WINNING THE GAME
With SPORTS MEDIA And MARKETING
Once again, Interep's Power of Urban Radio was the "must go to" urban event for multicultural marketers across the country. Top media decision-makers, advertisers and influencers in multicultural marketing gathered in Chicago to share their knowledge and success stories.

To view a webcast of this event, please visit www.PowerOfUrbanRadio.com

For more information on this event, or on Urban Radio, please contact Sherman Kizart, SVP/ Director of Urban Radio, 312-616-7204, sherman_kizart@interep.com.
PPM launch on hold

There'll be no commercial launch of Arbitron's Portable People Meter in Houston this month, as had been planned. Instead, radio ratings will continue to be generated by paper diaries until further notice. The reason: PPM doesn't yet have accreditation from the Media Rating Council (MRC) and, while Arbitron says it is making progress with MRC, it can't predict when it will win accreditation. When that does come, subscribers in the Houston market will be given at least 60 days notice before any PPM data is released as official ratings currency.

As is always the case with the tight-lipped MRC, a brief statement from Executive Director George Ivie said the issues still holding up accreditation are confidential and will not be discussed in public.

Following quickly on the heels of the MRC delay, the Next-Generation Electronics Ratings Evaluation Team wrote to Arbitron, complaining that while the company supplied lots of material to the team about the Portable People Meter (PPM), it still didn't answer some questions that the Next-Gen group says are essential—and that a good deal of what was submitted didn't relate to the work of the evaluation team. The letter, from Clear Channel Radio Sr. VP of Research Jess Hanson, didn't spell out the shortcomings, but offered to supply a list or discuss the matter in person.

RBR observation: Less than a week before putting the Houston launch on hold, Arbitron had made a big deal of signing four more groups to PPM contracts—Bonneville International,Emmis, Greater Media and Lincoln Financial Media. Those followed the break-through deal with CBS Radio and earlier announced PPM contract signings with SBS, Beasley and WBEB-FM Philadelphia. Notice anything missing? Except for CBS, not one of those radio groups has a station in Houston. Until Clear Channel, Cumulus, Cox, Liberman, Univision and Radio One come aboard—or at least most of them—what is the point of declaring PPM the official ratings currency for Houston radio? A ratings service with data for only four stations in the #7 market wouldn't appear to be of much use to either ad buyers or the stations.

Wave bye-bye to Nielsen diaries

Nielsen Media Research diaries are about to become museum pieces. Come 2011, Nielsen plans to have electronic measurement in all US TV markets, eliminating diaries completely. The aggressive ratings revamp plan will also measure viewing of TV shows, regardless of the platform, including such things as iPods and Internet viewing. It is being called Anytime Anywhere Media Measurement, or A2/M2. In other words, Nielsen has now mapped out its plan to “follow the video.”

Local People Meters (LPM), now deployed in only 10 markets, are to be expanded to all of the top 25. The rollout of the additional 15 markets will begin in October 2007 with Houston, Seattle and Tampa. A new type of active/passive meter, the A/P 3.0, is planned for markets 26-60. It will have buttons for individual household members to punch in, just like LPMs, but won't have to be hard-wired to TV sets. It will, however, relay data daily. A Nielsen spokesman says that may be by phone or done wirelessly.

Even for smaller markets, Nielsen is out to eliminate paper diaries. Mailable meters are planned for markets 61-125 or so, supplemented by a log-in book (much less complex than a diary) for individual household members to note their viewing. Those meters would only deliver data when returned to Nielsen. For the smallest markets, Nielsen is still assessing its options. They include such things as data from set-top boxes and Internet diaries. But the goal is to implement electronic measurement everywhere.

Despite having split with Arbitron over using the radio ratings company's Portable People Meter (PPM) for TV as well, Nielsen is now preparing to test two similar devices, which it calls “Go Meters,” to capture out-of-home viewing. They will not be the only source of data, but supplement viewing reported by in-home meters.

In addition, Nielsen plans to add Internet viewing to its National and Local People Meter data, beginning next year. That will be accomplished with a software download to each PC in a participating household. Ultimately, Nielsen and its related company, Nielsen/NetRatings, plan to provide viewing data from across all platforms—iPods, cell phones and anything else that comes along.

RBR/TVBR observation: Ad agencies wanted all this day be-fore yesterday, so the faster Nielsen can roll it out, the better. Oh, what will it cost me, you ask? It ain't gonna be cheap, but Nielsen isn't talking specifics yet.
Since the birth of remote control, television viewers have become television switchers. What MAKES them switch bewilders GMs, network and studio executives, news directors, promo managers, programming heads, researchers and virtually everyone in broadcast. Nielsen Media Research now has an exciting new product concept that marries minute-by-minute audience ratings and audience flow information with actual program content, taking the guesswork out of viewing and programming!

Introducing grabix – a web-based, multi-faceted system that plays video content...captures it...stores it...archives it...searches it...then plays it back with related ratings data...on your PC screen. And does this simultaneously for multiple stations, for locally originated shows as well as network and syndication, across any of the top thirty markets. Find out much more about this exciting new switch-buster by contacting your Nielsen representative.
Trouble at Tribune

In a nutshell, Tribune Company announced a big stock buyback that will cost over $2 billion. A few days later we learned that the Chandler family trusts, who became Tribune's second-largest shareholders as a result of the Times-Mirror merger a few years back, didn't approve of the move and their three Tribune directors voted against it. Then the Chandler's made public a letter calling for the breakup and sell-off of the company, essentially ripping into CEO Dennis FitzSimons while studiously avoiding mentioning him by name. Tribune responded by noting, once again, that a majority of its board had supported the buyback.

**TVBR observation:** FitzSimons obviously has some very dissatisfied shareholders and the Chandelers hold enough stock to make life difficult for him. You can't dispute one point of the Chandler letter, that Tribune management misjudged the expected timing for elimination or at least deregulation of the FCC's crossownership rule. Regardless, circumstances have gone against Tribune's game plan. Its TV group foundered as The WB network failed to deliver expected ratings and revenues, so its future with the CW network is a wild card, and the newspaper business fell into a sorry state as the Internet ate up classified revenues and other advertisers retrenched. Would Times-Mirror be in better shape today as a standalone company? That is certainly questionable. But the Chandelers are not happy folks and they have enough clout to keep FitzSimons on edge. Do they have enough clout to force him out? We wait to see.

Gary Chapman sets retirement

After 18 years at the helm of LIN Television and its predecessor, Gary Chapman is retiring as of July 10th. No doubt it is a deserved retirement, as Chapman has led LIN through three IPOs, survived a hostile take-over attempt and grew it to 30 stations from seven. Chapman says he is ready to move full time to his lake home in New Hampshire and say goodbye to 80-hour work weeks and constant travel. He plans to remain active in such organizations as the NAB Education Foundation and the NAB Decency in Programming Task Force, which he co-chairs, so Gary Chapman won't be out of the broadcasting industry by any means.

CFO Vince Sadusky has been named interim CEO and may be a candidate for the permanent post. Chapman told TVBR he has been grooming Sadusky for the job for the past two years and that he is certainly his choice for the job, but that it is up to the board to decide and the directors have begun a search process to look inside and outside the company for the best candidate.

2006 begins with decent growth

The Television Bureau of Advertising reports that local TV stations saw ad revenues (local and national spot combined) grow 7.1% in Q1, despite a 2.8% decline for the largest ad category, automotive. Encouragingly, the other nine of the top 10 categories were up. Meanwhile, network rose 12.8% and syndicated TV was 6.2%. All in all, the TV industry was up 10.2% in Q1, setting the stage for even stronger growth as election spending really kicks in later in the year.
Sports stations: With streaming becoming ever increasingly important in your business how have you integrated the technology with your station?

Chuck Bortnick, VP/GM of WFAN-AM New York:
Launched on April 11 with a special web only broadcast of the Mike and The Mad Dog Show, WFAN has been streaming for just over 60 days. However, in this short period of time, the station has become one of CBS Radio’s most popular online destinations. In addition, the promotion of the stream on-air and online has increased click-throughs across the entire website opening up a host of additional advertising opportunities for our clients.
WFAN’s stream is an audio broadcast simulcast except when the station is airing sports play by play, including the NY Mets and NY Giants, among others, which the FAN does not have Internet rights to air. In those cases, the station is featuring best of shows from Imus and Mike and the Mad Dog, and other special programming. We are steadily working towards creating a complete lineup of custom original content to be broadcast exclusively online, as well as a place to develop new talent.

We’ve seen a steady increase in the number of weekly minutes streamed to a high of more than 11 million minutes with the average session lasting approximately 85 minutes.

Additionally, our sales efforts have focused on selling the online inventory above and beyond the spots we sell for broadcast over the air. Implementing the stream has not only created an additional revenue source for the station, it has afforded us the opportunity to target a wider pool of clients and the ability to create alternative advertisements, including video spots and interactive banner ads.

Paul Agase, VP/GM, WSCR-AM Chicago:
When it comes to streaming, local sports radio stations have an advantage. Unlike some of the issues that music stations face (i.e. rights clearances), all of this new technology becomes a weapon of on-demand distribution for us. Streaming, podcasting, and cell phone delivery are all important tools for the station to push our unique content out to the listeners.

Here at the SCORE, one reason streaming is so important is because a great many of our listeners aren’t able to tune in to the AM dial in their office buildings. We also count on it for alternative programming such as special news reports or long-form pre and post-game shows for example. The station has also hosted NFL roundtables and playoff preview programs all items that sponsors really like. At the Score we have in excess of 125 streaming only clients.

Streaming and our entire web platform is more a part of the DNA of the station than ever before. Beyond just running on-air promos driving traffic to the site, it’s just part of what we do and how our listeners interact with us.

Marc Rayneld, VP/GM, WIP-AM Philadelphia:
Philadelphia is a unique city. It is recognized as one of the best “sports towns” in America, and for that reason, it’s important to reflect that in our streaming approach.

First and foremost, we view streaming as another extension of our “brand.” We are very conscious that WIP is more than a radio station. It’s a forum to vent; a place to commiserate; in a “town hall” where sports fans share opinions with hosts they perceive as like themselves. It’s no surprise that nearly 200,000 people have signed up to receive WIP’s free stream in less than one year, making it one of CBS Radio’s top stations on the Internet.

Because WIP airs so much play by play that contractually cannot be streamed, we have used 610wip.com to create unique partnerships with minor league teams like the AHL Philadelphia Phantoms, commonly owned along with the Flyers and Sixers by Comcast Spectacor. During play by play conflicts, WIP streamed more than 20 Phantoms games, allowing the Phantoms to reach new fans and WIP to market new sponsorship opportunities. Following our much heralded Wing Bowl last February, we rebroadcast the event three different times on the stream and introduced a “director’s cut” of new material that we also sold in new sponsorships to advertisers.

We also recognize that it is important to constantly develop new talent, and while we do use weekends for that purpose, we’ve found the stream to be a great place to break in new hosts who are not yet ready for on-air shifts on WIP.

Right now, we are only limited by our imagination and the manpower necessary to fully take advantage of new technology initiatives. Advertisers love it, the talent loves a worldwide audience and sellers love having something new and meaningful to market.
Arbitron is the only company that has completed all the necessary testing, and has gone through an MRC audit. PPM℠ is the only electronic option that can deliver the ratings credibility that the radio industry needs today. This cutting-edge technology will improve accountability and increase our return on investment of our advertising dollars.

Shannon Pedersen
Manager, Media Buying,
Wendy's International

Better measurement. Better radio.

It's time for PPM.

www.arbitron.com
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Going in new directions

By Steve Kyler

It was not long ago that I was simply a listener of sports radio. Taking in the morning drive shows, and the afternoon drive shows and using it simply to pass the time, as many who consume sports radio do.

Rarely did I “expect” my radio to give me anything more than another voice in the car to pass the time.

As a sports journalist I always knew the guy in the box, knew very little about what he was talking about, and more times than not I openly laughed at the massive inaccuracies as they spilled into my car.

It was this constant stream of inaccuracies that led me to pursue my own path into radio. Believe me when I say this – radio has real problems – not in terms of listeners, because a lot of people listen, the problems come in the reluctance to try new ideas and new flavors. There is such a commitment to the “status quo,” that radio especially sports radio is really missing a chance to attach itself to something or someone meaningful.

I knocked on the door of program director after program director; to offer my services... after all I am an established sports journalist, who has over 9 years experience covering the NBA. I can get an interview with virtually anyone in the game (past or present)—you’d think that would have value. In Tampa, I was told over and over, that Tampa is not an NBA market, that there are no basketball fans in Tampa. Really? Then why does the NBA schedule exhibition games in Tampa every year and sell them out. Tampa has NBA fans, sports radio in Tampa has yet to give them a product worth caring about.

Chicken meet the egg

Walk through any mall in the country and tell me there are not NBA fans outside of NBA markets—they are everywhere. This is true of Hockey, NASCAR, and Arena League—you give them a product worth caring about and they will care about it.

On my quest to get my own show, I began doing segments for various other shows across the country—KFFX in Portland, WNST in Baltimore—The Ticket, The Fan, and The Animal and so on. That and a very good friend and mentor in the radio business led me to Genesis Broadcasting.

My trip through Genesis has been a learning experience. We started out as a “project show”—a gift from Bruce Maduri, who for some reason saw promise in me and my co-hosts and gave us a couple hours on the weekend, and let us kick around in the sandbox and build our show.

We had some help – there were a few personalities that saw us as a breath of fresh air, and helped shape our show. But by and large the overwhelming majority gave us little attention, guidance, instruction or support and really tried very hard to block us from getting a real chance at being successful.

**The first lesson I learned about radio was the lack of Big Thinkers**

I am a “dare to be great” personality, and my successes have come from taking great risks and living with the consequences—those risks have led me to great things in life both personally and professionally.

I was surprised at how happy some people in radio—not just Genesis—were to simply be mediocre. Where was the desire to be great? At Genesis, there are some truly “Big Thinkers” that wanted to do big things, but unfortunately those surrounding them tend to want things to stay the same.

If you don’t want to win the race, why are you lining up?

The 2nd lesson I learned about radio (and life) is you build your own success. July 3rd, will mark my second year with Genesis, and it has been an uphill climb. Absolutely nothing has come easy. We have finally gotten a sales person to believe in us enough to get some sponsorship dollars flowing towards the show, and we are starting to get executives at the station to listen on a regular basis. It only took two years.

It is also amazing how many people in radio bank their futures on products they do not own. Network radio has its purpose, but to build your entire future around shows and situations you have no control over is incredibly insane to me. Yet hundreds of stations do just that. Why anyone would run network over local is astounding to me, but everyone does it.

Winners think like winners, and cannot stand being second place. This year, I expanded out a little and launched my own 90-second daily segment, and made it available nationally. Again with some help from a very good friend and a lot of trial and error—the Five Star Basketball Report was born.

Getting it carried was surprisingly easier than I expected, as many of my friends in radio attached themselves very quickly to the product and others came online very quickly. We marketed the product by fax, sending out flyers to programmers and sales directors, and started adding affiliates each week nabbing markets like Memphis, Tampa, New York, Little Rock, Denver, and Aurora to name a few of the 23 stations currently carrying the daily report.

We deliver the “air ready” clip via e-mail or stations can grab it directly from our website every morning Monday-Friday and have featured some of the biggest names in the sport as featured interviews, bringing to stations a layer of access they could never get anywhere else.

Despite having a good (not great) product that features market-exclusive interviews with the biggest names in the sport—packaged to easily add a sponsor to, still stations turned us away. We even had a station drop us, the day before the playoffs started. They carried us...
all year, yet the day basketball became the most important sport to a huge segment of people, one affiliate dropped us.

Syndicating a vignette has had its layer of challenges. How do you reach the key decision makers for major stations? They are well protected and tend not to be open to new ideas, especially ideas that were not their own. It is sad how reluctant radio is to new ideas. It seems so easy to grab content from satellite, slap your branding around it, and call it your own—so much easier than cultivating your own products, that you can control and market.

I have had the privilege of working with some truly great radio stations and virtually every one of them is an original programming station. In fact, I cannot think of one station I have worked with that was a big money maker that was running “Stack-Pack and Rack” programming.

If you are not running your own morning show, your own afternoon show, and your own evening drive, you are a repeater, not a creator. Network should be about those times when you do not want to program real content. Network should be filler, not the meat. Money is made selling steak, not side dishes.

**Where is the passion?**

I love radio. Never thought I'd love radio as much as I do, but it satisfies something inside me that is primal and gratifying. It's not the notoriety, or additional attention radio brings. It's the chance to share something important with people, to share events and commentary with people to truly entertain them.

If you are not grinning, you are not winning. I take that statement with me every time I pull the mic towards me, and in that statement I understand my responsibility is to give you something you did not have before. Maybe that's entertainment, maybe that's information, or maybe that's access to someone you may want to hear from.

I take that responsibility seriously—it's sad how few people with larger shows than mine take that responsibility. Radio has its problems. The solutions are however not that hard to find. It takes a little daring, a little risk and a whole lot of passion. If you surround yourself with people that share your vision, and have as much passion as you do, the sky is the limit. I think maybe many of us have forgotten the real reason people listen—to find that great voice to break up the day, the ride or the afternoon.

Steve Kyler is the lead NBA analyst for Basketball News Services; in addition he serves as Senior Editor and Publisher of HOOPSWORLD.com, SWISH Magazine and is the host of a weekly radio show, The Game heard on Sports Radio 1470 in Tampa. Steve is also the voice of The Five Star Basketball Report, heard daily in 23 major radio markets in the US.

**Zinio Readers listen here to Genisis Radio Group’s sports promos from its WHOO AM in Orlando. | Promo 1 | Promo 2 | Promo 3 |**

From the race track to the football field, Jones MediaAmerica, Motor Racing Network, and Sports USA Radio Network deliver the coveted sports demo with the best sports properties: NASCAR, NFL, and NCAA Football. Put their programming power to work for your brands today!
Taylor Duffy, AND1 Brand Marketing Manager

You're a smaller company compared with Reebok and Nike. What's your media strategy to compete with them and build share?

The nice difference between us and Reebok, Nike and Adidas is AND1 is a basketball-only brand. We focus our media efforts in the television realm on basketball-heavy programming. Throughout the season we'll buy NBA games on ABC, TNT, ESPN, ESPN2, as well as Sports Centers and some of the ESPN coast to coast programming that kind of reviews the state of the league on a weekly basis. We really try to hit hard there and then we will also transcend into the MTV2s and the BETs to hit more of the wider range, the lifestyle consumer.

If you think back the last couple of years from a television advertising standpoint AND1 has not been on TV very frequently with large campaigns. We really put the brand back on TV this January with the Mystique Mid [shoe] campaign done in tandem with Finish Line. There was a Finish Line-exclusive shoe and we did a very heavy three-week TV flight prior to (and then a little bit after as well) the launch of that shoe into the market.

Tell us more about the deal with Finish Line.

A lot of what you see Finish Line do in the market to combat the giant that is Foot Locker is try to take exclusive product in that they can be tagged with. The launch included national television advertising, where they were tagged. We developed a co-branded in-store footwear tower. They were tagged on the web banner that we bought on the home page of the NBA section of ESPN.com. We did a gift with Purchase DVD where we took the Mix Tape DVDs that we do and gave that away free when you purchased The Mystique. Then we also did an email blast out to our database. They did email blast to theirs. There was a link between AND1.com and FinishLine.com and we used our NBA endorsers, which we check about 45 guys in the league right now, and got that shoe on court prior to the launch of the shoe at retail.

Tell us about the Mix Tape Tour.

It's a 25-city nationwide street ball tour. There are two pieces to the event in each market. The first being an open run where it's a free event. We go into that market and basically try and bring out the most talented ball players in each market to come and compete for ultimately an AND1 endorsement contract that's awarded at the end of the summer. Essentially the main event is inside an arena where the AND1 team will play a team of that city's finest street ball players. The tour kicked off this year on June 4th in LA with Team AND1 vs. Team Los Angeles.

How about your TV spots with Marcus Canby of the Denver Nuggets.

At the time that we were in production on those spots Marcus was having a tremendous, tremendous year. It was probably a month prior to the All Star Game and at the time he was our number one guy as far as NBA endorsers, having a great year, looking like he was going to be an All Star. So we really wanted to give him the shine that he deserved and put him on TV.

I understand you bought radio for your Mix Tape tour.

Using this year as an example, the Tour will be in 25 markets and in each market we will buy pretty heavy radio in each city, really targeting the Urban stations first. It's our feeling that is where the people listening to those stations make up the greatest amount of our consumers. We end up buying a lot of Clear Channel and Radio One stations, predominantly. We buy multiple stations in each market. In certain markets, like LA, we'll buy the top two Urbs as well as a more Hispanic-oriented station. What we've really tried to do this year is promote the event and get people to come out and buy tickets. We've integrated our footwear product into our radio spots as well as our video game that's coming out—AND1 Street Ball. You'll hear the players talking about the shoes that they will be wearing this summer on tour that will also be available at retail.

What about your other planning and buying?

For our print advertising, we map out our year and buy at once towards the end of each year for the following. For our TV advertising as a brand, we've repositioned ourselves to really be looking at three key windows when we're launching product into the market—the January/February timeframe; then again in June, then again in October/November. Those are the times that we are really looking to buy TV heavily as our main communicator.

The way that the radio buying works is we're partnered with AEG Live Events as our production company. On a per-market basis they handle the buying of local radio and local television to promote the event. On the AND1 side we only buy the national TV and print.

The other interesting thing is that during the summer months obviously there's no NBA programming on and not as much basketball going on within Sports Center. So we have a 10-episode television show called "Street Ball: The AND1 Mix Tape Tour" that airs on ESPN and ESPN2. This year for the first time you will see us running footwear product commercials within that television show.

We definitely buy online, so when we're launching product you'll see us potentially take a look at buying ESPN.com, buying HoopsWorld.com, Steve's site (see pages 8-9), which is a great vehicle. Then we always add some outdoor, whether it be billboards or I think more relevant to us is wild postings.

Any valuable lessons you've learned with media?

One of the things that I've absolutely learned is how important it is to really segment your buying around the times of the year that are right for your brand, as opposed to sending out at the beginning of the year and buying just mass across the whole year. If you have the budget to do that, that's great for some of those really big box brands. For the smaller brands you really want to make your presence felt. First of all you want to communicate to those people who "A" you're really relevant to and "B" who you want to be relevant to. You really want to communicate heavily through all forms of media at those times of year when you're trying to make your presence felt—product launches, etc.
Peace of Mind

...is knowing dMarc has your back.

What do you call it when a company spends more money on R&D perfecting their digital automation systems (Scott SS32 and Maestro) than all other automation companies combined?

We call it dMarc. Nothing gives you more confidence and peace of mind than knowing that you’ve got RevenueSuite,” the only digital automation solution that drops cash straight to your bottom line, and Diagnostics;” the industry’s leading hardware monitoring software.

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680 Newport Center Drive, Suite 150, Newport Beach, CA 92660
Tell us how MAGNA Global is unique among media agencies.

When we created MAGNA five years ago, we were the leaders in developing consolidated negotiating. We looked at the media universe and we saw that there was a lot of consolidation in sales on a global basis. Having been in sales for many years, I know that if you have a lot of assets that you can push on to a buying operation you’ll try to force feed them.

MAGNA was formed to aggregate all the buying assets – and then go to marketplace to level the playing field on behalf of our clients.

We talk a lot with the agencies regarding marketplace and what’s going on in the scatter market. Knowledge is power, and we found that the conversations and the collaboration we have with the media brands is great because we all work together and it becomes a situation where the sales organizations can’t really divide and conquer.

The collaboration amongst the agencies has been good. The knowledge and the purview of the marketplace that comes with our scale of volume give our clients the benefit of knowing how the marketplace is going to develop. It’s been a very good experience. It encouraged a lot of other groups to come together and go to market as consolidated entities.

How has your experience in both local and network TV with ABC helped in your current position?

One of the things I bring to the agency side is a perspective of what happens on the sales side. My local experience was phenomenal, I loved it. There are dynamics on the sales end that people who haven’t experienced it don’t understand, whether it’s an emotional dynamic, working out make goods or getting upgraded. When I watch television, of course I watch the content but I also watch the commercials. I’ve dealt with so many clients that I have a thorough knowledge of what range of costs might be associated with certain clients’ commercials and I convey that to the agencies. It adds a little more perspective.

What future do you see for media placement; where are traditional and new media heading—convergence, divergence or both?

The online components of the networks are going to be more and more important. The new media environment is something that the agencies are looking at constantly. There is a lot out there and it’s all going to evolve. There will be washouts from companies who don’t have any kind of robust involvement for a client. The important thing is connecting the dots. If you can put a campaign together that’s got traditional media, an online component and connectivity to a mobile device, and you’re reaching the proper demographic, it’s powerful stuff. Right now there is more talk than activity about digital — but once we get a better understanding of what it delivers there will be increased activity.
Fresh from the #1 cable morning show - two of America's favorite hosts now making waves on talk radio.

Twice the Insight.  
Twice the Opinion.  
Twice the Entertainment.
What do you do to keep abreast of ever-increasing media options and provide the highest ROI?

Media companies need to have communications channels across the entire network. We have several experts on this subject. Some people specialize in general media landscape; others in penetration projections; some on consumer acceptance behavior; and still others who delve into specific areas for clients. Coordinating all of these POVs and predictions is key to anticipating what is happening in the world of tomorrow and providing the highest ROI. Everybody is reaching, everybody is trying to learn it. It’s not a black box but it’s the beginning of understanding what this new world is all about.

**What are your thoughts (pros and cons) on the state of video streamed ads?**

We experimented with one of our clients on ABC and we’re now conducting research to fully understand what it’s all about. The positives are that people are engaging with these emerging platforms more than ever. The negatives are that there is more talk than understanding. We have to methodically and analyze the expenditures against our learnings to realize all of the benefits in this space.

**Do you have a research wish-list?**

Better audience measurement with content and commercials—whether it’s at home, on the television or on cell phones. The audience exposure needs to be more accurately measured before you can begin focusing on engagement metrics. We have had key discussions about DVRs and commercial ratings this upfront, but these are really next year's issues. We need to get a better understanding of who is watching, who is engaging with the commercials, not from a small sample. It is incumbent upon both sides—seller and buyer—to have complete information that we can analyze during the year. When we approach next year's upfront, we'll start talking about this earlier and know the value in earlier stages. Whatever we end up doing in the DVR space will become standard. We should not rush into anything. We need to create a standard that works for us can be utilized into the next 10, 15 years.

**Tell us about the test for an online auction system for buying and selling TV ads, being one of the industry task force members that chose eBay.**

It is important for us to experiment in this space. There is always inventory that goes unsold. Sometimes it’s high-priced inventory if the marketplace is not robust. It’s important that advertisers explore a more efficient and transparent way of doing business and doing it as a partnership with the sales organizations. Some sales organizations will probably embrace this—particularly those who are looking for additional revenue. If I’m a sales manager and I can somehow get a revenue share from a transaction without having to expend personnel or resources against it, why wouldn’t I do it? Furthermore, this is not an upfront application, it’s about looking into the future and seeing if there is an application that would benefit both sides. I commend these advertisers for looking into the future on this issue.

**This is more for remnant unsold stuff?**

We don’t know what media we’ll be looking at yet. When we finalize our strategy and plan we’re going to go out to the sales organizations and see who has interest and then we’ll take it from there. This is not imminent. Hopefully by the end of the year we can have an application that can work as a research experiment. It’s not moving the upfront or upsetting the upfront, it’s finding out if there is a true application for this kind of a marketplace.

**Tell us about this year’s TV upfront marketplace.**

The market is likely flat to slightly down. A number of advertisers who have spent a lot of money in traditional television, syndication and cable have been carving away at their budgets and it’s affecting the upfront. We’re seeing kind of a replay this year, if not a little bit to the negative side, of last year. If clients are shifting monies into new media and into original programming, the downward trend is not likely to stop.

**Should the networks acquire digital media infrastructure to keep future ad dollars in-house?**

Yes, that’s why they are buying these environments, to ensure they don’t miss out on any kind of revenue. It’s not that advertisers’ budgets are down, it’s just that the budgets for traditional media, for television, have been cut back and carved out by brand managers who want to experiment in environments that might be psychographically appropriate for their brands in the new media space.

**What areas are you concentrating the most effort right now for your clients?**

At this time the upfront is prominent, but in general we’re trying to get clients—and clients are engaging with us in this—to better understand the different emerging media touch points and put campaigns together that embrace traditional and new media and maybe incorporate original programming. It’s with this combination that you can develop a campaign that can knock your socks off and build a brand.

**In 2009 analog TV channels will be surrendered for new spectrum to be used for mobile applications. Someday we’ll have internet service built into new cars as well. How will this change things?**

It’s all about engaging consumers in an environment where they can embrace content and brands. We’re surrounded by media. Place-based media like Captivate, the screens in the elevators, are growing in prominence. I’ve talked to companies that are now engaging in branding the George Washington Bridge and the tunnels in New York. Out-of-home is going to be a very sexy medium in three or four years when it all becomes digitized—it’s going to be awesome. When we talk about traditional budgets being cut back, it’s not that the dollars are gone—more often than not they are being redirected to new media. The brands are experimenting with a lot of different options. There’s a lot of experimentation and it is not going to stop.

**Can you talk about the most recent evolutions in statistical and econometric modeling?**

At IPG Media, which oversees the media operations of the Interpublic Group, we have company called MAP — the Marketing Accountability Partnership. They specialize in marketing ROI, response and engagement. Engagement is really significant, whether it is done with product placement, the Internet, cell phones or traditional media, the companies that understand how to enable engagement are going to be at the forefront as we move ahead. IPG Media has invested heavily in this area. It helps the clients to explain their media investments to the CMOs — and then for the CMOs to explain the return on marketing investment to their CEOs, which helps us all understand the future media landscape.
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What to bring to the agencies

By Tom Barnes

So you are stepping out to see the agency. Fun, huh? Beicha can’t wait.

You are likely walking into one of two possible scenarios. In the first you are a wholesaler. The agency is (what is known in other businesses) a value-added reseller. They essentially re-sell your inventory after adding their creative. In this first scenario, you are there to get on “the buy.” Bring your rate card and your kneepads—oh yea, and would it kill you to bring some food?

In the second, smarter (and admittedly more idealistic) scenario, you are a solution and knowledge base. You are going to the agency as a partner to help move the client’s products faster and more efficiently—in a way that’s measurable. You can bring food in this case, too. Muffins are always appreciated.

The first scenario requires little more than a willingness to maintain the status quo and a pleasant demeanor. Leave the creativity at the door. Have a good sense of avails and a good case for R.O.S. and you’ll be good to go. The good news: it’s a lot less work. The bad news: it’s a lot less dough in your bank account.

The second scenario involves selling as opposed to order taking. You’ll need not only creativity, but also a thorough understanding of all that your station has to offer. You’ll need to be articulate, persuasive, and knowledgeable. You’ll need to uncover how both the client and the agency measures success, and what they are trying to accomplish. You’ll need to define what a win is, and how you can put points on the board fast. In a word, you’ll need to bring genuine curiosity.

But that’s not all. You’ll need case studies.

Chances are that you, or your station, has actually done a lot of cool things for your direct clients—things that a smart agency is going to want to know about so that they can change a couple of things and put their name on it.

Two words of advice: LET THEM.

See, buying radio is a lot of work. Ask any media buyer. It’s grueling. With all the lunches and people lining up to kiss your butt with tasty muffins, it’s just plain brutal.

The last thing any media buyer wants is more work. It’s bad enough they have to deal with clients in the first place. It’s your job to make agency planners and buyers look smart without any additional effort on their part. While perhaps sounding easy, this is particularly difficult when there is this sinking feeling that you might be trying to end run the agency—scheming to turn that profitable account of theirs into a direct client of yours. Agencies are notoriously paranoid. Regardless of how advanced the agency is that you’re selling to, they are still value-added re-sellers of media. They simply cannot have their customers buying direct from you. “Delicacy” is the watchword as you unfold your killer plan and share the details of your clients’ successes. Remember the key is to get the agency to co-opt your plan—you WANT them to steal from you. That’s how you get the coveted “trusted advisor” status.

You can make that easy by having documentation of past client success. Let’s call them case studies: written, real world examples of how crafty marketers have brought all the tools of your station to bare on a specific marketing challenge and what the real world results of that effort were. Name names. Kiss and tell. Your work is public for cryin’ out loud! Don’t flatter yourself. There are no new ideas. There are, however, new ways of doing things.

Any sales consultant worth their cordovan will tell you, the key piece of leverage any sales person has early in the sales cycle is competitive knowledge. And agencies LOVE knowledge. Providing that knowledge—in easy to copy digital text—makes you the sales person to meet: the sales person whose call gets returned, the sales person who gets the bling.

So what are you getting them to steal? Listen, functional integrated marketing plans are hard to come by, but you have them, even if you don’t know it. Those plans are tough to implement from scratch but if you have them documented, the agency is no longer working from scratch anymore. Now you have something that makes you valuable—more valuable than muffins!

Radio is now in the business of selling integrated marketing solutions, not 60-second spots. Your station has a web site, it’s sending emails, it’s running promotions, the morning team is doing appearances, and your afternoon guy is doing endorsements. These things are the building blocks of integrated marketing. Show an agency how to tie them together and you’re not just selling radio, you’re selling integrated marketing. Tie them together for the agency so they can hand it to their client with out the stress and strain of work, and you are a rich sales person.

In all seriousness, the radio advertising business is in the worst crisis it’s seen since the advent of television. The only revenue stream that is improving in this business is NTR. Some people see this shoe-pounding as fear mongering. Others, myself included, see this condition as one of the biggest opportunities of their professional lives. And while I’ve tried to diffuse the real and difficult challenges of selling to an agency with a little humor, it shouldn’t diminish the challenge associated with selling real change. Just remember what Oscar Wilde said, “If you want to tell people the truth, make them laugh, otherwise they’ll kill you.”

Please don’t kill me. I brought muffins.

Tom Barnes is Founder of Mediatbink, a marketing company that delivers accountable media strategy, analysis, and planning to broadcast, telecom, and cable. Reach him at 678 222 3455 x72 or tom@mediatbink.com
Can you close the deal?

by Lynne Cowlishaw

Little did I know that the answer to that question would determine my fate in advertising. Fresh out of college on my first interview I was told the art of media buying is like playing cards. Never show the “seller” your hand and never get yourself backed into a corner. Ironically, my sales representative was getting the same advice. The buy is up and the race is on to achieve the best deal from both respective parties.

In the process of negotiating, I quickly learned that there are all different kinds of sales tactics and different approaches to “selling” media. Anyone can sell but what separates the good ones from the bad ones are: knowing the client, being responsive, and supplying useful/reliable information in a professional manner. This is no small task and truly is a talent.

Knowledge about the client seems straightforward. However, the seller should also be knowledgeable about the competition, the marketplace and agency itself. These criteria should be established prior to the avail, not when the buyer has 8 hours to complete a buy. Also, a more receptive and positive negotiation is established when the seller does not negative sell the competition. It’s the agency’s job to know pros/cons of each station. So whenever a seller tells me how bad their competitor is, I tune out. Knowing the market and how to tie into the client’s needs is a key component in the sell. You can have a great station but if you don’t strategically identify with the agencies objectives and goals you lose the sale.

In order to effectively sell, the salesperson needs to be available and responsive. Knowing the agencies deadlines and meeting them on time might make or break a deal. All agencies are trying to prove to the client that they can get the message out quickly, effectively, and efficiently. A seller that returns calls and provide incentive opportunities will have an edge on the competition. A successful campaign or launch can be done quickly and executed within the same day. Sellers cannot afford to not react or be proactive in their strategy.

Not only do sellers need to be proactive but once they get the sale, continue to be accountable and professional. Simple as it seems, it’s the sellers responsibility to maintain the integrity of the original order. Buyers should be notified immediately of discrepancies and agree on an acceptable alternative. Stations that disappear or stop showing interest until the next buy is up will have a harder sell the next time. The bottom line is to be accountable for the company you represent. This really goes for both parties. Don’t mislead and be upfront about problems/etc.

Both the agency and the seller want to feel that they achieved the “win”. Negotiating termed, “to arrange for or bring about through conference, discussion, and compromise” is an art. Selling a strategy or concept is the most important part of the sale. So at the end of the day when asked, “Are you a closer”? Not only should the seller confidently say yes, so should the buyer.

Lynne Cowlishaw is PHD’s LMN (Local Media Network) Broadcast Supervisor. Lynne works on a variety of accounts across the PHD Network and she’s based in Detroit.

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A wish-list for the new electronic buying systems

By Kathy Crawford

I have been pitched pretty much all of the electronic media systems out there and they fall into essentially two categories. The first category is the online auctions. The second category is the full blown systems. There is a hybrid of both of these which is some of the online systems are moving in the direction of being a media buying and selling system that mirrors the way we buy time now.

The online auction systems are really more geared towards remnant inventory, which would not affect the major agencies by and large. The systems such as what Strata is talking about are geared towards the future of what we think the industry will really look like. Strata and other companies are trying to get us to an electronic commerce position the way we do business today, before we talk about how we're going to do business in the future.

The online auctions are really for single advertisers or direct response kind of buying where it is less dependent upon a full media plan that has communication goals, etc and that can be used with stations in the market that a participating in the auction. The online auctions for that reason wouldn't be used primarily by the larger agencies because they won't encompass the entire marketplace and may not have available the dayparts or programs that are required in the media plan.

On eBay you have the Buy Now option, well that's probably the open rate card, in theory. No media agency buys that way nor would they. And that really doesn't change the model so the questions for eBay is are they going to change the model? I mean is everything going to go through PayPal? I'm asking that question because one of the problems with the online auctions is there is no billing piece. And then the stations have to run the schedules, which they don't do now. Things change all the time and we end up with 85% discreps now. The station still has the right to move their inventory. In the eBay scenario with no human being involved, how would that really work? eBay is probably going to have to build something and that's going to take a couple of years.

Now for Bid4Spots, stations offer inventory that they haven't been able to sell for the next broadcast weeks. Advertisers get spots at lower rates because stations compete against each other. They say it's a reverse auction where radio stations sell whatever and it's for the next week but we don't normally buy that way. They ask us tofill in all of these things which is fine. That does change the way in which we do business and I have no problem with all that. The truth of the matter is do I know that all the stations in the marketplace are there? I mean this doesn't tell me what stations are available there. That's an issue. Then next week is the only week that I can buy, but I don't want to do that: I want to be able to buy for four weeks. Again, this is best for direct response or something like that where they're buying a week at a time. It's best for an account that doesn't need to have specific goals and budgets on a week-to-week basis. Besides that if I have to buy it weekly through this system then I'm doing it four times in a row. That's really not how we do it and an inefficient use of manpower.

SoftWave Media Exchange is already in radio. They don't have television now but cable has just launched. It's a web-based full service media platform specializing in delivery of automated excess inventory solutions. Well anytime they say that it means it's completely preemptable and, again, I don't know how many stations are participating.

The big problem with all of these guys is if I don't have all the stations in a marketplace participating then I'm limiting myself to the stations that are. Can I buy it and not get preempted? When I buy is it a buy? I don't think the radio stations look at it that way. When they say this is unsold inventory that means its unsold inventory until they can get a buyer. And if somebody at a large agency buys them do they preempt me first?

Scatter TV is now moving into the world beyond scatter. Their problem, and I've said this to them, is that they don't have the whole market either. Then they want to know if we would use it? The issue at hand now is am I now going to buy time differently in Market A from Market B? I'm not sure that that expectation is a reality. They don't have the entire market either. And, we have to re-key it into Donovan.

It's not to say that the future isn't "click and go there" because it could, but all this stuff is standalone and doesn't go into my usual system. So I can't make a buy without having a billing piece to it. And then I've got paper invoices. I need to have a whole system. Now I'm talking from the point of view of a big agency. There are smaller agencies that could certainly do this if it didn't matter to them how much weight was out there or wasn't. It could be a retail operation that is driving people to a store. That could be done through this without a big media plan. And let us not forget Direct Response.

Stations complain all the time about payment, but they don't take responsibility for the problem of preemptions and therefore discrep problems. If they would stop having these preemptions with no notice and allow us access to their traffic system that would change the world. If you go from one end to the other and you say, "Okay week one we're going to upload to everybody what their schedule was versus what they purchased," that would shut the whole discrep issue down. Their payment would be timelier. Discreps wouldn't exist. This model of preemptions to maximize inventory has got to go away in order for the stations to get paid in a timelier manner.

The auction model is not the answer to our commerce. E-change has got to happen. Right now, we can electronically order but we can't make changes to the schedule electronically and that's just ridiculous. We have to be able to do changes electronically. And if we could have the whole thing electronically, wouldn't that solve a lot of problems?

Kathy Crawford is MindShare's President of Local Broadcast.
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Sports is not a “package” deal

By Dave Barnett

When did selling radio become selling packages? Why do we feel compelled to have a ‘package’ for our sellers to push? What happened to creativity and listening to what the client needs instead of pushing our latest package at them? And if selling radio by the package is bad, selling sports play-by-play on radio by the package is much, much worse.

Sports play-by-play broadcasts are the last venue on radio that is not affected by the i-pod or satellite radio; fans still tune into the local station to hear the games of their favorite teams because it is “live.” The play-by-play on your station should be coveted inventory. It should be the prime real estate that you have to sell, yet so many stations try to sell play-by-play using the same methods that they use to sell the regular radio inventory and it is a struggle.

It’s time to start maximizing your play-by-play, it’s time to realize that the sports on your station will help you sell other inventory when you ‘bundle’ it with your sports. It’s time to take a fresh look at how you sell sports...Let’s get started!

The most common problem I see with the way stations sell sports is that they sell sports by the package with little or no flexibility. This is not just a problem at small stations, even the greatest radio stations in the country with the most popular teams still sell by the package. “Will that be the one-spot-per-game package or the two-spots-per-game package, Mr. Prospect?” This package-selling mindset limits your sellers’ options and neuters creative thinking. We must encourage our sellers to be Big Thinkers, and to use the creativity that got them in the business in the first place.

Sports are not about the ‘cost per point,’ the ‘AQH,’ the ‘Cume,’ or any of the other ridiculous numbers that we radio sellers get pigeon-holed into on a daily basis. Sports allow you to supersede all the numbers and focus on how to create a unique opportunity for your client to reach his target audience where he knows they will be waiting. There is no arguing the passion that fans have for their teams or their favorite NASCAR drivers or the local universities, and you can’t always tap into that passion with a package. Why not create a special program for your clients? Here is a quick example:

In a small market (75+), a local station has the rights to St. Louis Cardinal baseball, and, yes, they sell by the package, and, yes, they sell to the same ole’ advertisers who buy everything else. We contacted a local union that spends $0 in the market on advertising. We sat down with them and listened to what they had to say. They agreed that the team was something that their membership had interest in, but they needed to acknowledge their members and recruit new members. Could this have been done with a package? Maybe, but we would have needed a professional copywriter to get it done.

Instead we created the “Member of the Game” feature, using one 60-second spot of pre-game inventory. The first 30 seconds were used to salute a different union member before each game, giving his name, the company that he represents, and a short bio. These were not the union executives that we were recognizing. It was the regular membership—the guy that paid his dues every month, the guy that really enjoyed hearing his name and bio on the air during the game. The last 30 seconds of the spot were used for a recorded message that was geared toward recruiting.

This 60-second spot became a ‘feature.’ It became a very real, tangible item that the union leadership and the membership could touch, feel, hear and see. The union liked it so much that they now buy all of the play-by-play in the market. Even with the station charging a 45% premium for the feature instead of just a 60-second spot package, the union has kept renewing the feature for four consecutive seasons. This is the essence of selling sports. It’s about creativity, it’s about thinking big, and it’s about calling on potential clients who would never buy traditional advertising on your station, or any other station. Sports play-by-play on your station will open doors to your sellers that would otherwise remain closed.

The second-biggest problem I see when working with stations is that every staff has a certain number of sellers who are not sports fans, therefore, they don’t embrace the opportunity that lies before them. This problem is very real for every rights holder or affiliate in the country. There are two solutions to this problem and one is much easier than the other.

The easiest way to address this problem is to create a dedicated sports marketing team to sell your sports. Give them full autonomy to call on whomever they wish. This will give your clients more than one rep from your station, but it allows your dedicated team the opportunity to focus singularly on sports. They won’t be pulled off the hunt because of a crisis with unsold inventory on the station, their focus will not be de-railed by not hitting this month’s budget, and it will allow them to concentrate 100% on your sports properties. The solution of a dedicated team is not always feasible, however, in these days of shrinking budgets.

The other solution is to make it easier for your sellers to understand the nature of selling sports and where the opportunities exist. Help your sellers understand that selling sports NTR programs is no
different than the normal NTR programs they are already selling, with one exception—sports NTR is much easier to sell! Non Traditional Revenue was once just that—nontraditional; now it is a very important part of our everyday existence. We need NTR to survive and your sports allow you to create entirely new NTR opportunities that not only will sell, but can be sold by the non-sports sellers on the staff. In fact you don't even need the rights to the team to sell these opportunities. Here is another example:

A station in a mid market (20) has a professional baseball team in its city, but they do not have the rights to broadcast the games or use the name of the team, the stadium or anything else to do with the franchise, yet they made $45,000 in one day with an event created around the team. Opening day for Major League Baseball is a sacred event. Even in markets that don't embrace the team, Opening Day is special. This station threw an opening day party two blocks from the stadium, sold numerous sponsorships, broadcast live (of course), and web-cast the event. Very little inventory was used for this event other than promos and yet this station hit a 'home run' on opening day, even without having the rights to the game. To say that their sellers don't sell sports is an understatement. They don't even have sports, but they do understand NTR and events. With that knowledge, they were able to sell this sports event! Your non-sports sellers are the same, give them something they understand and you will see the rewards. Just because they didn't sell a package of 'one-spot-per-game' does not mean that they didn't make a sports sale. This is the very essence of selling sports...creativity and flexibility.

Sports are the last broadcast realm that is not being taken over by new technology. Because they are 'live' they will remain a very important part of your station. You will not be lost in the i-pod world or the internet shuffle; you still have a very coveted piece of real estate on your air—LIVE SPORTS PLAY-BY-PLAY! Learn to use your sports to sell your station; embrace the opportunities and don't just lump your sports sales in with everything else.

Selling sports is a mindset, the ability to be creative and have some fun (remember those days in radio?). Selling sports is not about selling packages. In fact, I would say that if you sell sports by the package you are leaving money (big money) on the table. My guess is this is how things started in radio sales, creating very specific programs for individual clients. What a concept—solving their needs, not selling our packages!

Dave Barnett is the Director of Sports for Emmis Sports Marketing - ESM works with radio and television stations as well as cable systems around the country using the 'PlayBook' approach to increase sports sales.

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The rise of Sportsradio
850 WEEI

By Jason Wolfe

Sports Radio is about passion. In Boston, sports fans are arguably the most passionate of any city in the country. In the Fall of 1991, WEEI was launched as Boston's first all sports radio station. The station was very standard with respect to elements and format. We did traffic, weather, even news updates, in addition to sports flashes, but there was incredible excitement each and every day, and the sky was the limit in terms of how successful we could be.

The early years were difficult. We had a non sports morning show that wasn't making it, limited success selling ads and nothing to refer to in terms of a model to follow. It was clear that simply opening the microphone, mixing in a few guests, and taking calls was not going to cut it long term.

In the Fall of 1995, things began to turn around. Glenn Ordway became Program Director and the host of an afternoon drive show, called the Big Show. He paired Dale Arnold and Eddie Andelman, (The A Team) two of our biggest personalities and two people who were complete opposites, and the show became an instant hit. In addition, we moved the Red Sox broadcasts from our sister station WRKO over to WEEI. All the pieces were beginning to fall into place. The new shows were ratings winners, the ads were starting to roll in and the station sounded more complete, at least from noon until midnight.

I was promoted to PD in September of 97 to give Glenn the time to focus on the success of his show, and my immediate goal was create local programming from 6am until noon that would match the success of the A Team and the Big Show.

Sports Radio is not unique with respect to having to provide a compelling and entertaining product in order to be ultimately successful, but in major markets like Boston, if you're not local, you're not going to win. We had Imus in the Morning and the Fabulous Sports Babe from 10 to noon. We needed another spark to help the station continue its growth.

We got that spark from John Dennis and Gerry Callahan. They joined our lineup replacing the Babe in October of 1997 and two years later moved into morning drive replacing Imus, which proved to be the real catalyst for the station to take off. It gave us the opportunity to expand our two other dayparts by an hour and gave us three solid, local shows from 6a to 7p that were all outstanding. In addition, we dropped traffic, weather, and news, to make more room for the hosts to talk. We focused on what our listeners wanted, compelling, energetic discussion, with as few interruptions as possible. This became a very big selling point with our advertisers because they realized that they could work with us to create high profile features that ran as regular inventory and by extension they would own a piece of the product instead of a straight media schedule or a basic sponsorship. Over the last seven years, our business has grown every year and our clients have become more passionate than ever about being on board.

Finding the right combination of talent was certainly a key and one that gave us an incredible boost not only from a ratings standpoint, but in the pocket book as well. However, we still needed something else. Another ingredient that could be the frosting on the cake. And we found it in the area of production. We wanted a spice that made our hosts larger than life. We wanted them to become caricatures of themselves, cartoon characters, people who the average Joe could relate to both on a personal basis and a professional one. So we hired a full time creative services director to completely re-focus the imaging of the radio station and instead of promoting the content consistently, we began to promote the personality of the hosts. We created bits about them, parody songs, sweepers and shots run in and out breaks poking fun at them while incorporating the topics they were discussing. And we created the whiner line. The Whiner line is, by far, the most hysterical 15 minutes of radio anywhere. It's a pre-produced series of voice mails where callers imitate our hosts, other callers, sports figures both in Boston and across the country, and other celebrities. When we first added this feature as the concluding segment to the Big Show, we had one open for it and no sponsorship. Today, we have 75 opens and we're well into the six figure range in terms of sponsorship. The segment became so popular, we created an event around it called the Whiney Awards. This year's version was held before nearly 4,000 people at the Boston Garden. All of these elements have helped transform WEEI from a player in Boston, to the market leader, both in terms of ratings and revenue.

The station has been ranked #1 with Men 25-54 for 12 straight books. We've been ranked #1 with adults 25-54 for seven out of the last eight books. We've been voted the top sports station in the country at the Annual Sports Radio Conference presented by ESPN for three straight years, and we've been nominated for the Marconi Award as Major Market Station of the Year two years in a row. Yes, three Superbowls and a World Series Championship helped. I think we lived through the greatest four year run any sports station could have hoped for in terms of team success. We've also been able to expand our brand to Providence through the purchase of 103.7, WEEI FM and soon to come, 105.5 FM WVEI in Springfield. The power of this brand is as strong as any radio brand in the country, and I expect us to continue to look for opportunities to build it out.

The last seven years have been amazing to watch. Clearly, from a programming standpoint, I'm thrilled to have been a part of this incredible story. But being able to produce a product that clients are now fighting each other to get involved with is equally as gratifying. WEEI was a middle of the pack biller for years, even as the ratings continued to grow. But in the last three years, sales has taken off and last year we were the top billing station in Boston for the first time.

Our success is unprecedented in Sportsradio today, but it goes beyond what we do on the air. WEEI is a tremendous community partner. Since 2001, the station has raised just over 7 million dollars for numerous local charities. Last year, our signature event, a radiothon to benefit the Jimmy Fund raised 2.3 million in 18 hours. It is our obligation to give back and we are extremely proud to do it.

Our philosophy has always been the same. Be passionate, be provocative, be entertaining, all under the umbrella of sports talk. It's been a great ride, and I hope we can ride the wave for many years to come.

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Jason Wolfe is Entercom's WEEI Director of Programming and Operations. He can be reached at 617-779-5800 or jwolfe@weei.com
The Art of the Interview: “Hiring the Best”

By Julie Ballard-Lebe

Hiring ‘the best’ employees has to be the single most important and most challenging responsibility facing media sales management today. It sets you and your company up for maximum performance in an ever-changing competitive environment. Hiring this special person takes experience, time and lots of listening skills (and the openness to learn from your past mistakes). Would you believe that 40% of all hires are considered poor hires after the glow of the new, well-polished interviewee wears off and the poor work habits kick in? You can help prevent a hiring mistake by keeping a few key points in mind:

- First start off with the basics: Establish what qualities and skill-sets you are looking for in a candidate in advance. Set an uncluttered amount of time aside to do your interview and allow no interruptions so you can give the candidate all of your attention.
- It’s a courtship! An excellent way of seeing what you’ll be getting in a future hire is to establish a business relationship that you can cultivate over time. Investing time in a new relationship prior to making the hire can provide a lot of valuable information about a future hire. Take the future candidate out for breakfast or lunch. Invite them to join one of your committees or to a networking function.
- Actively listen to what your candidates are saying and (more importantly) what they are not saying. Should you be looking to fill a sports manager’s position, ask this question of the candidate: “What do you do during your weekends (other than working)” and just sit back and listen. If they love to read, go to plays, do charity work, that’s wonderful, but not the person that you would probably want to hire to specifically fill a sports manager’s position. Hopefully your future sports manager spends their weekend doing something sports related.
- People drop clues. It’s up to you to pick them up and listen to them. Another comment that sends warning signals is when the prospective hire says that (s)he is looking for a “comfortable” place to work. If someone wants comfort in this day and age then get out of the media business and go somewhere else.
- Check your own sources! The number one question that I like to ask when I’m calling references is “would you hire them (or re-hire them) if you had an opening?” That will tell you volumes about what the reference on the other end of the phone truly thinks of the candidate. Checking the candidates list of references is OK, but it’s more valuable to ask the candidate for a full client list and then, discreetly with the interviewee’s permission, call those contacts that you know personally so that you can get the real picture. Or if you don’t know anyone on the list then ask the candidate to tell you who they work with.
- Check the references provided: “Oh, I just love Sally...she e-mails me the inventory sheet and rate cards and lets me do whatever I want”. OK...well that’s one reference that speaks loud and clear. I don’t think I’d hire this candidate as a salesperson and would hope that she stays put at the competition. But then you have another client that says “Oh, Jane. She’s OK I suppose, not my favorite...she stops by my office to see me regularly and tries to sell me new opportunities on her stations”...now that’s someone I want to take a serious look at.
- Keep your mind open and do not jump to any conclusions of who you will be hiring until you’ve seen every candidate. More times then not, I think I’ve got it all mapped out of who I’m going to hire and when a new last minute candidate surfaces that would make a very interesting hire. What you do not want to do is ever give the indication that you will offer the job to anyone, no matter how perfect you think they are for the job, until after you’ve checked out their references thoroughly and you’ve seen all of your candidates.
- The candidate’s follow-through is key. You never want to “sell” anyone into taking a job. Not following up after the interview says one or two things: either they are not interested in the job or they don’t have the professionalism you’re looking for.
- Look for honesty and integrity. This hire represents you and your company. No matter how qualified the candidate is, if you sense for a single moment that you’re getting “sales-speak” and not an open and honest dialog, then move on. This person is not the right choice. Asking the candidate what their weaknesses are can be an enlightening question. It’s not if you’re going to find out what the candidate’s weaknesses are it’s WHEN. I respect a candidate that is forthright and speaks honestly about what their true weaknesses are versus the ones that are trying to blow smoke up my skin.
- Don’t feel like you have to rush and hire someone. Take your time and make the right decision because you will end up paying for it dearly trying to correct your rushed mistake.
- Don’t get cocky! Like clockwork, if I take any short cuts or don’t conduct a thorough reference search (of my contacts, not necessarily theirs) wham...I’ve ended up making a bad hire. It never fails. Great hires don’t fall from the sky and just land on your doorstep. Like the old saying goes: “if something seems too good to be true”...it usually is just that...not true.
- “I have several good choices. Which one do I choose?” The answer is right there inside of you. What I do in this case is leave the office with my notes from each interview and my pages of reference comments. I write the reasons why I should hire the person and the reasons why not for each of the finalists. Your instincts will guide you if you are 100% honest with yourself and you listened for all of those “clues”.

Julie Ballard-Lebe is a 19 year veteran of CBS Television Stations and is currently Senior Vice President/Director of Sales managing 7 of their 10 national sales offices.
FOX News Radio recently celebrated the one-year anniversary of its five-minute news service. Since the launch on 6/1/05, the network increased its five-minute stations to 331 from 58, making it the fastest growing radio news service ever. FNC is also the supplier for all Clear Channel News/Talk stations and is a RADAR-rated network. FNR provides news affiliates with a five-minute newscast at the top of every hour, and a minute at the bottom of every hour. During breaking news, Fox News Alerts are fed up to six times per hour. FNR provides anchored coverage of major news and events, ranging from presidential news conferences to natural disasters, as well as unanchored coverage consisting of raw feeds of breaking news events. The service also includes access to Fox News reporters. Here we ask FNR SVP Kevin Magee about the first year:

How did you celebrate the one year anniversary?
We had an ice cream cake delivered to the newsroom and they were invited out for an adult beverage or two at one of our favorite watering holes across the street here, a place called Langan's. The overnight guys, because they are always forgotten (I used to be an overnight guy and know how that is), we're making sure they are getting some bagels and coffee, just sort of something to remember them by.

What changes and improvements have you made to the newscast in its first year?
Well we now have Dave Anthony doing morning drive for us and Lisa Brady doing evening drive. As part of the normal start-up operation, you bring a lot of people in and you see who rises to the top. We actually hired Dave to be our overnight guy and boy he sounded great and really has a terrific writing style. He's a very good storyteller, great use of sound. Lisa is as good a breaking newsperson as I've run across the street here, a place called Langan's. The overnight guys, because they are always forgotten (I used to be an overnight guy and know how that is), we're making sure they are getting some bagels and coffee, just sort of something to remember them by.

How fast can Fox News Radio get an alert on the air to affiliates?
Tell us how it's done.
We have our own internal wire system in which any reporter anywhere in the world can enter an “urgent” in the system to let everybody know at the same time the story they are covering has changed. We also have what we call the “320 line,” which is a toss back I think to an ABC product. Our people in Washington can dial one phone number and their voice appears on the decision makers’ desks all over the organization and they can just say, “I'm Carl Cameron, I'm at the White House, this just happened.” That way everyone in the FOX News organization knows there's been a change in the story instantly. We have a shout down line to our affiliates. We have become robust and dependable as quickly as I could ever imagine.

Tell us a little bit about the people that you pull from FOX News.
I cut my teeth at ABC Radio in the '80's and it was always very difficult to get the TV stars to file for us. Because FOX is a different organization, we have a different response from our TV people. They love it, they love to be on air. Airtime is oxygen to talent and our guys are more than happy to file. Eric Shawn, who is a New York based reporter, is delighted not just to file but comes and does two-ways with our bigger affiliates.

One of the things we've found in the past year is how much of a service organization radio news needs to be. There are stations that don't necessarily want to give up five minutes at the top of the hour to do a network newscast, but because of the world we live they are extremely interested in talking to our guy in Baghdad. So part of what Mitch has done is set up a very robust organization to get them two ways every morning. And our television brethren have been extremely helpful with that. Shepard Smith does our 5:00 PM ET newscast; he's sort of our headline.
FOX NEWS CHANNEL CONGRATULATES

FOR A RUNAWAY SUCCESS
ON THEIR FIRST ANNIVERSARY!

"Just like in the cable news business, FOX News has quickly established itself as the premiere brand in radio news."
- Andrew Lee, PD - News/Talk 1430 WXNT Indianapolis

"FOX News is a key piece of our YOUNGER. SMARTER. BETTER. branding of 97.1 FM TALK."
- Jeff Aten, PD KFTK-FM St. Louis

"I have never seen a brand with so much passion and I'm glad it's now associated with my station."
- Nick Roberts, PD WCRX-AM Dayton

"Our listeners consistently tell us how much they appreciate having FOX News available on the radio, and they trust our news coverage more because of the FOX affiliation."
- Phil Tower, Dir of Prog/Ops - NEWSRADIO WOOD 1300 Grand Rapids

THE MOST **POWERFUL** NAME IN NEWS . . . EVERYWHERE
RATINGS: PPM vs. Media Audit

The future of radio ratings

With the Next-Generation Electronics Ratings Evaluation Team down to two finalists to bring electronic ratings to US radio, RBR asked both The Media Audit/Ipsos (TMA/I) and Arbitron to answer a series of questions about their systems.

What advantages does your system offer over its competitor?

Arbitron: Arbitron's PPM service is ready to go! There is now a check mark by hundreds of market tests, industry studies, system enhancements, independent audits and due diligence. With more than 14 years and $80 million in development behind it, the Portable People Meter (PPM) is ready today for implementation.

Radio broadcasters, advertisers and advertising agencies have been pounding the drum for a faster implementation of electronic audience measurement. Arbitron is addressing that marketplace need and making the transition to electronic audience measurement in Houston this year. The PPM is a proven system. The reality of the PPM is in stark contrast to those who are trying to find someone to pay for a test to see if their product idea might work.

TMA/I: The Media Audit/Ipsos designed a media measurement system not for the next few years but for the next several decades. Our solution takes into consideration today's lifestyle, technology as well as the need for flexibility to adapt to lifestyle and technology changes in the future.

A key advantage to The Media Audit/Ipsos solution is the data collection instrument - the cell phone. A primary way to achieve high cooperation and compliance is to passively integrate your media monitor into peoples' lifestyle. The cell phone does that!

The Smart Cell Phone solution is much more than an electronic radio measurement system. Advertisers want to know consumers' interest-related media exposure. The Media Audit/Ipsos Smart Cell Phone media measurement solution does this - holistically measuring the consumer, their shopping patterns and their exposure to all media, radio, TV, print, outdoor & etc.

The Media Audit/Ipsos Smart Cell Phone uses two audio monitoring systems: Encoding and Signal Matching. While it is expensive to have dual monitoring systems, it is important. This is a great benefit for radio as it means that if a station's encoder goes down then the listening isn't lost because the signal matching feature will pick up all radio listening.

How far along are you on having a product ready to deploy for US radio ratings?

TMA/I: There are two components to introducing and working with electronic measurement. 1) Proving that the technology works. 2) Getting comfortable with the ratings results.

So far The Media Audit has conducted studies of cooperation and compliance here in the US. These studies showed that the consumer was much more likely to agree to participate in a panel using a cell phone than a pager. This means that the sample will be much more representative and reliable. In a few weeks The Media Audit/Ipsos is embarking on a series of transparent tests including committees from the radio and advertising industries. These tests will prove the different attributes of the Smart Cell Phone. Results will start to flow in early summer.

Arbitron: Houston is set to become the first market with Next Generation Electronic Ratings produced by the PPM. Pending accreditation by the Media Rating Council (MRC), this could be as soon as 2006! Philadelphia, Los Angeles and New York will follow in 2007.

Where do you stand on getting MRC accreditation?

Arbitron: Arbitron's ratings services have undergone the scrutiny of accreditation audits for 38 consecutive years! We have been unwavering in making the significant financial and logistical commitments needed to receive MRC accreditation. We recognize that the transition to electronic measurement will be a significant change for radio, and we have made a commitment to have MRC accreditation before the PPM replaces the diary service in Houston.

TMA/I: As we speak, the full documentation on the technology, the tests, software algorithms etc. are being sent to MRC for the Proof of Concept stage of the MRC Accreditation process. Before the end of the month a detailed write up of the methodology will be forwarded to the MRC. We expect Phase I will be completed by this fall and the accreditation phase will be well under way by the end of this year.

What timeline would you project for having the first market(s) up and running?

TMA/I: With industry approval the first market up and running will be Houston. The roll out then switches to the top 3 markets, New York, LA and Chicago, which will have ratings starting next summer. 12 markets will be out by December 2007. 26 markets by then end of 2008 and all top 50 markets by then end of 2009.

Arbitron: Developing a sample frame that is statistically projectable to a market's population is an extremely complex matter. It is far more complex than standing around in a mall asking people if they will take part in your survey. The demographic complexities of large metropolitan areas require sophisticated systems to place and manage a representative sample.

Drawing on years of sampling expertise, Arbitron has developed proprietary systems that will result in the placement and conversion to PPM audience estimates on an aggressive timetable. After Houston, PPM ratings will arrive in Philadelphia, New York and Los Angeles in 2007, the remaining Top 20 Metros by 2009, and the Top 50 by 2010.

What about cost?

Arbitron: As a matter of principle, Arbitron values the relationship we have with our customers and, correspondingly, does not conduct price negotiations through the press.

While specific pricing would be beyond those boundaries, it is fair to say that, without question, an electronic measurement system that will provide the level of information sought by the industry is more expensive than the paper diary system. Recruiting, maintaining and managing a representative panel is the single largest component in that cost. Arbitron has been very forthcoming with our customers about the additional financial investment that is necessary to make electronic ratings a reality in the United States. The dollar increase, while not insignificant, will provide forward-thinking radio operators an incredible opportunity to revolutionize the industry.

TMA/I: The Media Audit/Ipsos solution is more expensive than what broadcasters are paying for diary service. However it is much, much less than the purported 65% premium that Arbitron is talking about.
The Media Audit
Smart Cell Phone

Single Source
Multi-Media
Ratings Service
Will Cover:

- Radio
- Broadcast Television
- Cable Television
- Daily Newspapers
- Outdoor Billboards
- I-Pods
- Mp3 Players
- Satellite Radio
- Satellite Television
- Radio Streaming Over the Internet
- Television Streaming Over the Internet

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Connecting media consumption with purchase consumption

By Joe Pilotta, VP/BIGResearch

America's leading marketers, according to the ANA, have rated accountability the biggest issue facing them in 2006. Accountability, according to ANA, is the development and measurement of ROI on the marketing dollar and how to implement measurement process. ("Ad Accountability is Key Issue for Top US Marketers", March 30, 2006.)

The die has been cast, radio and TV need to cross the Rubicon. But the issue that must be addressed is ROI, it is a front end issue; it starts with media planning not back-end bolt on. Accountability requires a way to create measurement which cut across all the "(new) media". In September of 2005 the World Federation of Advertisers, (WAF), issued a challenge by publishing the Blueprint for Consumer Centric Holistic Measurement; illuminating the desire for a measurement tool to connect all media from a consumer point of view connecting their media usage, (not by demographic or psychographic,) to present and future purchase decisions.

The WFA blueprint is embodied in BIGresearch's SIMM, Simultaneous Media Consumption Model and its new metric based clusters. Four key elements comprised the media consumption model, i.e., (a) the experiential time each person spent with each media form by day-part, (b) the amount of simultaneous media usage (multi-tasking) that occurred, (c) the various media combinations attended to, which allowed the identification of "foreground" and "background" media development, and, (d) the impact of the synergy or media interactions at the consumer level, to enhance or decrease consumer response to the media exposures.

The SIMM database is based includes thirty-one (31) media forms ranging from radio and television to iPods to game platforms and consumer usage of those media forms and types concurrently and over time. (Schultz, Pilotta and Block, 2005) With the huge explosion of new media forms, new media technologies and the continuing time constraints of consumers, simultaneous usage or media-multi-tasking is a continuing and growing phenomenon. (Klues, TVBR, 2006)

Based on the above analysis the following clusters of media consumption styles have been identified based on our triangulated analysis of SIMM.

**The Eight Media Consumption Clusters**

1. **Old School** - High mass media (TV, magazines, newspaper) influence and low in search media (online). Average overall media consumption and simultaneous usage.
2. **Active Explorers** - High promotion (inserts, coupons, direct) and search media influence. Average media consumption.
3. **New Mediacs** - Low mass media and promotional media influence. High electronics media consumption. Low print consumption.
4. **Simultaneous Readers** - Average overall media influence. High network simultaneous usage. High print consumption.
5. **Independents** - Average search media influence. Low media consumption.

In addition to the identifiable media clusters, thirty-five (35) clusters of lifestyles or leisure-time activities are gathered in the SIMM studies. Those have been connected to well-defined product categories of purchasing.

**Extensions and Advantages**

The new media planning approaches provided by the media cluster analysis, provide many advantages. Some of those are:

**Purchase intention by retailer**

The clusters developed in this paper can be extended into the following area of SIMM data, i.e., purchase intention by product category as well as preferred retailer. These two areas have been grossly neglected by radio and TV in current media planning approaches. By including this information, the media cluster approach enables the retailer and/or manufacturer to understand their customer's media usage behavior, purchase intent and the media motivated sales which result. That would appear to be a major improvement over traditional media-distribution-based models.

**Customer-centric**

With this media cluster analysis approach radio and TV stations can partner with manufacturers to become much more consumer-centric and are better able to partner with their retail channel outlets to facilitate product movement across all media as well, thus, connecting external media to in-store promotion. Retailers are demanding advertising to be relevant to the customers. A critical part of the media consumption clusters includes ten (10) types of in-store promotional media, thus providing a holistic media consumption profile of consumers. This should enable manufacturers to create intervention strategies within the various retail channels as needed. Radio and TV can be drivers of in store promotion for trade dollars, which is the mother load of investment dollars. For example, the retail channels in the SIMM data can be viewed by region, MSA, DMA and, in some cases, state and city.

**ROI**

Return on customer investment models must align themselves with consumption "work", i.e. consumer investment of time, money, knowledge, information, trust and taste. SIMM data addresses all of these components. Only by understanding consumer consumption expectations and identifying the shifting tastes and preferences of consumers are more sophisticated media planning models and accountability measurement possible. They are certainly lacking in the existing econometric models that are now being used to attempt to determine return on investment (ROI) through traditional, rearview mirror research methods. Only with present and future oriented data with predictable result can accountability measure be generated ROI starts with the consumer.
Station trading finally picking up

After a few years of little action in the station trading market, things appear to be picking up—and that's true for both radio and TV. There have been major deals in radio for Susquehanna and ABC Radio, with CBS Radio now shopping a significant portion of its group, while TV trading has included the entire station portfolios of Emmis Communications and Liberty Corporation, along with six NBC stations and several divestitures from Raycom and Media General, following their big buys of, respectively, the Liberty and NBC stations. More recently, Tribune Company announced that it might sell some TV stations as part of an effort to divest $500 million in non-core assets.

"We think business has picked up fairly sharply. It is particularly true in television," said broker Larry Patrick of Patrick Communications. "In television what we're seeing is a fair number of people trying to do in essence legal duopolies by doing joint sales agreements (JSAs) and buying the competitor. We look back over the last couple of years and there haven't been tons of sales but I know we are just very busy with a number of television deals that all have come up in the last say four to five months," he said.

"Radio continues to be steady although obviously there are two types of deals. One type are the smaller the deals always getting done and the other type is that there are starting to be for the first time a few shake-outs from some of the bigger groups. Not all of the big groups, but some of the bigger groups who are shedding some assets that are perhaps now not performing quite as well or physically they are located far away or they're just not the core assets the companies want to keep," Patrick said.

The biggest such trimming of assets, at least that has been publicly announced, is CBS Corporation saying it is interested in selling its radio stations in 10 markets—and not necessarily the company's smallest markets. All in all, the list runs to 39 stations whose value could approach a billion dollars.

Meanwhile, as Citadel Broadcasting prepares to close on its $2.7 billion acquisition of the ABC Radio group, Citadel CEO Farid Suleman has indicated that he plans to divest about $150 million worth of radio stations. He hasn't named markets, but it is pretty clear that he is looking to transition Citadel out of some of its smaller markets to focus on big markets, including those coming in the ABC transaction.

Who are the buyers?

"It's a lot of existing broadcasters backed by private equity," said Eddie Esserman of Media Services Group. "It's some guys who have owned or operated who want back in and think that multiples are coming down to an attractive level to attract their interest. There seems to be a resurgence of the broadcasting entrepreneur who has been notably absent for the past few years, probably driven away by multiples," he noted.

Are the public companies going to be sitting on the sidelines just watching this?

"Well they're not very acquisition minded right now unless it's incredibly strategic," Esserman told us.

So, with inventory coming on the market and plenty of would-be buyers, is the bid-ask finally getting closer?

"It is. It's not matched yet, but then again I'm not sure that it ever matches, but I think both have come down a bit and I think we're getting maybe a rung or a rung and a half apart which is pretty good. Deals can get done on that spread," Esserman said.

In TV, Dan Graves of CobbCorp says one reason that we're seeing more activity this year is because it is an election year. "Even years are always more active than odd years and the reasons are pretty straightforward. As you know, cash flows for TV stations at least tend to rise in even years—so if all other things were equal and you were going to sell a TV station, you would rather sell it off an even year cash flow than an odd year cash flow because usually it's more. So there's that element. But even more than that, there was a dip in the early part of this century, you know '01, '02, '03, I think driven by a lot of different things including a downdraft in the business. Cash flows were low so people stayed away from selling them. What really changed that was the Emmis process last year—probably driven more by Emmis' eventually desire, which we've seen is to take the company private, but at the time they sold off a large group of television stations and that auction went particularly well. I think a lot of folks looked at that and said, boy I've been thinking about whether I want to sell my television stations or not and what Emmis got for their stations is pretty exciting to me—I think I'll try to sell mine. On the back of that, around the turn of the year, Raycom sold a number of stations as well," Graves explained. Successful selling activity spawns more selling activity.

With CBS Corporation now actively shopping radio clusters in 10 markets, Elliot Evers at Media Venture Partners says he wouldn't be surprised to see some publicly traded radio companies try to go after those prized and rare assets the way Lew Dickey did at Cumulus Media—using an off-balance sheet entity with private equity backing to do the bidding. "People believe in the radio business and when you've got assets of a caliber of ones, for example, that CBS is putting on the market, you may see talented operators backed by large private equity funds who have money to burn, believe in the business creating off-balance sheet entities to grab those assets. At what price, time will tell, but seeking to grab those assets in what they think might be an historic moment where the future of the business is compelling for them and the pricing is pretty attractive," Evers said.

Just how much money is out there looking for a place to be invested? Evers noted a recent statistic that there are now 260 private equity funds with over $1 billion each—and some of those have many, many billions. "You're not a player anymore in that world unless you've
CBS Radio stations on the auction block

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*in thousands, BIA estimate -- Source: BIAfn MediaAccess Pro

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CBS Radio stations on the auction block
that the moment in time we're seeing where we com-
plain about quarter-over-quarter growth in the indus-
try is just that, a moment in time, and this too shall
pass. It's how they make their money—by making
somewhat contrary investments," Evers explained.

In TV, Evers admits he is a bit astounded by how
strong the market is for stations, with 13 times prob-
able the average multiple of recent deals for network
affiliates. Ad growth is far from robust, but TV people
are bullish on DTV and new media platforms. Fellow
MVP broker Brian Pryor noted how many times he'd
been at an investor conference where everyone on a
TV panel positioned themselves as something other
than a traditional TV broadcaster. "None of them are
talking about the rates of advertising growth or how
strong local or national is or could be—they're all
talking about how I've got these opportunities for
multicast. I've got these opportunities for new busi-
ness plans around the surplus spectrum that I get with
the transition to digital; I'm going to grow my new
media and my online presence and it's going to be
15% of my revenue in five years; I've got retrans
compensation from the cable guys—those are all the
things that they are talking about," he noted.

"I think the FCC has caused this," said Larry Patrick
of the pickup in TV trading. "There were a lot of
stations in JSAs. They announced two years ago they
[the FCC] were going to do something about it. They
really haven't done anything about it. I think they
realized that smaller and middle market television is
in deep, deep trouble. That they need help. They
lost network compensation. They had to pay a ton of
money for digital. Yeah there's a promise of maybe
retrans consent and maybe multicasting will help, but
there's no guarantee those cash flows come on line
in the middle and small markets any time soon. So I
think they've realized that we may not legally autho-
rize this and bless it, but we're not going to neces-
sarily stop these JSAs," Patrick said, so other groups are
now taking the trail blazed by Sinclair and Nexstar to
have partner companies acquire stations to JSA that
can't be purchased as outright duopolies.

What can happen that would put the lid back on
this trading spurt?

"I think one of the things that's truly driv-
ing the trading market is the availability of
credit and certainly if that were to tighten it
would, as it did in the early '90s, put a lid on
the market," said Dan Graves. "I'm not sug-
gesting that we're going to go back to HLT or
anything like it, but the fact is that the credit
markets have been very good and that helps the
station trading market. Television properties are high
free cash flow generators and naturally are suited to
leverage, particularly if you are a financial investor.
If that market were to go away it certainly would
have a dampening affect on station trading," he said.
PPM Is Rolling Out Across America

By 2010, PPM will be in the Top 50 markets... and measuring 65% of the country's population*. A growing number of radio executives are anticipating the benefits and opportunities that will be provided through PPM™ and Next Generation Electronic Ratings℠.

*Population 12+, Arbitron-rated radio markets 06/PPM-403