris Communications CEO **William Morris III**, who is Chairman of the Newspaper Association of America (NAA), issued a call 9/28 for newspapers to band together to create a "national classified marketplace." The Internet-based service envisioned by Morris would allow users to search classified ads by city, state, region or nationwide.

"The power of computer databases deployed on the Internet clearly is a serious challenge to newspaper classified advertising," Morris warned in a speech to the National Press Club in Washington, DC. Classifieds, he noted, account for 30%-50% of total ad revenues for many newspapers—revenues he and other publishers don't want to lose to Internet upstarts, some of which are owned by or allied with broadcasters.

Rather than fearing the Internet, as many newspaper executives did when the Web first gained public popularity, Morris said most newspapers have begun to turn it to their own use, rather than worrying about competing with the Internet.

"We believe that of all the traditional media, newspapers are in the best possible position to use the Internet," Morris declared. "The Internet has given us two things we have always wanted and never had: 1) More space—infinite space for news and advertising; and 2) Immediacy of delivery. And, unlike cross-ownership, we did not have to go to the Federal Communications Commission for permission."—JM

## Candidates Get Leeway

Political candidates for US Presidency or Congress should have more flexibility when purchasing advertising spots and greater access to the media, the FCC has ruled. Previously, under a 1994 Declaratory Ruling, broadcasters were permitted to turn down political advertisements if they did not fall under the standard :30 or :60 spot length.

The FCC, acting on a petition filed by the Media Access Project and the People for the American Way, says this does not mean that broadcasters "will be required to provide five minutes or other non-standard lengths of program time to candidates in every particular instance." Rather, stations must now consider every request for time by a federal candidate on an individualized basis, weighing these factors: 1.) how much time was previously sold to the candidate; 2.) disruptive impact on the station's regular programming; 3.) the likelihood of equal opportunities requested by opposing candidates; and 4.) the timing of the request.

The Commission says it will leave discretion to each station and will only overturn a decision if the licensee has acted unreasonably.—TS

## End sought to crossownership ban

Industry representatives called on Congress to repeal, or at least revise, the FCC's outdated newspaper crossownership ban. Testifying before the House Telecom Subcommittee 9/15, officials representing groups such as the Newspaper Association of America (NAA) and the National Association of Broadcasters (NAB) asked members to finish the job that the FCC failed to complete when it revised the one-to-a-market and TV duopoly rules last month (*RBR* 8/9, p. 3) but ignored the ban which prohibits newspapers from owning radio and TV in their market.

"The newspaper crossownership ban has always been onerous, and we have long opposed it," NAA Pres./CEO **John Sturm** testified. Calling the rules outdated, unnecessary and counterproductive, he noted that the Commission is in violation of the 1996 Telecom Act for failing to re-evaluate all broadcast ownership rules on a biennial basis to determine whether they are "necessary in the public interest."

NAB Joint Chairman **James Yager** added that the elimination of all crossownership regulations (radio, TV and newspaper) would actually produce economic and public service benefits without compromising diversity and competition in the local markets.

"We see no benefit to retaining the newspaper/broadcast crossownership ban, given the plethora of new voices [i.e. the Internet, direct broadcast satellite, open video systems] in the local community," commented Yager. "Indeed, such a lifting could help save a number of troubled newspapers who could be bolstered by merging with local broadcast stations."

Many of the officials attending the hearing also lobbied Rep. **Billy Tauzin's** (R-LA) subcommittee to raise the 35% national TV audience reach cap. But the NAB and the Network Affiliated Stations Alliance (NASA) held their ground, likening a raise to "throwing gasoline on an already raging fire of local television station consolidation," said **Andrew Fisher**, NASA's Chairman.

On the other side of the Capitol, Sen. **John McCain** (R-AZ), the powerful Commerce Committee Chairman, has introduced a bill which would eliminate the newspaper-broadcast crossownership ban, raise the national TV audience cap from 35% to 50%.

"The proliferation of alternative sources of electronic news and entertainment hasn't just made the old rules useless—it's actually made them harmful," McCain said.—TS

## WW1's impending Hot Talk format

Now with the addition of yet two more all-Westwood One (N:WON), all-Talk stations leveraging an Infinity (N:INF) property—WNEW-FM NY, KYCY-AM San Francisco—*AdBiz* asked WW1 CEO **Joel Hollander** if indeed this is all leading to the launch of a new 24/7 Hot Talk net: "Yes, we look forward to growing the young Hot Talk format and we think we're getting the critical mass to do it."

Hollander says WW1 is currently thinking of a name for the new net. Would this net be aggressively offered to non-Infinity stations? "Absolutely," says Hollander.—CM

## August NTR saw slight shifts

The Office sector recovered a bit from the mid-summer doldrums and accounted for 17.15% of NTR spending in August. Otherwise, the month saw only mild fluctuations in where radio found non-traditional revenues. Recruiting, we would note, is proving to be a solid category, not just a fad.—JM

### Non-Traditional Revenue Track % of Vendor/New Business by Category (August 1999)

	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD
Automotive	17.84	12.16	9.42	16.01	4.29	16.09	6.76	10.03
Food/Grocery	42.19	21.06	18.83	23.20	49.33	25.44	30.62	30.73
Leisure	35.61	34.46	40.67	30.43	25.73	26.66	26.69	30.19
H & BC	4.24	9.37	6.94	9.26	2.67	10.60	3.31	5.88
Home Improv	5.39	8.02	9.08	3.57	5.50	5.58	5.58	6.02
Office	2.22	4.49	0.07	2.02	2.75	0.26	17.15	4.09
Clothing	0.15	1.41	12.35	2.75	6.38	7.62	2.88	4.84
Recruiting	10.21	9.03	2.65	12.78	3.36	7.74	6.99	8.24

Source: Revenue Development Systems; based on revenues from 76 stations in 32 markets.



# The moral authority: Dr. Laura Schlessinger

Premiere Radio Networks' leading lady, Dr. **Laura Schlessinger**, reaches (and preaches!) to a daily audience of 18-20M listeners—60K of whom call in for a good dose of ethical and moral reality weekly.

Boasting the fastest growing Talk radio program in the history of the medium, Dr. Laura wears many other hats proudly: the first woman to win the Marconi award; a weekly news column with Universal Press Syndicate; an upcoming TV show; President of The Dr. Laura Foundation for children and families in need; a best-selling children's book author and a best-selling author: "Ten Stupid Things Women do to Mess up Their Lives," "Ten Stupid Things Men do to Mess up Their Lives," "The Ten Commandments: The Significance of God's Laws in Everyday Life" and "How Could You Do That?! The Abdication of Character, Courage and Conscience."

No holds barred, no compromise, no soft sell—when Dr. Laura's on, right and wrong hath no middle ground. She explains the panacea in this month's *AdBiz* Personality Profile.

**Editor's note:** Today begins a several month Dr. Laura ad campaign (barter) with Pax TV, in support of the Fall Arbitron ratings book. Premiere is also launching an aggressive print campaign for the show later this month.

## *What is your radio history leading up to signing with Premiere?*

I called a radio Talk show and I sort of got discovered as a caller. This was on KABC in Los Angeles around 25 years ago. I was asked by the host, actually, to come on once a week because my credentials came out during the conversation and I guess they were "something." They were impressed or tweaked by my personality and how I articulated my thoughts. From there, a couple of years later, I ended up on a small station in Orange County with all Rock 'n' Roll all the time, except for public service time on Sunday night nine to midnight—and that's where I was. After a while, I started to beat out the religious shows and "Sunday Night at the Movies." So, that was pretty good. Then I ended up back in Los Angeles on KMPC when they tried to go Talk for a while. Then they decided not to be Talk for a while. Ultimately I ended up on KFI, first at night and then in days. **John Shanahan**, who did "Hooked on Phonics," heard me on the air and was enthralled that somebody was doing moral values, ethics and principles and thought this ought to be syndicated. After 3 years of that, we were sold to Premiere.

## *You are known to give a "no nonsense, no holds barred" approach to helping your listeners. Why is your unique style so successful?*

From the feedback that I get, my listeners tell me why. Every place else they go, everything is equivocal—the words anybody will say if something makes them uncomfortable or it may be inappropriate under certain conditions. This is the one place in the universe, where right and wrong is delineated and good, bad, moral, not moral. I pretty much tell it like it is. If somebody deserves to be sort of motherly, slurped up one side and down the other, they get that. If they need a smack upside of the head, they get that too.

And, I think that it's appealing to people who, even in their own families, which are pretty much decimated—forget professionals in the psychological area—where nobody is dealing with the truth. Everybody is dealing with their re-creation of it as they'd like it to be, so that they could have total freedom to do whatever. I think that this whole milieu of subjectivity of right and wrong is not appealing to a large number of people.

**How has your show and your style changed over the years?**

Well, the show pretty much follows me in my own growth, maturity, spirituality, intellect, experience and all of the rest. In the beginning, I think it was a little more shrinky, as we looked into motivations and history to understand behavior and choices. However, the audience taught me that was really the wrong approach—that values, morals and choices were more of an issue. So as I had experience on the air and evolved in my own head, it moved from a shrinky-type show to what it is now, where I preach and teach—and boy, do I nag.

**What is the most touching story that you've ever heard and how did you help?**

Well, I helped retroactively. I had a woman (when I was on KFI locally) on and I didn't realize I was up against the end of the show. I wasn't paying attention—I got so absorbed in the conversation. She was about 37 years old and had a boyfriend who loved her to pieces until she got pregnant, and then he was gone. And so she said, "Hmmm, hmmm, I guess I'll abort."

And I said, "Why don't you just put the kid up for adoption?" And she said, "Oh, I couldn't do that! It would hurt my feelings to say goodbye."

I said, "Let me understand this, woman to woman, it wouldn't hurt you to kill it, but it would make you feel bad to wave goodbye." And BAM! The computer cut me off right as I said that. So I didn't have time to dialogue any more with her—it was just left like that.

Well, I get a letter about two weeks later (I felt bad that it just sort of ended like that) from this young Christian couple in their early 20s. A little history first—they had gotten pregnant out-of-wedlock, their parents had a fit. They got married, but they did love each other, and so they were going to make this work. Then after whatever month she got pregnant again, they figured, "Our parents are going to kill us and think we're irresponsible because if we keep grinding out kids when we don't really have all the financial stability, etc...So why don't we abort?"

So they were in the parking lot of the abortion clinic when they heard that call, just before they turned off the ignition to the car. They cried, they prayed, they held each other and they said, "You know, this is another gift from God, it's another challenge. We have to face it with honor." And drove home. I cried when I read that letter.

**What are the three top problems that our society faces today?**

The diminution of the importance of family

and the need for parenting. I think we've gotten into the mode of "child-free parenting," where we have all these infertility techniques—put in ovaries in menopausal women—everything to make a baby and nothing to actually parent the baby. I think that's probably the number one problem in society today—a disrespect for marriage, commitment and actual parenting. Warehousing our kids and not bothering to be cohesive families, which is just bringing a chaos to our society. Frankly, everything else, all the other problems, come from that.

**But today it takes two incomes to survive, right?**

Oh, I would disagree with that. I get calls and letters everyday from folks who have a very modest income who manage to find ways to have a parent be home with the kid, be it somebody works at night, they do a business at home, they move into a different area.

It all depends on the lifestyle that you want. As a matter of fact, I find people with the most modest of incomes are more likely to find a way to do that than people who are really doing well, where they're both working because that's how much two BMWs cost.

**What are your favorite talk personalities and TV commentators?**

I admire a young guy in the business now, **Sean Hannity**. He is on WABC in New York; also has a TV show on FOX. He is very straight, direct and honest. I like **Debra Saunders**, but she is in print. I'm not too impressed with much on TV, because I find very little honesty and courage. The types like **Rush Limbaugh**, whether you agree with him or not, has the courage to state a point of view and to stand behind it. I admire courage, not the usual shock BS. Frankly, that comes from cutting something out of the newspaper and just screaming about it and opening the phones.

**What are your future, personal and career goals?**

September 11, 2000, I'm going to have my own daily syndicated TV show with Paramount. I'm working on two books, the present one is "The Ten Stupid Things Parents Do to Mess Up Their Kids." The second one is a book for kids,



Dr. Laura at a signing for one of her children's books

a picture book called "But I Want It!" So, more of the same.

**What is the appeal for advertisers on the Dr. Laura Show?**

What is interesting about this show is that it doesn't have a niche audience—older men, older women, younger men, you know, something. The demographics on my show as explained to me, are across-the-board. All ages, both genders, all socio-economics, races. I think that appeals to advertisers. Also, the research indicates that people kind of make an appointment to listen to my show, even if they aren't listening to radio the rest of the day or aren't listening to that station at any other time. So there is a tremendous tune-in value. I think also we discovered that a lot of people who do not advertise on radio at all will advertise on my show, because they feel it's family-friendly, even though it's very controversial.

**What would you be doing if not for radio; if you never made those calls to KABC?**

I'd be a family physician in a small town getting chickens in exchange for my physicals. Seriously, absolutely, for sure.

continued from AB7

Financial

Rank	Parent Company	1999	1998	%Change	Rank	Brand	1999	1998	% Change
1	American Express	148,602,800	139,211,200	6.7%	1	American Express Card	80,290,400	83,013,800	-3.3%
2	VISA USA	119,693,200	112,381,400	6.5%	2	E-Trade Brokerage Online	64,935,800	8,956,700	625.0%
3	Morgan Stanley Dean Witter	116,855,600	59,335,700	96.9%	3	VISA Credit Card	53,015,300	63,647,700	-16.7%
4	First Union	97,885,000	84,368,700	16.0%	4	Charles Schwab	45,237,900	27,970,800	67.7%
5	Charles Schwab Corp.	85,541,900	42,843,100	99.7%	5	National Bank	43,973,900	25,062,400	75.5%

**Mixed performance for RADAR 62 but audience numbers up**

10 advancers and 10 decliners; RADAR 62 is split down the middle. But compared to RADAR 61, 62 saw a 14.3% increase in audience. Two new networks from AMFM, Ruby and Sapphire, debuted, bringing a total of 22 networks reported in this book.

Westwood One held strong; its CNN Max held onto the number one spot in persons 12+ (up 0.4%), adults 18-49 (up 1.5%) and adults 25-54 (up 1.6%). The network's Source Max also delivered a strong performance. It was number three in adults 18-49 (up 15.1%).

Although Source Max showed a healthy increase, it was edged out of its number two ranking in the 18-49 category by upstart Sapphire. Sapphire announced its arrival with a 2.3 rating, hot on the heels of WW1's CNN Max, which had 2.5.

Premiere is proving the old adage "you win some, you lose some" to be true. As with 61, it is again the biggest winner and loser. For persons 12+, Focus was ranked number 10, up 22.4%. In the same demo, Core plunged 33.2% in audience to finish last.

For full-inventory networks, ABC Prime was number one in persons 12+ (down 1.6%) and adults 25-54 (down 1.4%).—KM

**RADAR 62 (Summer 1999)**

Network Rankings  
All Broadcasts Monday-Sunday 6AM-12MID  
Includes Limited Inventory Networks  
Average Quarter Hour  
Persons 12+

Radio Network	RADAR 61 (Spring 1999)		RADAR 62 (Summer 1999)		% Change in Audience
	(000)	Rtg	(000)	Rtg	
WW CNN Max (L)	7,124	3.2	7,154	3.2	0.4%
Premiere AM Drive (L)	5,442	2.4	5,329	2.4	-2.1%
AMFM Sapphire (L)	NA	NA	4,296	1.9	NA
ABC Prime	3,305	1.5	3,251	1.5	-1.6%
WW Source Max (L)	2,714	1.2	3,013	1.3	11.0%
Premiere Axis (L)	2,602	1.2	2,516	1.1	-3.3%
AMFM Diamond	2,225	1.0	2,454	1.1	10.3%
ABC Advantage (L)	2,048	0.9	2,303	1.0	12.5%
WW CBS Radio	2,045	0.9	2,022	0.9	-1.1%
Premiere Focus (L)	1,599	0.7	1,957	0.9	22.4%
AMFM Emerald	1,791	0.8	1,898	0.8	6.0%
WW NBC	1,749	0.8	1,759	0.8	0.6%
ABC Genesis	1,683	0.8	1,683	0.8	0.0%
ABC Platinum	1,786	0.8	1,678	0.8	-6.0%
WW NeXt	1,531	0.7	1,530	0.7	-0.1%
Dr. Laura Show (L)	1,506	0.7	1,521	0.7	1.0%
AMFM Ruby (L)	NA	NA	1,516	0.7	NA
WW WONE	1,222	0.5	1,094	0.5	-10.5%
WW Edge (L)	816	0.4	870	0.4	6.6%
American Urban	978	0.4	841	0.4	-14.0%
ABC Galaxy	715	0.3	702	0.3	-1.8%
Premiere Core (L)	774	0.3	517	0.2	-33.2%
<b>Total Radio Networks</b>	<b>43,655</b>	<b>19.6</b>	<b>49,904</b>	<b>22.3</b>	<b>14.3%</b>

(L) = Limited Inventory Network "T" denotes tie.

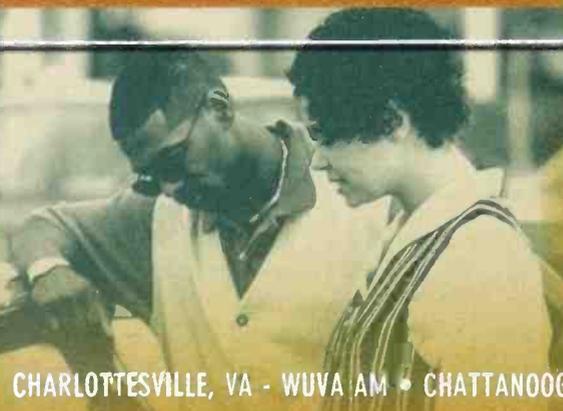
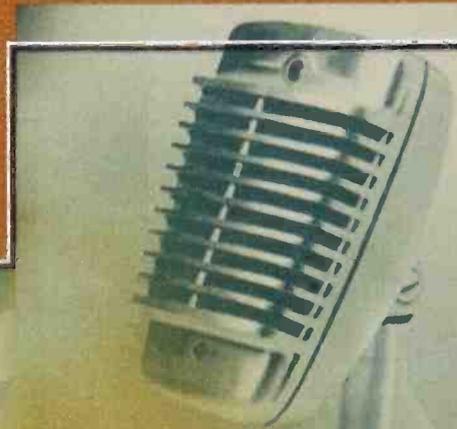
SOURCE: RADAR 61, Spring 1999; RADAR 62, Summer 1999; Volume 2, Network Audiences to All Commercials; Daypart Averages, All Broadcasts, Monday-Sunday 6AM-12Midnight, AMFM Radio Networks Research Analysis.

# Market Strength. Forward Vision.

Strongest Line-up  
in the Industry.

\$533 Billion in  
Buying Power.

Fastest Growing  
Segment in the Industry.



ALBANY, GA - WQVE FM • ATLANTA, GA - WALR AM/FM  
AUGUSTA, GA - WFXA FM • AUGUSTA, GA - WAKB FM  
AUGUSTA, GA - WTHB AM • AUGUSTA, GA - WAEJ FM

AUSTIN, TX - KJCE AM • BALTIMORE, MD - WCAO AM • BEAUMONT, TX - KALO AM  
BEAUMONT, TX - KTCX FM • BIRMINGHAM, AL - WBHK FM • BIRMINGHAM, AL - WBHJ FM  
BIRMINGHAM, AL - WENN FM • BUFFALO, NY - WBLK FM • CHARLOTTE, NC - WGIV AM  
CHARLOTTE, NC - WBAV FM • CHARLOTTE, NC - WPEG FM • CHARLOTTESVILLE, VA - WCHV AM

CHARLOTTESVILLE, VA - WUVA AM • CHATTANOOGA, TN - WLOV FM • CHICAGO, IL - WVAZ FM • CHICAGO, IL - WGCI AM/FM • CLEVELAND, OH - WZAK FM  
COLUMBUS, GA - WFXE FM • COLUMBUS, GA - WOKS AM • DALLAS, TX - KKDA AM/FM • DALLAS, TX - KRNB FM • DETROIT, MI - WJLB FM • DETROIT, MI - WMXD FM  
DOTHAN, AL - WAGF FM • FLINT, MI - WOVE FM • FLORENCE, SC - WYNN AM/FM • HARRISBURG, PA - WTCY AM • HUNTSVILLE, AL - WEUP AM/FM  
INDIANAPOLIS, IN - WHHH FM • INDIANAPOLIS, IN - WBKS FM • LAKE CHARLES, LA - KXAA AM • JACKSON, TN - WFKX FM • JACKSONVILLE, FL - WSOL FM  
JACKSONVILLE, FL - WZAZ AM • JACKSONVILLE, FL - WJBT FM • KALAMAZOO, MI - WNWN AM • KILLEEN-TEMPLE, TX - KIHZ FM • LEXINGTON, KY - WTKT AM  
LIMA - WLJM FM • LOS ANGELES, CA - KACE FM • LOS ANGELES, CA - KKBT FM • LOS ANGELES, CA - KRTO FM • LOUISVILLE, KY - WLSY FM • MEMPHIS, TN - WRBO FM  
MERIDIAN, MS - WZKS FM • MIAMI, FL - WHQT FM • MIAMI, FL - WEDR FM • MOBILE, AL - WBLX FM • MOBILE, AL - WDLT AM/FM • MONROE, LA - KYEA FM  
MONTGOMERY, AL - WZHT FM • MONTGOMERY, AL - WMCZ FM • MONTGOMERY, AL - WMHS FM • MYRTLE BEACH, SC - WDAI FM • NEW HAVEN, CT - WYBC FM  
OMAHA, NE - KBXX AM • ORLANDO, FL - WJHM FM • ORLANDO, FL - WCFB FM • PHILADELPHIA, PA - WUSL FM • PHILADELPHIA, PA - WDAS FM  
ROANOKE, VA - WJJS AM • SALISBURY, MD - WJDY AM • SAN DIEGO, CA - XHRM FM • SAVANNAH, GA - WLVA FM • SAVANNAH, GA - WSOK AM  
SHREVEPORT, TX - KMJJ FM • ST. LOUIS, MO - KATZ AM/FM • ST. LOUIS, MO - KMJM FM • TALLAHASSEE, FL - WHBX FM • TALLAHASSEE, FL - WHBT AM  
TOLEDO, OH - WIMX FM • TUSCALOOSA, AL - WTSK AM • TUSCALOOSA, AL - WTUG FM • WATERTOWN, NY - WUZZ AM • WILMINGTON, NC - WMNX FM  
WILMINGTON, NC - WAAV FM

Performance That Can't Be Ignored. Today's Urban Market.



Katz Radio Group

son, over the last couple of months, has seen more dot-coms shedding their misconceptions about Black people not owning computers or getting on-line, and have begun advertising on his station.

### Urban scores big in big cities

Market	Top Urban station rank	African-Am. city pop. %
New York	2	23%
Los Angeles	3	9%
Chicago	1	30%
San Francisco	5	9%
Philadelphia	1	41%
Dallas	1	19%
Detroit	1	42%
Washington	1	59%
Houston	1	18%
Atlanta	1	51%

Source: Interep, Arbitron

### Advertising on Urban radio: a win-win situation

In good or bad times, African Americans' strong identification with radio (see chart page AB4) is a stalwart that will ensure the success and growth of Urban radio. **Jay Williams**, President of American Urban Radio Networks, says that Urban radio has always been the most effective way to reach the African American population. "From the days of the 50s when there was only one Black-oriented radio station in most towns, that station became the lifeline of the community to the reality of what's going on in the culture, music, events and church and community affairs. The listeners still rely on those stations to provide information and still be that close partner in the community."

**Linda Jefferson**, SVP/Media Director at Burrell Communications, believes that the future of Urban radio looks strong. So long as advertisers recognize the buying power of the African American population and acknowledge the relationship these communities have with Urban radio, the medium will continue to grow.

Williams recounts that many advertisers have grown their businesses significantly by the inclusion of Urban radio in their marketing plans. He explains, "Our company is based on the principle that doing an effective job to reach the African American consumer is good for all advertisers. It improves their margins, it increases their brand awareness, it provides a strong platform for national promotions and it increases the client's and advertiser's opportunity to expand their market share."

## Media Index

### Radio's share declines in midst of revenue explosion

By Jack Messmer

We can't explain it, but radio's share of local ad dollars declined slightly in June to 16.5% from 19% a year ago. This came as radio revenues shot through the roof and the industry's double-digit gains outpaced all other major media this year. An examination of the Miller, Kaplan numbers finds no big changes, just lots of little ones. Meanwhile, radio continues to claim a hefty share of the hot, new dot-com sector—36.3% in June. That's almost as much as TV (and likely a lot more gross impressions) and nearly double the share going to newspapers.

### RBR/Miller Kaplan Total Media Index

June 1999 (Expenditures in 000)

Category	Radio	TV	Newspaper	Total Media	Radio % of Total
Automotive	40,546	165,784	217,041	423,371	9.58%
Restaurants	15,783	49,316	4,223	69,322	22.77%
Department Stores	7,973	17,414	75,761	101,148	7.88%
Foods	9,413	34,575	2,349	46,337	20.31%
Communications/Cellular	17,183	27,402	42,469	87,054	19.74%
Furniture	6,753	16,372	27,303	50,428	13.39%
Financial Services	13,702	16,452	41,724	71,878	19.06%
Movies/Theater/Concerts	5,904	15,453	17,507	38,864	15.19%
Grocery Stores	8,413	12,278	16,228	36,919	22.79%
Appliances & Electronics	3,599	5,742	31,301	40,642	8.86%
Hotel/Resorts/Tours	6,109	12,812	38,228	57,149	10.69%
Drug Stores/Products	5,266	12,621	7,999	25,886	20.34%
Computers/Office Equipment	5,411	6,115	21,612	33,138	16.33%
Specialty Retail	12,925	17,465	29,039	59,429	21.75%
Health Care	7,703	12,738	11,821	32,262	23.88%
Auto Parts/Service	5,040	11,123	6,880	23,043	21.87%
Music Stores/CDs/Videos	4,512	9,108	2,583	16,203	27.85%
Transportation	3,207	4,807	11,409	19,423	16.51%
Entertainment-Other/Lottery	7,428	8,597	4,601	20,626	36.01%
Home Improvement	3,716	11,118	11,319	26,153	14.21%
Professional Services	7,967	10,788	9,385	28,140	28.31%
Beverages	17,828	22,559	2,317	42,704	41.75%
Television	6,850	5,467	10,094	22,411	30.57%
Personal Fitness & Weight Ctrs.	866	3,639	1,361	5,866	14.76%
Publications	3,030	2,195	29,897	35,122	8.63%
Internet/E-Commerce	12,342	15,008	6,681	34,031	36.27%
<b>TOTAL</b>	<b>239,469</b>	<b>526,948</b>	<b>681,132</b>	<b>1,447,549</b>	<b>16.54%</b>

\*Based on Media Market X-Ray composite data for 15 markets (Atlanta, Charlotte, Cleveland, Dallas, Houston, Minneapolis-St. Paul, New York, Philadelphia, Pittsburgh, Portland, OR, Providence, Sacramento, San Diego, San Francisco, Seattle). Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPAs. For further information contact George Nadel Rivin at (818) 769-2010.



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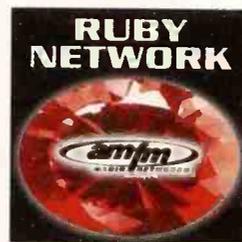
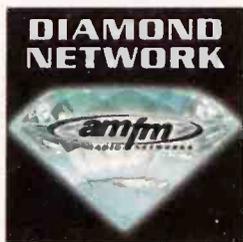
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