

Radio's Premier Management & Marketing MagazineSM

RADIO INK[®]

FCC
DO'S & DON'TS

**ARE YOU A COACH OR
DICTATOR?**

**DIRECT RESPONSE
COPY TO GENERATE INCOME**

**JACK TROUT:
EAR VS. EYE**

**MAXIMIZING
YOUR PD'S TIME**

**SELLING
DIRECT MAIL
TO MANUFACTURERS**

TRIAL BY OWNERSHIP

**STEVE DODGE, CEO,
AMERICAN RADIO SYSTEMS**

Vol IX, Number 14
July 11-24, 1994





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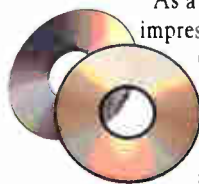


THE WORLD'S
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No matter how technologically advanced an industry may become, it's always a good idea to keep things simple. Well, what could be simpler than programming audio by hand? The Pioneer CAC-V3200 Compact Disc Autochanger.



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However, if you just want to get practical about the whole thing, you can look at it this way, too. The CD Autochanger makes audio programming so absolutely efficient and error-free that your life will be made easier and your business could become more profitable. Which makes it seem rather impractical not to find out more.

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Here's How It Works.

Your station will get its own Psychic Friends telephone number, and for every call generated, you'll get \$.80 per call per minute. The average call is 11 minutes, and lots of people call.

You can run our spots whenever you want. It's your decision. But the more you run, the more money you can make.

All call counts are monitored and audited by AT&T, and you'll get a monthly statement showing how many minutes. Then you get a check from us. *Probably a big check.*

This Is A One Shot Deal, Folks.

Are you starting to get the picture? This could be the single most lucrative proposition you'll ever have. But we're only going to do this once. And only one station in each market gets the opportunity.

You will do *very* well with our offer, but if it's not right for you, we still have a lot to talk about. Because we can **guarantee** that you'll make more money with our offer than if you sold us the time.

Call today before another station in your market does.

INPHOMATION, INC.

Bonnie Lasky at 305-973-0621

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Special Report: FCC Do's & Don'ts

Today's GM faces more regulatory involvement, with noncompliance more expensive, than ever. Inside, a guide to the most significant requirements.

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Interview: Steve Dodge, CEO, American Radio Systems ▼

Dodge discusses the formation and development of American Radio Systems, going public, and what he calls the "BS" factor in the information superhighway issue.



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July 25

- Alan Box, president, EZ Communications
- Is There Anything New In Radio Research?

Cover photo by Fayfoto

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Jim Christian
Chairman and
Chief Executive Officer



July 11, 1994

Dearest Advertising Agency:

Because of the ever-changing environment of the radio industry, it is becoming increasingly challenging for advertising agencies to keep abreast of current radio trends. Developments exclusive to the radio industry such as new guidelines from the FCC, the birth of new formats, and duopolies, constantly redefine the radio industry. At TAPSCAN Inc. we share the responsibility of keeping a finger on the pulse of the industry with you.

In order for us to remain on the cutting edge of technology and continue to best serve the needs of our advertising agency clients, TAPSCAN Inc. must continue to stay clearly focused on those changes within the radio industry. This will ensure that our agency clients will be able to address the radio medium's growth and change with the utmost technology and sophistication.

TAPSCAN has always regarded *Radio Ink* as a primary resource in keeping abreast of current activity within the radio industry. We confidently look to this valuable publication for trends in radio buying and selling, listener changes, new ideas on added-value promotional tie-ins, and many other issues that affect, not only radio stations, but also advertising agencies that buy radio.

Therefore, it's with this confidence that we would like you to enjoy this issue of *Radio Ink*, compliments of TAPSCAN. We believe you will find this publication to be an informative and interesting source of radio information.

Please feel free to contact me with your feedback on this trade magazine, or with any questions regarding the TAPSCAN Media Software Systems.

Sincerely,

Jim Christian
Chairman and
Chief Executive Officer

Drew Simpson
Vice-President
Strategic Marketing and Sales

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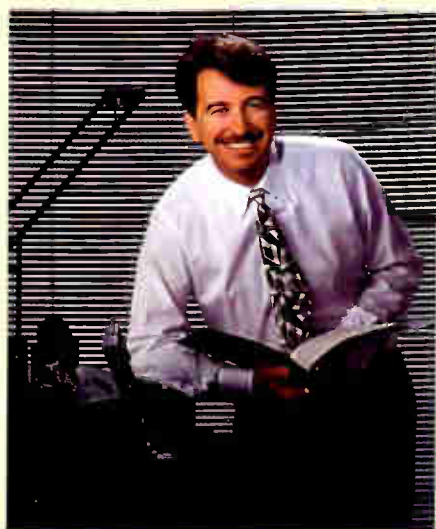
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• TORONTO

• VANCOUVER

PUBLISHER'S NOTES

If You're In The Advertising Business ... Read This



There's a saying, "If you do things the way you've always done them, you'll get what you've always got." It's my belief that those in the advertising industry who formed impressions about Radio five, 10 or 20 years ago should re-investigate the medium and its selling power. Radio is entering a new "golden age."

In this explosion of new media choices — 500 channel cable et al. — the consumer will become overwhelmed and confused. In the midst of this confusion, Radio will remain stable

Not only does Radio offer consumers stability and comfort, but it also has the finest targeting opportunities for advertisers of all media. You can reach any narrowly defined audience through myriad targeted Radio stations. And Radio is easier to buy than ever.

Radio's share of total advertising dollars has grown significantly, as have listening levels. Radio offers audience loyalty with personal involvement which translates to one-to-one selling power. Consumer research shows listeners consider themselves close to their stations' Radio personalities. Advertisers are

always searching for consumer trust and Radio is trusted by its listeners.

Radio is a powerful tactical medium that can respond immediately to your strategic needs. Putting the entire country on notice of a change in your product or service can happen literally in a matter of hours. New electronic spot distribution systems make Radio more immediate than ever. Yet Radio also is a cost effective way to create or reinforce an image. Recent studies show image transfer from Radio to be a powerful and cost-efficient way to reinforce the visual message created from a television or print campaign. And Radio reaches people when they are closest to their purchases.

Radio is also one of the most misunderstood media. Few advertisers admit to knowing how to do really good Radio and therefore default to their comfort zones. Yet as one who has made a living in the Radio business, I've seen fortunes amassed by companies who followed the advice of a quality Radio rep who understood the importance of excellent creative and well-placed frequency.

If you're not yet part of the huge group of advertisers rediscovering Radio, I encourage you to put Radio to the test. If given equal dollars, proper placement and frequency, and excellent creative, I assure you that Radio will meet your goals and sell your product.

This issue of Radio Ink has been mailed to you and thousands of other leading executives in the advertising business. The pages have not been changed for this special mailing to the advertising community, but have been left intact for our core readers (Radio executives). We thought you might like this opportunity to take a look at the inside track of our industry. After all, you're the customer we're often writing about.

Eric

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READER LETTERS

WOWO's Last Stand

This flap over WOWO ignores one very, very important issue: WOWO is not Class 1-A Clear. It is 50 kW, but it operates directionally at night with a very deep null to the west.

I'm sure the Inner City folks intend to modify the directional pattern somewhat or reduce power at night so that

they can get nighttime authority at WLIB. So what if WOWO operates with 40 kW instead of 50? So what if they institute a null to the east? How many people in Newark listen to WOWO anyway?

Granted, nobody cares if New York City gets another full-time AM, but the "death" of WOWO is being greatly over-exaggerated.

Larry G. Fuss
President/GM
WDTL
Cleveland, MS

Your editorial on WOWO [April 11-24] was right on the money — this industry was built on the strength of the old line AM "clears." To buy one in order to reduce its strength is like buying Mt. Rushmore so that one could add the likeness of Elvis Presley.

Steve Wyman
President

Steve Wyman & Associates
Marietta, GA



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Well, I Never ...

I would like to respond to the criticism of me by Lewis Graham [Reader Letters, "Kudos to Karmazin," April 25-May 8].

Mr. Graham apparently has a problem with reading comprehension as he did not understand my letter ["Bad Karmazin," Feb. 14-27] at all. Nowhere did I suggest censorship. If he wants to attack my position he could at least stick to the facts and not make up his own version of my letter.

I only stated that I choose not to be associated with any effort to propose as a role model a person [Mel Karmazin, *Radio Ink's* Executive of the Year] who, in my opinion, is helping to further the moral decay in this country.

Mr. Graham can put out all the filth he wants to, although I do object to the fact that the government makes me help pay for it on Public Radio. I am not allowed a choice in that matter. They don't ask me if I want to pay taxes.

George Whitaker
Practical Radio Communications
Arlington, TX

ADDRESS ALL LETTERS TO:
Reader Letters, c/o Radio Ink, 8000 N. Federal Highway, Boca Raton, FL 33487. Or fax to 407-995-8498. Each letter should include your full name, address and telephone number, and may be edited for clarity or space.

Talk Radio '94 Draws 500

by Michael Harrison

The sixth annual convention of the National Association of Radio Talk Show Hosts that convened late last month in Santa Monica, CA was a colorful, star-studded event that brought together a fascinating cross-section of America's hot talk Radio industry.

Talk show hosts, ranging from nationally famous syndicated personalities to local professionals to the 'wanna-bes,' mingled with each other in addition to a bevy of authors, experts, political activists, technology marketers, and broadcasting executives.

At the heart of the event was a series of panel discussions and debates addressing the key issues of the fairness doctrine; the First Amendment; striking a programming balance in talk Radio; the issue of gender, political, and ethnic minorities in broadcasting; and the future of technology as it will impact the Radio medium. These sessions were punctuated by several keynote addresses, featuring such noted political luminaries as Sen. Robert Dole (R-KS), Gov. Pete Wilson (R-CA), and Gov. Mario Cuomo (D-NY).

Dole and Wilson met with an approving reception as they echoed many of the feelings held by talk show hosts and their callers — specifically government waste, welfare fraud, immigration reform, declining educational standards, and stifling political correctness. Cuomo was the recipient of the Association's Freedom of Speech Award, presented to him because of his opposition to recent efforts to reinstate the fairness doctrine, which many broadcasters feel would damage the talk radio format and impinge upon First Amendment freedoms. Cuomo awed the crowd with a typically stirring speech, tailored to the event, in which he pointed out that he is only against government regulation of speech — but that the broadcasters themselves should try to be more fair and balanced in their approach to political issues.

The fairness doctrine itself was debated in a furious session moderated by WOR-AM New York personality Gene Burns and featuring KABC-AM Los Angeles host Gloria Alred and former California governor Jerry Brown in favor, and KVUI-AM Seattle's Mike Siegel, WFLA's Mark Williams, and this reporter opposed. The debate, along with most of the substantive aspects of the convention, were carried on C-SPAN.

The convention also featured a "White House Luncheon," which occurred the same day as President Bill Clinton's highly publicized criticism of talk radio, originally broadcast on KMOX-AM St. Louis and featured on virtually all national

network broadcasts. White House Communications Director Mark Gearan expressed the president's desire to reach out and be more accessible to talk radio, and punctuated his address with a video in which the president's accomplishments and more "personable" side were revealed. The smooth and composed Gearan later was grilled during a Q&A session by talk hosts who claimed that the administration's efforts to serve talk Radio were more self-serving than meaningful.

In other sessions, Association chairperson Mary Beal moderated a session on diversity, while this writer chaired a live broadcast celebrating talk Radio and the fourth anniversary of *Talkers* magazine. KABC's President George Green, consultant Valerie Geller, KFMB-AM San Diego's Rollye James, and national hosts Michael Reagan and Alan Colmes engaged in a spirited discussion about putting all the elements of talk Radio together in order to create a quality product. Also, Bloomberg Financial Market News President Michael Bloomberg and Westwood One Chairman Norm Pattiz delivered back-to-back keynote addresses at the Talk Show Host of the year Luncheon. Pattiz presented a very optimistic picture of talk Radio's present and future, and warned broadcasters to resist vigilantly any move to reinstate the fairness doctrine.

The lunch, of course, was highlighted by an acceptance speech by NBC Talknet host Bruce Williams, who received this year's Talk Show Host of the Year award.

Michael Harrison is editor and publisher of Talkers magazine and served as co-chairman of this year's NARTSH Convention.



Tom Leykis, amidst the 'media frenzy,' broadcasting his national Radio show live on June 16 from outside O.J. Simpson's house. A portion of the show was simulcast on CNN as Leykis appeared on "Crossfire" to voice his opinion on unfair trials in the media.

FCC Defines New Fees

by Barry Skidelsky, Esq.

By separate orders released recently, the Federal Communications Commission raised the dollar amounts of its existing processing fees and created new rules regarding additional regulatory fees.

Processing Fees

Section 8 of the Communications Act, which mandates fees for processing applications and other filings, requires the Commission to adjust them every two years. This is the first adjustment since the current fee schedule was enacted by Congress. Increases of nearly 15 percent were made based on the Consumer Price Index, resulting in a new fee schedule for commercial Radio, excerpts of which follow (See chart 1):

Other filing fees apply to applications involving translators, boosters and auxil-

iary services (such as remote pick-up stations and STLs), applications for the extension of time to construct or replace Construction Permits, applications for Special Temporary Authority, and Petitions for Rule Making seeking higher class channels or new communities of license.

CHART 1

	AM	FM
New and Major Change Construction Permit	\$2,590	\$2,335
Minor Change Construction Permit	650	650
New License	425	135
Directional Antenna	490	410
Assignment or Transfer, Per Station		
Long Form	650	650
Short Form	95	95
Renewal	115	115
Call Sign, New or Modification	65	65
Ownership Reports	45	45
Hearings	7,765	7,765

Regulatory Fees

Additionally, the FCC has created new rules to implement Section 9 of

the Communications Act, which was added by the 1993 Budget Act in an attempt by Congress to make the Commission self-sustaining.

Section 9 requires the Commission to collect regulatory fees to recover the annual cost of the FCC's enforcement activities, policy and rule making activities, user information services, and international activities.

Certain FCC regulatees are exempt from the new regulatory fees. These include non-commercial educational broadcasters, other non-profit entities, amateur licensees, and those providing public safety services.

Fees for commercial Radio licensees and permittees range from \$100 to \$900, and apply to authorizations held as of Oct. 1, 1993. Fees for 1995 and beyond have not been set yet but, when proposed, the FCC will consider comments from interested persons. A schedule of the 1994 fees follows:

AM Radio					
Class	A	B	C	D	CP
	\$900	\$500	\$200	\$250	\$100
FM Radio					
Class A, B1, C3	C, C1, C2, B	CP	Broadcast Aux.		
\$600	\$900	\$500	\$25		

As these fees are relatively small, a two-installment payment option available to payors of larger fees is not available to commercial Radio regulatees. The FCC will send bills to stations requiring payment from FMs by Aug. 10, and from AMs by Sept. 2. Waivers, reductions, and deferments of regulatory fees are possible, but they will be extremely difficult to obtain without "extraordinary and compelling circumstances outweighing the public interest in recouping the costs of the Commission's regulatory services."

The method and location of payment for regulatory fees will be the same as for applications; i.e., generally through the Commission's Pittsburgh lock-box. However, the Commission also will accept electronic payments — at least for the time being.

Barry Skidelsky is an attorney and consultant who concentrates in Radio. He may be reached at 212-832-4800.

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Washington-At-A-Glance™

- Former WRFY-FM Reading, PA air personality Eddie Mitchell has filed a \$100,000 lawsuit against the station for allegedly firing him because he spoke with an accent. Born In Romania, Smith (aka Emanuel Voda) claims he was criticized — and eventually terminated — for not being able to shake his accent, even through the use of a speech therapist.
- Creative Media Management has filed suit against WTFM-FM Kingsport, TN for infringing upon its service mark and trademark "Payroll Payoff" when the station ran a "Workday Payoff" promotion. WTFM later changed the name of the contest to "Cash Clock."
- Hooters of America has filed suit claiming that WSUN-AM Tampa, FL's "Hooters on the Radio" is not in keeping with the "family restaurant" image the franchise company is intent on portraying. The "adult-oriented" program is being produced by Ron & Ron Radio in cooperation with the founders of Hooters, who are locked in a trademark dispute with Hooters of America, the corporation that owns the Hooters franchise rights.

\$\$\$\$\$ Million Dollar Club™ \$\$\$\$\$

For July 11, 1994

- \$130 M:** KHVN-AM/KJNZ-FM DALLAS, WAOK-AM/WVEE-FM ATLANTA, WCAO-AM/WXYV-FM BALTIMORE; SELLER: SUMMIT COMMUNICATIONS GROUP; BUYER: GRANUM COMMUNICATIONS.
- \$68 M:** WRKS-FM NEW YORK; SELLER: SUMMIT COMMUNICATIONS; BUYER: EMMIS BROADCASTING CORP.; BROKER: MORGAN STANLEY & CO.
- \$22 M:** WBZT-AM/WIRK-FM WEST PALM BEACH, FL; SELLER: PRICE COMMUNICATIONS CORP.; BUYER: AMERICAN RADIO SYSTEMS.
- \$10.9 M:** WVLC-AM/FM LEXINGTON, KY; SELLER: WVLC RADIO INC.; BUYER: HMH BROADCASTING INC.;
- \$8 M:** WJPC-AM/FM CHICAGO, IL; SELLER: JOHNSON COMMUNICATIONS; BUYER: BROADCASTING PARTNERS INC.; BROKER: DUGAN ASSOCIATES INC.
- \$4 M:** WIZF-FM ERLANGER, KY (CINCINNATI); SELLER: INTER URBAN BROADCASTING OF CINCINNATI; BUYER: BLUE CHIP BROADCASTING CO.; BROKER: RICHARD A FOREMAN ASSOC.
- \$3.95 M:** KIIH-AM/KTCL-FM WELLINGTON-Ft. COLLINS, CO; SELLER: U.S. MEDIA COLORADO; BUYER: TSUNAMI COMMUNICATIONS INC.; BROKER: MEDIA VENTURE PARTNERS
- \$3.9 M:** WZNY-FM AUGUSTA, GA; SELLER: BENCHMARK COMMUNICATIONS; BUYER: SAVANNAH VALLEY BROADCASTING CO.
- \$3.5 M:** WNEU-FM EDEN NC; SELLER: WNEU ACQUISITION CORP.; BUYER: RADIO EQUITY PARTNERS.
- \$2.5 M:** WVOC-AM COLUMBIA, SC; SELLER: CLAYTON RADIO; BUYER: BENCHMARK COMMUNICATIONS.
- \$2.3 M:** WRQN-FM BOWLING GREEN, OH; SELLER: ABS TOLEDO PARTNERS; BUYER: FRITZ BROADCASTING CO.
- \$2.2 M:** WVPO-AM/WSBG-FM STROUDSBURG, PA; SELLER: COMMONWEALTH BROADCASTING CO.; BUYER: NASSAU BROADCASTING HOLDINGS INC.; BROKER: BLACKBURN & CO.
- \$1.85 M:** KWTQ-AM/FM SPRINGFIELD, MO; SELLER: COLE MEDIA; BUYER: KWTQ INC.
- \$1.75 M:** KKJY-FM ALBUQUERQUE, NM; SELLER: MBC SOUTHWEST INC.; BUYER: BENGAL COMMUNICATIONS OF NEW MEXICO; BROKER: BLACKBURN & CO.
- \$1.5 M:** WGUS-AM/WFXG-FM AUGUSTA, GA; SELLER: BENCHMARK COMMUNICATIONS; BUYER: DON AND JEFF WILKS; BROKER: BERGNER & CO.
- \$1 M:** WTLB-AM/WRCK-FM UTICA, NY; SELLER: H&D MEDIA L.P.; BUYER: THE RADIO CORPORATION; BROKERS: MEDIA VENTURE PARTNERS AND BLACKBURN & CO.

SOLD!

KRLV-FM, Las Vegas, Nevada has been acquired by **Regent Communications, Inc.**, Terry S. Jacobs, President and CEO, through a merger with **Wescom Broadcasting of Nevada, Inc.**, Michael J. Connelly, President.

Elliot B. Evers and George I. Otwell advised Regent Communications in this transaction.

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LANY's Levi's Tops Mercury Awards

The creative team of LANY Music, working for Foote Cone Belding/San Francisco, walked away with the \$100,000 gold award at this year's Radio-Mercury Awards presentation at the Waldorf Astoria in New York. The winning entry was "Cover Me," a rhythm-and-blues-inspired commercial for Levi's 501 jeans. LANY Music was one of 10 advertising agencies, production companies, and Radio stations that shared in a total \$200,000 in cash prizes awarded for the most outstanding Radio advertising in 1993.

Gary Owens hosted the black-tie awards presentation, which also featured such guest presenters as CBS Radio's Charles Osgood, former New York Mayor (and WABC-AM talk show host) Ed Koch, Wolfman Jack, and WKQI-FM Detroit's Dick Purtan.

Other winners of 1994 Radio Mercury Awards included:

- \$20,000 (humor): Lewis Advertising (Birmingham), First Commercial Bank;
- \$5,000 (humor): Goldsmith/Jeffrey (New York), NYNEX B-to-B Directory;
- \$20,000 (narrative): Hill Holliday Connors Cosmopolus (Boston), Boston Globe;
- \$5,000 (narrative): Young & Rubicam (New York), STP Fuel Injector Cleaner;



The evening's top honor, the \$100,000 Radio-Mercury Gold Award, went to a Levi's 501 Jeans music commercial produced by LANY Music for Foote Cone Belding/San Francisco. (L to r): Mark Vieha of LANY Music; Northern California Broadcasters Association President Tom Martz; Levi Strauss & Co. Senior Vice President Bob Caplan; and Fern Ramos of LANY Music.

- FM Cincinnati, Norton Photography;
- PSA Award: The Ramey Agency, Mississippi Symphony Orchestra.

The Radio-Mercury Awards program is sponsored by the Radio Creative Fund.

Revenues Up 12% In May

Combined national and local radio revenues increased 12% in May (compared with the same month in 1993), giving the medium its fourth double-digit increase in '94. Local revenue was up 12% for May vs. May '93, up from a 9% showing in April, with solid double-digit gains across all regions. National revenue also was up 12% for the month compared with May '93, considerably higher than its 7% increase in April. National revenues in the East were up 23% over its May '93 numbers, while most other regions maintained a steady growth in the 8-9% range. Year-to-date revenue through May is up 12%, unchanged from its April showing.

Figures are based on an index of more than 100 markets provided by accounting firms Miller Kaplan Arase & Co. and Hungerford Aldrin Nichols & Carter.

- \$20,000 (music/sound design): Barber Martin & Assoc. (Richmond, VA), Piedmont Trust Bank;
- \$5,000 (music/sound design): Cliff Freeman & Partners (New York), Little Caesar's Pizza;
- \$20,000 (Radio station-produced): KMTT-AM/FM Seattle, Cellcom Cellular Services;
- \$5,000 (Radio-station produced): WEBN-

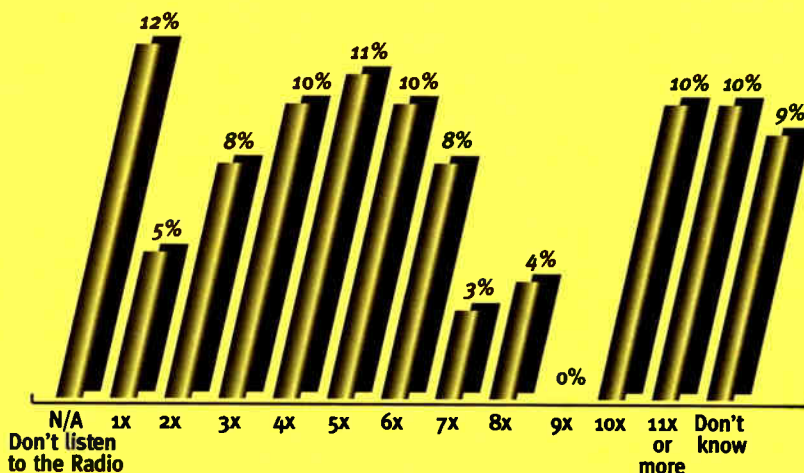
Radio Daze



A general manager's guide to regulation.

Gimme A Break

How many times in a typical hour does your favorite Radio station play commercials?

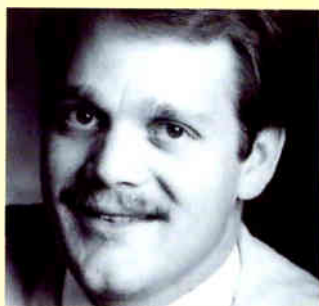


VALLIE/GALLUP RADIO POLL
A look at statistics that shape Radio

Source: Radio Ink—Vallie/Gallup Radio Poll of 1012 adults, margin of error $\pm 3\%$

FORUM:

How do you generate revenue from your late-night and fringe time?



Bryce Phillipy, GM
KZZU-FM/KTRW-AM
Spokane, WA



Craig Cochran, PD
WSJS-AM
Winston-Salem, NC



Jim Torbert, GSM
KGFM-FM/KGEO-AM/
KERN-AM/FM
Bakersfield, CA




Marilyn A. Kushak, VP, Sales
WMAY-AM/WNNS-FM/
WQLZ-FM
Springfield, IL

First, at selected sales meetings our staff brainstorms ideas on how we can package late/fringe inventory in the normal selling process.

Second, each salesperson is expected to ASK for the order. A technique I learned from Chris Lytle is the Overnight Stamp. Each salesperson gets a rubber stamp detailing RAB overnight facts as well as Yes/No check-off boxes for the client to indicate their decision. This makes it difficult for the client to say no and gives the salesperson the chance to sell the advantages of frequency in these dayparts.

Third, an outside selling organization (United Broadcasting) works with us to sell non-traditional clients during late/fringe times.


Fourth, we combine high-frequency weekend packaging using OES strategies and target clients who will benefit from reaching these unique audiences and unique times.

None of these strategies in and of themselves is revolutionary. The key is consistent application, accountability and measurement. 

News/talk WSJS utilizes Mutual's Jim Bohannon and Talknet's Bruce Williams to guarantee quality overnight programming at a low overhead cost. Creative promotional announcements and liners push those listeners forward, building cume in morning drive and other prime dayparts.


Workers at third-shift factory operations, convenience stores, diners and gas stations tend to shop in off-peak hours. A targeted advertising campaign will affect these qualified potential customers and produce results.

At WSJS, commercials in overnights may be packaged with other dayparts at an additional cost of about 10 percent. Some advertisers purchase overnight, exclusively, at a user-friendly rate. They recognize the benefits of "high-frequency," and take advantage of a daypart that most competitors fail to consider.

When you bonus overnights at no charge, you send the wrong message. Remind advertisers that overnight listeners may not be valuable in any other daypart, or, with any other medium. 


We distinguish ourselves from our competition with fun and exciting fringe sales opportunities that increase our AE's ability to garner a larger share of the advertising pie. With Saturday and Sunday opportunities, we maximize our average spot cost and ultimately our revenue.

Example: Remote broadcasts are tremendous profit generators for our oldies station, KERN-FM. With the mild California climate, we "sell" these remotes on a regular basis, with the theme, "Big Event — All Oldies All The Time Live Broadcast." With a 30-foot mobile Studio/Marti relay link we are able to broadcast from most Kern County locations.

Examples: Overnight "Night Owl" theater on KERN-FM has provided us with the opportunity to sell overnight commercials while targeting appropriate clients, Denny's Restaurants, Quality Inns & Suites, truck stops, truck driving schools and the like. 

Our sold-out percentage for late night, weekends and early week is virtually identical to our sold-out percentages for drive times, because we effectively package this inventory in a manner that generates results for our clients.

Four concepts have worked extremely well for our advertisers and for us:

- 1) Seven-day results packages affording clients equal scheduling on a 24-hour clock over a seven-day period.
- 2) Early-week result plans, which offer high-frequency Sunday-Wednesday again on a 24-hour clock.
- 3) "Club Plans," which afford clients a guaranteed frequency over the course of a year (on a 24-hour clock) at a flat monthly fee.
- 4) Day dominators, which give clients one commercial per hour for 24 consecutive hours. 

IF YOU WOULD LIKE

to respond to a Forum question, call the editorial assistant at 407-995-9075.

Representing
only the *best*
in broadcasting.

RESEARCH The Eagle Group
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SATELLITE CHR PROGRAMMING Music Channel One
SALES PROMOTIONS The Goal Line Guide
MARKETING/SALES CAMPAIGNS Impact Target Marketing



Call us for
additional information
on how these companies
can improve your station.

(800) 800-0107

CASE STUDY



Dwight Case

Your staff has low morale. How do you combat it?



Lonnie Hunt, GM
KBHT-FM
Crockett/Palestine, TX

The first step in solving any problem is to identify the problem and its cause. The only way you can do this is by communicating openly with staff members. Most bosses (myself included) tend to think they know everything, but if there's a problem with my staff, it doesn't matter what I think; what matters is what they think.

For a general morale problem, I would get the entire staff together and talk about it, encouraging each individual to voice concerns. Once all the "problems" were on the table, we'd brainstorm for solutions. And then each individual would be assigned a specific task to perform that would contribute to the solution. The last step is very important. There's no better way to boost morale than by working together to achieve results.

Then, we'd finish with a treat. We might go out for lunch. Ice cream sundaes or bananasplits. Even a movie. Something unexpected that would be fun.

To prevent future morale problems, the key is to help each person feel successful—and appreciated. People need to be patted on the back. A simple "thanks for a job well done" goes a long way. I want my staff to put forth that extra effort. They want to be recognized for it.

Periodically, we have an informal covered dish luncheon. Spouses and guests are welcome. No business talk. We just sit and eat, tell funny stories and, yes, gossip. It's a great way to smooth over any strained relationships.



Jerry Gutensohn, GM
WOC-AM/KUUL-FM/
KMXG-FM
Davenport, IA

Bury your ego! Poor morale is usually the result of policies, decisions or dictates installed by owners, managers or department heads. Announce to the staff that you want to improve working conditions and morale of the station. Meet with each employee individually and ask for their ideas and recommendations to improve conditions and morale. They talk; you listen, and take notes. Don't take a position on any comments they make.

Good employees know the circumstances that cause poor morale, because they are in the middle of it every day and they usually have solutions. Therefore when you discover the cause of poor morale, you must take definitive action to change the circumstance. Not a memo indicating your displeasure with some person's or department's attitude. You must remove or reassign the problem. Your action will indicate to the entire staff your concern for future problems and morale.

To prevent future morale problems you must be a sounding board for the entire staff. Let everyone know it is a part of their responsibility as an employee of a successful business to bring any problems, comments, improvements or conversation to the manager's office. Again, they talk; you listen. You resolve!

IF YOU WOULD LIKE TO RESPOND
to a Case Study scenario, call the editorial assistant at 407-995-9075.

INTEREP Generates New Business. Are You Getting Your Share?

In the FIRST QUARTER of 1994 alone INTEREP generated \$16 million in NEW BUSINESS for national spot radio.

And that's on top of a \$26 million record year in 1993!
We're making radio the media choice of the 90's

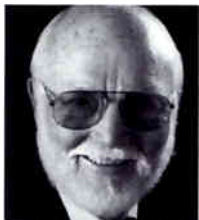
We're doing it with:

- Radio Marketing Specialists • Format Networks •
- Brand Specific Networks • Sales & Management Training •

Get your Share!
Call 1-800-INTEREP
(467-3737)

THE INTEREP  RADIO STORE

Selling Today...Innovating for Tomorrow



by Jack M. Rattigan

Coach or Dictator?

The Ins & Outs of Managing in the '90s

We frequently run across lists of ins and outs for movie stars, hairstyles, clothing, foods, etc. We in Radio management should have our own list. Time and time again we are reminded that we can't keep doing things the same old way. Check to see if you are a '90s manager or a same-old-way manager.

Leader Vs. Boss

Today to be a successful manager, be a leader (IN). Just being "the boss" (OUT) is not acceptable anymore. A leader analyzes, strategizes and executes plans. He/she never expects other people to do things he/she wouldn't do under similar circumstances. The boss tells other people what to do. The leader shows people how things are done. The boss believes, "I may not always be right, but I am always the boss. No questions, just do it."

Be a coach (IN) not just a dictator (OUT). Be logical and supportive on important and everyday things. Listen and make suggestions rather than mandate edicts. Be responsive (IN) to opinions not hard-nosed (OUT). An authoritarian "I know best" attitude only causes resentment and does not en-

courage loyalty and dedication to you or your station.

"You work with me" (IN) not a "Never forget you work for me" (OUT) stance inspires suggestions and recommendations. It stimulates creative thought and discussion. It results in a productive and constructive interchange of ideas.

Open Door, Open Mind

A manager who operates with an open door (IN) rather than a closed mind (OUT) is able to take advantage of many minds and a variety of personal perspectives. Don't be afraid to have your staff pop in your office for conversation. This doesn't mean time-wasting small talk, but it does create an air of cordiality that builds relationships and lets your staff know

that their concerns are accepted with an open mind. It shows that you are responsive to new ideas and don't resist suggestions and inventiveness. Encourage open dialogue rather than resist every legitimate suggestion (OUT). Staff members are in a position to see many things that elude management. Many great program concepts, promotion plans and sales approaches come from staff members who have perceived a need and suggested a solution.

Support your staff (IN) when they come up with a new and a creative concept. Allow them to explain their theory and why they believe it is practical and that it will help the Radio station. Don't show immediate opposition (OUT) to every expression of imagination and in-

ventiveness. The inability to accept other people's recommendations is a sure sign of insecurity.

Training = Investment

Great managers believe in education and ongoing training (IN). Their staff is more professional, their revenue is higher and the community's respect for them far outweighs that of the stations that don't educate. Our world is changing daily, hourly. We have to stay ahead. The only way to do that is with a well-trained and well-educated staff — and not only the sales staff. Every staff member must be involved in an ongoing training program.

The inability to accept other people's recommendations is a sure sign of insecurity.

Give your people every opportunity to attend local, state or RAB-sponsored training seminars. Have weekly in-house training sessions. Don't inhibit (OUT) those who want to better themselves. Encourage your people to take courses at the local community college, etc. Never consider training or education an expense; it is an investment.

All can be summed in Ken Blanchard's philosophy found in his *The One-Minute Manager* series: "Catch someone doing something right" (IN). Too many managers talk to staff only when something goes wrong (OUT). Which are you?

Jack M. Rattigan, CRMC, is president of Rattigan Radio Services based in Portsmouth, VA. He may be reached at 804-484-3017.

QUICKREAD™

- Leaders are in; bosses are out.
- Coaches are in; dictators are out.
- Operate with an open door and an open mind.
- Think of staff training as an investment, not an expense.
- Catching someone doing something right is in; talking to staff only when something goes wrong is out.

Lost In The Maze Of Hard Disk Systems?

Head Straight to DCS

**"Low Ball"
Pricing**

**Costly
Upgrades**

**Networking
Headaches**

**Satellite
Obstacles**

**Software
Crashes**

**Limited
Channels**

**Unproven
Company**

**Customer
Support
Hassles**

You need to make the move to a hard disk system—but there are so many choices and it's unfamiliar territory. How do you pick a system that meets your needs today yet is flexible enough for your station's future?

Before you go blindly down the wrong road, call Computer Concepts. We have 20 years in the radio industry and our DCS is installed in hundreds of stations worldwide. Our reliability, attention to your needs and rock-solid customer support keep our satisfied customers coming back for their second DCS, and third, and fourth or more. Just ask them—we'll give you their names.

**Don't end up at a hard-disk Dead End.
Call Computer Concepts first.**

**DCS by Computer Concepts
CORPORATION**

Computer Concepts Corporation
8375 Melrose Drive, Lenexa, KS 66214
Phone: (913) 541-0900 Fax: (913) 541-0169



by Victoria A. Seitz,
Ph.D.

Direct Response Copy

Write it To Generate Income

Writing direct response copy is easier than it seems.

In essence, direct response is an interactive form of selling whereby the seller incorporates both the offer and the response vehicle and can include an address to write for more information, a phone number, a toll-free number, a fax number or a coupon. Direct response advertising is distributed through TV, mail, magazines, newspapers, Radio and telephone. Direct response can be a cost-effective sales method that supports the efforts of field sales representatives, increases store traffic and sales, tests products, expands market territory and provides additional profit centers.

Attention, Please

Writing direct response copy is easy if you think about what you're doing — communicating to your target market. Hence, the basic structure of a direct response ad includes:

1. Getting attention. The headline, as in a print ad, is the most important part of your copy. It must grab the target market's attention in about three to four seconds. In writing good headlines try these tips:

- Appeal to the reader's or listener's self-interest.
- Point out the most important benefit of the product or service.
- Use key words that arouse psychological responses and attract customers.
- Be specific, which lends credibility and believability to the ad.
- Avoid using negatives.
- Make sure there is a clear connection to the body copy.
- Use more verbs than nouns.

Hitting a Nerve

2. Develop interest by:
 - Telling a story
 - Using a startling, shocking or unusual statement
 - Using a quote from a product/service user or from a famous person.
 - Using news or newsworthy information.

3. Show benefits and advantages of your product/service. In this part of the copy, you must tell the customer why they need to buy. Consider the motivations behind the purchase, such as those presented in Maslow's hierarchy of needs, like security and self-actualization. State these needs in an irresistible manner.

4. Build and maintain credibility. This is the hardest part in developing the copy, because even though the customer may be convinced that the product is good, they need to be assured of the credibility of the company before they'll buy. Authentic testimonials are excellent in creating credibility with the target audience as well as product/service guarantees.

An Offer They Can't Refuse

5. Get action. You want immediate results from your direct response ad, so how do you do it? Here are some tips:

- Offer something free with purchase. The item should be comparable with the product offering. For example, Omaha Steaks offers free salt and pepper shakers with order.
- Limit the quantity and/or the time available for purchase. Limited quantity means whatever you're supplying is limited, which is essentially always true.

QUICKREAD™

- The headline is the most important part of your copy. It must grab your target market's attention.
- Use special offers or coupons to get immediate action.
- In writing, keep it conversational. Use short words, short sentences and short paragraphs.

ited, which is essentially always true.

• Offer a special. "This product offering is good only for this ad," or "An additional gift will be sent to the first 50 customers."

- Use a coupon.

Keep It Moving

In writing the copy be sure to do the following: keep it conversational; keep the copy moving; and use short words, short sentences and short paragraphs.

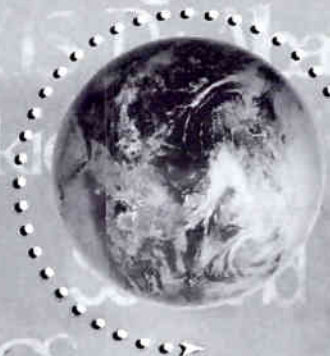
The headline, as in a print ad, is the most important part of your copy.

About 75 percent of the sentences used in your copy should be five or fewer words to make it easy to read and understand.

Finally, remember what you're writing about and be sure that in the offer you include the product, price, terms, options, dates, places, additional inducements to buy and a guarantee.

Victoria Seitz, an associate professor at California State University, is an advertising and public relations consultant, and author of "Your Executive Image." She may be reached at 909-880-5753.

Why Put Off Until Tomorrow What You Can Play Today!



Break Today's European Hits In Your Market With **Bobby Sicilia's European Hit Survey** And Take Your Listeners On A Weekly, Two-Hour Journey Through Europe.

The European Hit Survey, the only program of its kind offering a profile of top Pan-European hits, is now available in the United States in a weekly, two-hour magazine format.

Along with the latest music hits, **The European Hit Survey** is packed with information about European lifestyles, updates on current music trends in Europe, entertaining industry news and interviews with today's hot artists.

Steamin' Euro-Jock, Bobby Sicilia, hosts **The European Hit Survey**. He's got the inside track on the music and the artists, and he'll keep your audience listening.

So, don't put off until tomorrow what your listeners can hear today.

- Excite your audience with today's European hits.
- Give advertisers a new and innovative platform to reach young adults.
- Boost your ratings and propel your station ahead of the competition.

**The
EUROPEAN
Hit Survey**

For more details call Sound & Stations USA at 214-444-2525.

Don't keep your listeners waiting!

Circle Reader Service #111



by Jack Trout

Play It By Ear

The Sense that Makes Sense

Deep down inside, you probably believe the eye is more powerful than the ear. It is also likely that you share a related preconception, first expressed some 500 years before the birth of Christ. Confucius says: "A picture is worth a thousand words."

These seven words — not pictures, mind you, but words — have lived for 2,500 years. And the way things are going lately, these seven words will probably never die. What agency president, creative director or art director hasn't quoted Confucius at least once in his or her career?

What Positioning Taught Us

Years ago, we began a study of how the mind works. The first result of that study was the concept of positioning. In today's over-communicated society, it's not enough to advertise your product and its features. Prospects cannot evaluate your offerings in a vacuum. So they ignore you.

To get inside a prospect's mind, you must relate to what's already there. You must position yourself against the competitors inside the prospect's mind.

After analyzing hundreds of effective positioning programs, we ran into a surprising conclusion: The programs were all verbal. There wasn't a single positioning concept that was exclusively visual. Could Confucius have been wrong?

We have come to the conclusion that the mind works by ear, not by eye.

If you looked just at the pictures in almost any magazine or newspaper, you would learn very little. If you read just the words, however, you would have a pretty good idea of what's happened.

In spite of evidence all around us, communications people suffer from wordaphobia, a morbid fear of words. To set the record straight, we went back to find out what Confucius actually said. We took the Chinese characters and had them translated.

Confucius said, "A picture is worth a thousand pieces of gold." Not words.

We knew instantly that here was a philosopher of incredible foresight. What Confucius foresaw was television, where indeed a picture sells for thousands of pieces of gold.

What Is a Picture Worth?

We all know that television pictures are expensive. Just consider how much 30 seconds during the Super Bowl would set you back.

But what is a picture worth on television? Just the picture without the sound? Not much. As a matter of fact, without the words on the package or the graphics on the screen, pictures in a TV commercial have almost no communication value. But add sound and the picture changes.

If pictures alone make no sense, how about the sound alone? Strange as it may seem, the sound alone in a television commercial usually carries an easy-to-understand message.

Sound Alone is Powerful

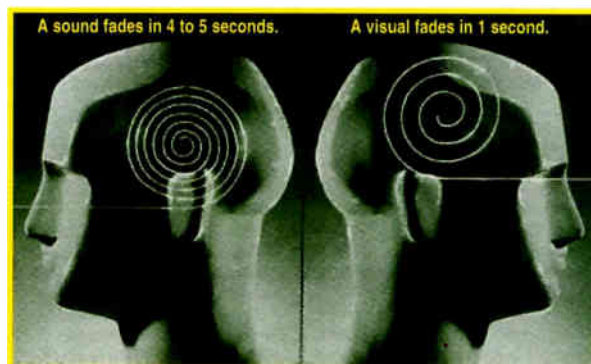
Take the classic "Pepsi-Cola hits the spot" Radio commercial, which first ran 55 years ago.

Nothing, absolutely nothing, went

into the mind via the eye. Yet the commercial hit a hot spot. Even today, 55 years later, some people can hear the opening bits of Pepsi music and recite every word of the jingle.

To get a more objective viewpoint on the subject, we found an expert, Elizabeth Loftus of the University of Washington. Loftus is a psychologist, teacher, researcher and author of many books and articles on the human mind and how it works. We asked her which is superior, the eye or the ear?

"In many ways the ear is superior to the eye," she said. "What I mean by that is that there is evidence from controlled laboratory studies that shows that when you present a list of words to people and you present it either auditorily, say on a tape recorder, or you present it visually, say on slides, people remember more words if they hear the words than if they see them."



Sound Fades More Slowly Than Light

To understand why, you have to realize that there are essentially two kinds of memory. There is iconic memory, which stores visual images, and echoic memory, which stores auditory images.

When the eye sees some picture or takes in some visual information, a fairly complete image registers itself in iconic memory, but it fades away in a second or so. However, when the ear takes in information, it also registers a fairly complete image, but it fades away more slowly, about four to five seconds.

But what about speed? We asked Loftus whether it's true that a picture can grab you faster than sound.

"Well, actually, it's just the opposite," said Loftus. "We respond to light in 180 milliseconds, but we respond to sound on the average of 140 milliseconds. So you can see, there is actually quite a difference between the time it takes to respond to light versus sound."

What about pictures? Is a picture worth a thousand words?

"I don't think that is really true. You know, you hear that sticks and stones can break my bones, but words will never hurt me. It is just not true; words can really hurt you very, very much. Sometimes words can help you, and words can be powerful.

"In fact, the power of the spoken word never really stops. There is a study that shows that even people who are anesthetized during surgery, if they are hypnotized later, can remember some of the things that were spoken, some of the sounds they heard during the surgery." Of course, that's when people are asleep. We run ads when people are awake. So we asked about normal circumstances.

"A study from Northwestern University showed that if you try to convince people about a product — it happened to be a shampoo — and you do it with just a verbal message, people are much more persuaded about your product. They like it better, they want to buy it more than if you accompany those verbal messages with pictures," Loftus said. "The verbal message alone seems to create in people's minds more of a positive feeling for the product."

It's obvious that Confucius has no standing in the scientific community.

Two Kinds of Words

There are two kinds of words: printed and spoken. We often confuse the two, but there's a big difference.

Not only do you hear faster than you

see, your hearing lasts longer than your seeing. A visual image, picture or words, fades in one second unless your mind does something to file away the essence of the idea. Hearing, on the other hand, lasts four or five times as long.

That's why it's easy to lose your train of thought when you read printed words. Listening to a message is much more effective than reading it. The mind holds the spoken words in storage much longer; the tone of the human voice gives the words emotional impact. But there are other things that happen in your mind when you listen to the spoken word.

Auding and Reading

To understand these concepts more clearly, we turned to Thomas Sticht, one of the authors of the book, *Auding and Reading*. Sticht, a psychologist and researcher, is the author of many books and articles on communication.

"Auding," says Sticht, "is a term that was coined by a blind educator at Stanford who appreciated the importance of listening. ... He coined the term auding as a parallel term to reading. The word auding means to listen while at the same time you process language.

"The process of listening occurs first, and then the process of auding, which is listening to the spoken language and comprehending the language. Only later do people actually learn to read."

Blind Vs. Deaf

We asked about the difference between blindness and deafness. "Being born deaf is a greater liability," said Sticht. "In research, blind people are able to comprehend spoken language presented at 300 words per minute, just as well as the sighted person. But a deaf person is unable to read at the same level."

And, of course, we couldn't resist asking Sticht whether a picture is worth a thousand words.

"I'd like to think that one word is worth a thousand pictures," he said. "As a matter of fact, how many times have you seen pictures trying to represent concepts? Words such as God, trustworthiness, reliability and love. It is very hard to represent those concepts in pictures, and so I'd like to think that in many cases one word is worth a thousand pictures."

The ear drives the eye. There is much evidence that the mind works by

QUICKREAD™

- **Most people believe the eye is more powerful than the ear in communication, but the opposite is true. The mind works by ear.**
- **Even in television, pictures alone make no sense unless accompanied by spoken or written words.**
- **Spoken words are more effective than written words because we process sound much faster and it fades more slowly than the written word.**
- **Radio should reorient advertisers to think of sound as a more effective medium than sight alone.**

ear. That thinking is a process of manipulating sounds, not images. Even when pictures or photographs are involved. As a result, you see what you hear, what the sound has led you to expect to see, not what the eye tells you it has seen.

Staggering Implications

The implications of these findings for the advertising industry are staggering, to say the least, especially for Radio. In many ways they call for a complete reorientation from a visual to a verbal point of view. Radio should be able to use this to a big advantage when working with advertisers.

We're not saying that the visual doesn't play an important role. What we are saying is that the verbal should be the driver and the pictures should reinforce the words. All too often the opposite is the case.

There is a striking inconsistency between advertisers and the target of their advertising, the prospects.

Prospects spend 85 percent of their time with ear-oriented media — Radio and television — and only 15 percent of their time with eye-oriented media — newspapers and magazines.

Advertisers, on the other hand, spend 55 percent of their dollars on the eye media (print) and only 45 percent of their dollars on the ear media (broadcast).

A final thought about our friend Confucius, who started all this picture stuff. It's ironic that he is remembered not for what he looked like, but for what he said.

Jack Trout is president of Trout & Ries marketing strategists in Greenwich, CT. He may be reached at 203-622-4312.



by Mike McDaniel

Giveaway A Getaway And Let Some of It Spill On You

Promotions are fun and, done right, make significant money — and sometimes the spillover can be very attractive.

The most basic promotion is register to win. Basic can be premium, with just a little effort. We'll call this one a Getaway Giveaway. Our hypothetical station, WBUX, is in the Midwest, so a nifty getaway would be a three- or four-hour flight away. Far enough to be a real trip, but not an eight hours plus non-stop. Vegas sounds great. Call it the Las Vegas Getaway Giveaway.

Allow a month to put it together, a month to sell it, two months to run and bill — a four-month package.

No Commercials

Start by selecting an airline. If you have never dealt with an airline, just call their 800 number and ask for the number for regional sales. Many times they will connect you on their nickel. Ask for the regional salesperson in charge of your area. Make an appointment and make a pitch. (If distance is a problem, do it on the phone.) A simple explanation to the salesperson about your Radio station and

a great idea designed to help him get market awareness and for the Radio station to continue in the tradition of being a force in the marketplace. You want to give away round trips (for two) to Las Vegas on his airline. These trips will be simple register-to-win opportunities for the listening public, but airline brochures will be available at every registration point, posters of destinations will be hung near every entry box.

Door signs, window banners, on-air ... you know the drill ... Arrange for seven round trips for two — 14 tickets. If a typical Vegas round trip is \$300, you are asking for a \$4,200 gimme. Explain how the minimum value of the promotion mentioning his airline will add up to \$4,200. No commercials, just \$4,200 worth of involvement; offer commercials only as a closer. Your promotion runs for 60 days — two billing months.

A 3-in-15 Chance


Once you have the trips, call some Vegas hotels, explain the same story to a sales manager. Make a list and work until you get a winner. Limit registration points to 15 merchants (this is one of the details you conveniently left out of, and stepped around, in your pitch with the airline and hotel). The Radio station will invite listeners to come into the store to register for a round trip for two to Vegas. Three round trips will be given away out of 15 locations. A preliminary winner will be drawn from each store, then 3 winners from 15 finalists. The store owner/man-

ager from the winning stores also wins a round trip. Everyone has a 3-in-15 chance of winning a round trip.

Price it for two billing months, split billing. At a low-ball \$600, split into two \$300 billings and a 3-in-15 chance, your promotion is a surefire sellout at \$9,000

At a low-ball \$600, split into two \$300 billings and a 3-in-15 chance, your promotion is a surefire sellout at \$9,000 gross.

gross. If you up the package price, you up the gross. Best of all you don't give any commercials in your trade, just mentions. Keeping the registration points low, giving multiple trips and bonusing a trip to the owner/buyer make the getaway a real giveaway.

Promote seven round trips and hotels, give three to listeners, three to merchants, bank a minimum of nine large ones and there's one trip left over. Hmmm ... now, who should get to use that?  Mike McDaniel produces the Action Auction promotion nationwide, has written a book about promotions, and owns and operates two Radio stations. He may be reached at 812-847-9830.

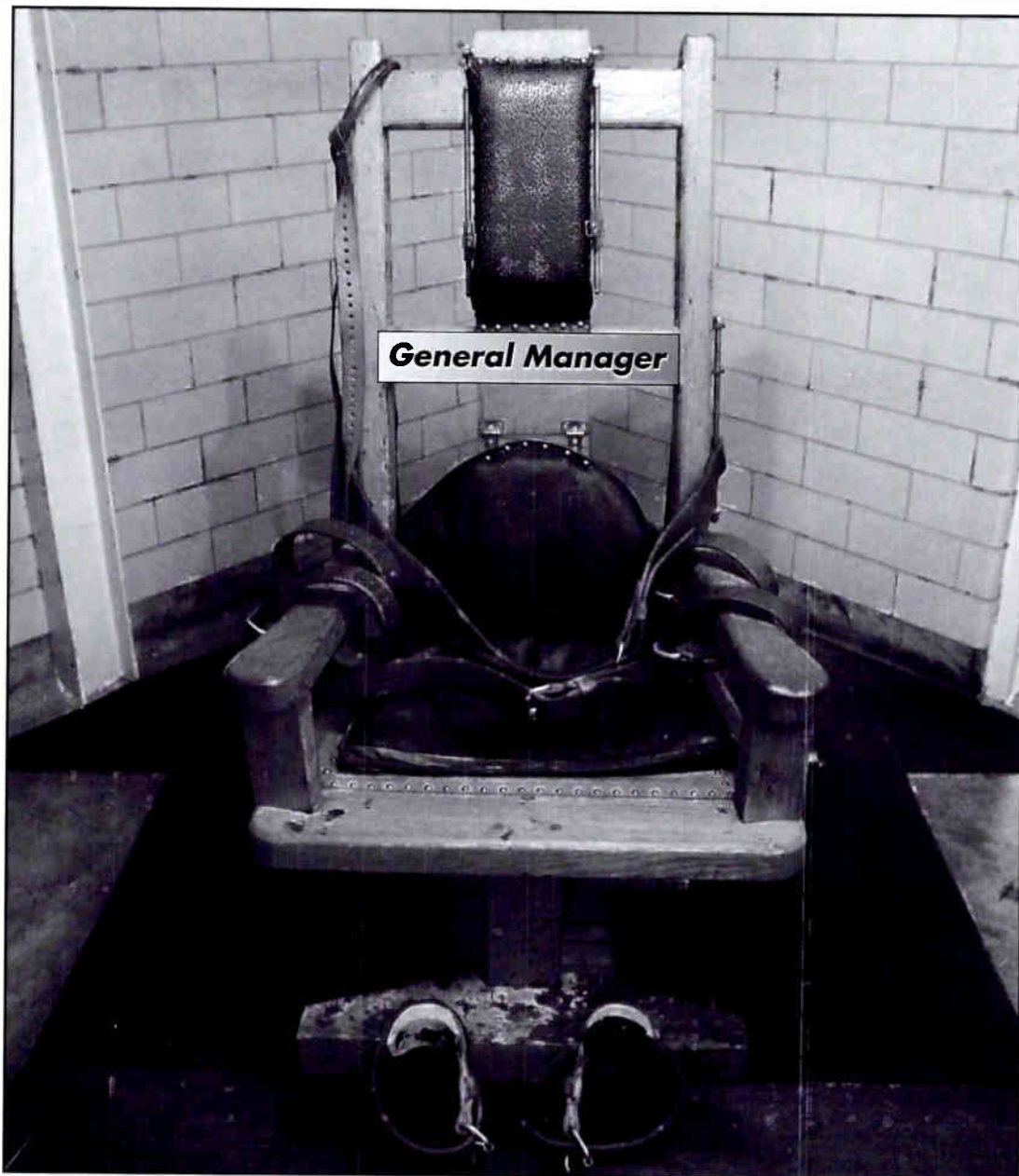
QUICKREAD™

- A getaway giveaway is a simple register-to-win promotion that involves airlines, hotels and in-store registration.
- Ask the airlines for ticket giveaways in exchange for mentions in the promotion — no commercials.
- Recruit a hotel in the selected designation to sponsor stays for two on the same basis.
- Limit registration points to 15 stores, draw a preliminary winner from each store, then three winners out of 15.

See Radio Ink's
NEW
Special Advertising Section
on page 47

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World Radio History



by Guy Zapoleon

Maximizing Your PD's Time Especially In Light of Duopoly

The introduction of duopolies and LMAs to Radio have been landmark factors in helping Radio downsize itself in these tough economic times. When a program director oversees the programming of two or three Radio stations, time management becomes more important than ever before.

Making the most of your PD's time in a programming world of double responsibilities and double pressures is the best thing you can do for both him/her and yourself.

Proper Time Management

Time management should be your top priority. It is so easy to get caught up in handling everything as it comes rushing in all at once. I learned through experience that you can literally get nothing of importance done this way. It is so important to plan ahead, set goals, and keep records for proper follow through. Taking the "Time Power" course, which integrated with "The Daytimer" management system, was one of the most important things I did for myself as a programmer.

The "Daytimer" along with the "Time Power" course teaches your program director about creating and prioritizing action lists, setting appointments, keeping time logs and records of work performance, as well as all the basics of time management. Teaching your program director about time management will help him be more efficient with his time. Once your PD is a master of time, here is a prioritized PD checklist to follow:

Every possible job should be del-

egated to your programming staff so your program director can truly manage his department. The first step: Every person in the programming department should have as many as two jobs and should receive:

1. A job description.
2. A clear understanding of the importance of his contribution and how his work affects other departments.
3. Goals to reach.
4. Realistically scheduled meetings

gram director shouldn't underestimate his employees. Many of his tasks can be delegated to an employee, given minimal training.

Meetings

Meetings should be kept short and with the goals stated at the outset. Assign future tasks and deadlines and state each person's responsibilities at the end of the meeting. Don't have more meetings than you need, but here are some I suggest:

SAMPLE MEETINGS					
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
8:30 a.m.	Program Meeting	Program Meeting	Program Meeting	Program Meeting	Program Meeting
9:00 a.m.	General Manager	General Manager	General Manager	General Manager	General Manager
9:30 a.m.		Promotion Meeting	Dept. Head Meeting	Marketing Meeting	
10:30 a.m.	Morning Show	Morning Show	Morning Show	Morning Show	Morning Show
Noon					Jock Meeting

to discuss tasks and give feedback to and receive input from the employee.

5. Constructive criticism on mistakes and positive feedback on improvements and a job well done.

Without these five elements, your employees will only produce 50 percent of their potential for the station. A pro-

1. Programming meeting (daily, 15 to 30 minutes): To discuss tasks/goals with programming assistant, music director, operations manager.

2. General manager's meeting (daily, 30 minutes to one hour): To inform the GM of any important issues facing the

programming department; to allow him or her to sign off on any major decisions programming needs to make; to avoid surprising the GM.

3. Promotion meetings (once per week, one and a half hours.): Attendees: GM, PD, operations manager, asst. PD, promotions director, sales manager, morning show. This meeting should be to decide/schedule sales remote and sales-related promotions; to agree on potential station promotions; updates on previous promotions, pending promotions.

4. Marketing meetings (once per week, one hour): To brainstorm on marketing opportunities; to review a recent promotion on areas to improve the department; to plan each detail on an upcoming promotion.

5. Morning show meetings (daily, 30 minutes to two hours): The morning show should be the launching pad for all major events, contests, and announcements for the Radio station. Great programmers make mornings the focal point of the Radio station and devote much of

their energy to this meeting. To review today's show for possible improvements; to brainstorm on tomorrow's show and future opportunities; to focus on morning show needs.

6. Jock meetings (once per week, one hour): To inform air personalities on changes in formatics, music, operation logs, systems, station changes. To get feedback on thoughts for potential improvements and listeners perspectives on the station.

The following meetings should be held every one to two months.

A. With staff: Take the staff out of the office to brainstorm concepts and think up ways to make the Radio station a better working environment.

B. With listeners: Gerry Tabio of Creative Resources uses the technique of getting listeners together in a focus group, taking their ideas and creating a workable improvement campaign.

C. With yourself: Get out of the station and listen to the station yourself so that you can analyze the station and brainstorm improvements.

Your PD should keep his meetings

QUICKREAD™

- Duopolies and LMAs have created double duty for a lot of PDs, making time management more important than ever.
- Time management courses and systems can help PDs set priorities and get more done.
- Many PD duties can be delegated, given that employees receive proper training including certain critical elements.
- Plan specific meetings for specific times in the mornings, so that afternoons can be spent on programming tasks and dealing with emergencies.

in the morning and only schedule one to two additional appointments per day to keep his afternoons free. This allows enough time to perform his programming tasks, return important phone calls and allow time for emergencies that always crop up every day.

Guy Zapoleon and Bill Richards formed Zapoleon/Richards Media Strategies along with associates Jeff Scott and Steve Wyrostok. Guy may be reached at 713-980-3665.

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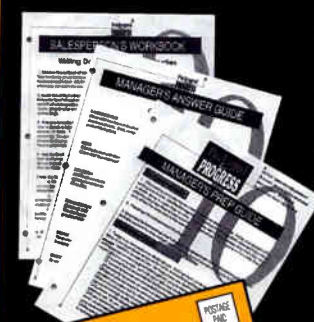
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Attention Alison Glander



by Roy Pressman

The Summertime (Off-air) Blues And How to Avoid Them

Summer brings thunderstorms with wind, lighting and rain — and power outages. Without proper preparation, you could find yourself off the air for hours and possibly days. It's easy to avoid costly damage to your facility, but you've got to have a plan.

Keep Your Cool

Air-conditioning systems are crucial to both the studio and transmitter sites. Call your AC service company at the studio facility and have them thoroughly examine your AC units. A redundant AC system at the studio facility will prevent an AC failure from affecting your on-air sound. Remember, it will almost be impossible for your staff to function in a studio that feels like a sauna.

If your transmitter site recirculates air, (closed-loop system) an air conditioning failure can cause room temperatures to rise above 120 degrees. At this temperature most equipment won't function properly and can be severely damaged. A redundant air-conditioning system is a must for any closed-loop cooling system. In addition, a temperature sensor

should report temperature back to the studio via the remote control system. If the temperature gets too high, an alarm should sound, so that you can notify the AC repair company immediately. If your transmitter facility uses outside air for cooling, have the filter system checked monthly or as often as needed. Don't let a clogged air filter take you off the air during afternoon drive.

When Lightning Strikes

There is no way to guarantee that lightning will not strike your studio transmitter facility and cause major damage, but there are measures that you can take to protect yourself.

1. Have your tower crew check to see that all towers at the studio and transmitter site are properly grounded. Even the TV antenna. All ground wires should be checked for corrosion. AM towers using base insulators should have properly adjusted ball gaps.

2. Make sure that transmission lines are properly bonded to the tower using grounding kits.

3. Install a lightning protection system on your tower.

4. Install a master surge protection system on the incoming power to your studio and transmitter facility. This is your first line of defense for incoming voltage spikes or noise caused by the power company or bad weather. A large voltage spike on the power line would blow out all of your studio transmitter equipment. Individual line filters for each piece of equipment can also reduce the risk of damage.

5. Install surge protection on all incoming telephone lines. Install the filters where the telephone lines come into


your building. Have your engineer make sure that all filters are tied to a good ground.

6. Install a good ground system at your facility if one is not already in place. You can easily create a good ground system by having your electrical contractor drive multiple copper ground rods as deep in the ground as is practical. These rods should be spaced several feet apart and bonded together using copper strap or a large gauge wire.

7. Install uninterruptible power supply (UPS) systems for all computers and any sensitive equipment, such as CD players. UPS systems usually have integrated surge and noise suppression. They provide continuous power during outages. The length of time the UPS can supply power is limited, usually 10 to 20 minutes. The perfect combination is emergency generator power backed by a UPS system. When there's an outage, the UPS supplies power until the generator comes on line (usually 10 to 15 seconds).

Top Off the Tanks

One of the best investments you can make is an emergency generator that is tested and serviced regularly. If the generator fails when you need it most, you've wasted time and money. Power outages can last days, so don't forget to make sure that the fuel tanks are topped off.

Don't be afraid to invest a few dollars in some preventative measures that will save you money in the long run. You have the power to reduce the possibility of a summer disaster at your facility, and now is the time to take action. 

Roy Pressman is director of engineering for WLVE/WINZ/WZTA in Miami. He may be reached at 305-654-9494.

QUICKREAD™

- A redundant AC system at the studio facility will prevent an AC failure from affecting your on-air sound.
- You cannot guarantee that your facility won't be struck by lightning, but you can take measures to protect yourself.
- Install surge protection on incoming power and phone lines.
- One of the best investments you can make is an emergency generator that is tested and serviced regularly.

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Live Assist Screen
Pictured

Time	Title	Duration
00:	ALABAMA BORN COUNTRY	03:07
03:	HIGHWAY 101 WHO'S LONELY NOW	03:09
06:	ALAN JACKSON CHASIN THAT NEON R	02:58
09:	THE JUDDS LOVE CAN BUILD A	04:04
13:	THE BROWN ADOBE SALSA SPECIALS	00:30
14:	WVBU LEGAL ID SPRING MARATHON ID	01:00
14:	LEWISBURG PHOTO SPRING FEVER SALE	00:30
15:	CARLENE CARTER COME ON BACK	02:46

SPORTS NEWS (updated at 3pm)

The Philadelphia Phillies, fresh off a losing streak on the road, rallied to beat the San Diego Padres 15-12 in a home-run slug fest at the Vet.

In the third race at Aqueduct, Beetlebaum finished 6 lengths ahead of the pack to beat 36 to 1 odds.

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by Kathryn Maguire

Direct Mail Sales

Selling Space to the Manufacturer

So many stations are looking for more new ways to generate business. One of the most popular ways is selling ad space in the station's marketing/direct mail piece. Some stations design their own and send them to their self-generated listener club mailing list. Others use professional services to handle every detail of the direct mail piece.

Details & Prospects

Going after manufacturers offers one more avenue to pursue for your station's direct mail marketing piece. Here are some tips on selling your direct mail piece to manufacturers.

- Know every detail of your direct mail/marketing package. The cost, the number of spots, the number of promo mentions, the size of the ad, when it will be mailed, to whom it will be mailed, will there be color, how was the list generated, redemption rate from previous direct mail pieces, the printer's deadline.

- Prospect. Most Radio stations' direct mail pieces go to either homes or offices. Consider who these consumers are, then make a list of manufacturers that might be interested in reaching them. For example, if you are mailing to offices, you are wasting your time going after Kraft to put a Cheez Whiz coupon in

your mailer. If you are mailing to homes, Kraft may very well be interested in doing a Cheez Whiz coupon. For leads, look for coupons in next Sunday's newspaper, page through consumer magazines that match your mailing list target, check your next Val Pack or Advo mailing and check with the RAB to find out what retail categories usually experience a peak sales period in the month your mailer will be sent out.

- Prioritize your list of manufacturers. Consider who their biggest retailers in town must be. Are those retailers spending money on your station now? You can mention the station's retailer relationship to the manufacturers when you call. Call the main offices of each manufacturer and ask for the name and phone number of the highest ranking manufacturer sales representative for your market and get an appointment with this rep.


Retailer Ties

- Anticipate that the manufacturer is going to want to tie in the direct mail ad, spots and whatever else you have in your package with one or more of his retailers. This is how he justifies spending money with a Radio station. For example, if Kraft did put a Cheez Whiz coupon in your mailer redeemable at a local supermarket chain and tagged all the Cheez Whiz Radio commercials with the supermarket as well, Kraft now has leverage to get to the store to buy more product to stock up for the promotion. Consumer sales will be higher too. You would hope the manufacturers will be able to get the store-to-store signage and/or displays to make the sell-in (to the store) and sell-through (to the consumer) even more substantial.

- If you have a great relationship with a large retailer in your market, consider going to the retailer first before going to the manufacturers. For example, if you are going to be mailing your piece to men 18-34, and you know the general merchandise manager for a large auto parts chain, discuss with him which of his manufacturers would be interested in participating in the mailer along with him. This is what is called a retail-driven vendor program.

- Think of the direct mail piece and the Radio commercials as tools, not the idea. Find out what the manufacturer needs before you shove your direct mail package in his face. You are better off coming back for a second appointment after an information-gathering meeting to present an idea-oriented sales campaign that utilizes direct mail and Radio. Be creative as you think about what can be put in the manufacturer's ad. Can it be clipped out and redeemed with product purchase for a special gift? Can it be mailed in for a sample? And don't forget coupon and basic possibilities.

- Please give yourself enough time to sell this. Manufacturers can't make marketing decisions as fast as advertisers can. Start this process six months prior to mail date, if you can. If you only have two months to sell your mailer, stay away from manufacturers, or you will only disappoint yourself.

Manufacturers can be a dominant source of revenue and can also lead to other manufacturer-funded business separate from your mailer. Be persistent and sensible and you will get the manufacturer success you deserve. 

Kathryn Maguire is president of Revenue Development Systems. She may be reached at 617-589-0695.

QUICKREAD™

- Know all the details. Prioritize your prospects.
- Anticipate retailer tie-ins and consider a retail-driven vendor program.
- Give yourself lead time to sell.
- Find out what the manufacturer needs before you shove your direct mail package in his face.

Prices Plummet for Music on Hard Drive

10:14:18A Copyright 1994 by Scott Studios Corp.

* Air * 3:33	Without You Mariah Carey :14/3:33/F HIT HM0105 10:14 # 1 for 2 Weeks in March, 1994	:14			Fade On-Air Tab	Jingles & Spots 7	Music Library 8
Start F2	Streets of Philadelphia Bruce Springsteen :25/4:03/F HIT HM2608 10:17	Auto 6	Jingles A	Applause B	Sweeper C	Jingles & Spots D	
Start F3	Win It Before You Can Buy It Q: The Sound of the Tones :00/0:18/C PRO TO2214 10:21	F7 Move Up	Weather E	News Open F	News Close G	Rimshots H	
Start F4	McDonald's 2 for \$2 Special JT Q: Thru Saturdays Only. :00/1:00/C COM DA1103 10:21	F8 Move Up	Morning Jin. I	Oldies Jingle J	Legal ID K	Animal Noises L	
Start F5	Bob's Bargain Barn BW Q: At Westland & East Park. :01/1:00/C COM DA4310 10:22	F9 Move Up	Top 8 at 8 Jin. M	Crowd Boos N	Happy B'day O	More Events 9	
Start F6	Uptempo Jingle Q: Kiss FM. :00/0:06/C JIN DA1037 10:22	F10 Move Up	Swap Theme Q	Crowd Cheer R	Weather Service S	Options 0	

If you've been waiting for prices to drop before you replace your carts, now's the time. Prices for hard disks and digital audio have really dropped! Scott Studios now offers complete hard disk music and commercial systems at the best values ever! In addition, we'll pre-record your music to our hard disks free!

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Eighteen unscheduled jingles, sounders and effects are "always ready" (at right). You also get other screens with unlimited "walls of carts" that play instantly. Pick and play spots, jingles, comedy or song requests sorted ten ways.

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INTERVIEW

AMERICAN I

TRIAL BY OWNERSHIP

**STEVE DODGE, CEO,
AMERICAN RADIO SYSTEMS**

Steve Dodge is chief executive officer and second largest shareholder of American Radio Systems, a broadcasting company formed in November 1993 as a result of the merger of Atlantic Radio, Stoner Broadcasting Systems, and Multi Market Communications. The company owns 16 Radio stations in seven markets; proposed purchases of seven additional stations in five markets are pending.

Prior to his entry into Radio, Dodge was founder and CEO of American Cablesystems Corp. Dodge took the company public in 1986 and engineered its merger into Continental Cablevision in 1988, more than tripling its IPO share price in less than two years. Dodge exited the cable industry that year and founded Atlantic Radio, concentrating on small and medium markets before acquiring WRKO-AM/WROR-FM (now WBMX-FM) Boston.

Dodge is a graduate from Yale University and is a director of Enquirer/Star (NYSE), PageNet (OTC), and Morton Metalcraft.

RADIO

WRKO
1510/AM 980

INK: Please briefly recount the genesis of American Radio Systems — how it all came together over the last few years.

DODGE: We actually started a predecessor company in 1988 called Atlantic Ventures. It was inappropriately named, but it was a pure Radio company that was founded with capital I had been able to accumulate through my experience in the cable television industry. I had started American Cablesystems, a cable company that had grown into a fairly large player in the cable arena before I sold it. With the benefit of that capital, I entered Radio in 1988 with a couple other individuals with whom I had worked at American Cable. Our initial business plan was to acquire Radio stations in medium-sized markets.

INK: You got out of cable at just about the best time you possibly could ...

DODGE: Yes, but I also should get credit for getting into Radio at the absolute wrong time. At that time we were in an environment of high prices, a problem we compounded by acquiring a lot of turnaround Radio properties with inexperienced management and bad debt in what was soon to be a sliding economy. That's a pretty bad formula. A couple years into this we had acquired stations in markets like Rochester and Syracuse and Burlington.

INK: And then you found a couple of stations in Boston that changed all that, correct?

DODGE: Yes. I had spent some time up in Vermont relaxing and trying to get some distance between myself and the intensity of my experience at American Cablesystems. I didn't know it then, but the world was about to change fairly rapidly for us as a function of successfully navigating our way through a very complex process with WRKO and WROR. Acquiring those licenses was a terrific challenge because we had to deal with a whole bunch of constituencies for over a year before it all finally came to fruition and we were able to close on those stations — which was a mixed blessing.

INK: Mixed because the bull market we had seen was beginning to slow down?

DODGE: Yes. By the time we had finished the process, what at one time had looked to us to be a tremendous purchase price had become distinctly average. A year

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SIDELINES

◆ Leisure activities: **designing and building houses, ponds, gardens, wood-piles, and companies. Also bicycle and motorcycle riding and working out.**

◆ Recommended reading: ***The Grapes of Wrath*, by John Steinbeck. We all read too much trash, including Radio trash.**

◆ The most interesting person you know is: **Ted Turner, because he combines balls with brains and a sense of humor.**

◆ If you had 30 minutes to sit and talk with one person, whom would you choose? **Don Imus, because he's interesting, funny, and good for our business.**

◆ If you were granted one wish, what would that be? **To be 18 with 48 years of experience.**

◆ If you could go back in time, where would you go? **To 1970, so I could grab up all the good cable TV franchises and cheap FMs.**

◆ Who did you listen to on Radio when you were growing up? **Curt Gowdy announcing Red Sox games on WTIC-AM Hartford.**

◆ When you were a kid what did you want to be when you grew up? **A race car driver or a farmer.**

◆ What is your pet peeve with Radio? **Its future will be vitally affected by regulators who don't understand — and in some cases may not care about — the effect of their actions on our business.**

◆ The most embarrassing thing that ever happened to me in my career was **when I sat across from the president of a big bank in a crucial meeting with a hole in my shoe and my fly open.**

◆ What has been your most elusive goal? **Growing younger instead of older.**

◆ Of what achievement are you most proud? **Surviving my first five years in the Radio business ... and learning some good stuff along the way.**

◆ What is your favorite Radio format? **Classic rock.**

◆ Is there anything you would do differently if you had it to do over again? **I'd have gone into cable five years earlier and Radio five years later.**

◆ What advice would you give someone who wants to get into Radio? **Be prepared to suffer before you prosper.**

INTERVIEW

◀ 31

later it might have been listed in the bad deal department. As it turned out, this was a very challenging set of Radio stations for what was clearly an inexperienced Radio management team. But you learn from these things, and we slowly began the process of gathering good people. We had a few false starts along the way, which I think is pretty typical when you get into a new industry. Over time I developed some Radio competence, and some of the deals we had done early in our history — the stations in Syracuse and Burlington — became less relevant to what we were trying to get done in Boston. We pulled in all of our resources — managerial and financial — to make Boston work.

AN INTERESTING COMBINATION

INK: What was your primary goal when you finally closed on the Boston stations?

DODGE: To fix them. After a year or so we realized that WROR was a very sick Radio station. It made a little money, but it had a limited upside. It had been an oldies-based AC, but CBS took away the oldies position with WODS. Fortunately, WRKO was doing very well from a programming point of view, but it had bloated expenses and less-than-great sales performance, so we knew we could increase its profitability. But with WROR we really did have our hands full and ultimately decided to blow it up and start again ... which was painful. We were able to get some really good people,



Dodge at the helm.

most particularly Greg Strassel, who had been programming WLOL in Minneapolis for Emmis.

INK: Wasn't Emmis in the process of selling that station?

DODGE: Yes. We took an instant liking to Greg and he became our quarterback for the initial launch of what is now WBMX,



Dodge (r) with Tom Stoner discussing American Radio's future on Stoner's boat.

or Mix 98.5. It was a painful move — the station went from marginally positive cash flow to substantially negative cash flow in the first year — but we then started enjoying fairly rapid ratings success and revenue growth. Over the last four years at that station, however, we have seen constant and gradual growth and, in the latest trend, we were No. 1 in the market 25-54. Today the programming is still quarterbacked by Greg Strassel and we view it as the mother lode station of the company. It's a tremendously profitable Radio station with a lot of growth still in front of it.

INK: Did the company suffer from your need to focus all attention on Boston?

DODGE: Yes ... and being in one market, even with two stations, is not a good formula in Radio. Just as everybody else in the industry was doing a couple years ago, we began the process of looking around for people with whom we could form a partnership. When the duopoly rules became real we had a false start with

Pyramid Broadcasting, which didn't work out for a variety of reasons. Then we found an opportunity to join up with Tom Stoner and Stoner Broadcasting, and a third company called Multi Market, which was being run by David Pearlman. It was an interesting combination of profitable Radio stations, good

management and a diversified platform that presented a very logical combination for us.

INK: What made the arrangement so attractive?

DODGE: Everybody brought something different. Stoner gave us critical mass in terms of being a large company, and contributed leading stations in a number of different markets with some terrific local management. Multi Market's attractiveness was largely a function of David Pearlman's management ability and track record. Also, the station we've been able to pair up with in Hartford is another very fine adult contemporary Radio station. Together, those stations should do very well for us in Hartford, which is a very limited competition market. Joe Winn and I contributed a high-growth situation in Boston, a track record for building successful companies and experience in accessing various forms of capital.

33 ▶

INK: How much of this venture was done with equity, and how much was done through traditional lending?

DODGE: Each company had a different degree of leverage associated with it, but the combination of the three companies with their net cash flows resulted in reasonable leverage and well-diversified cash flow. However, one of the shareholders who had been involved did pull some money out, and because of this we had to bring in some new capital in the form of institutional money. In any event, most of the capital in the company was provided by Stoner Broadcasting and by Atlantic Radio.

A LITTLE MORE LEVERAGE

INK: Do you find yourself comfortable with your current debt structure?

DODGE: Very much so. Roughly speaking we're in five times trailing cash flow after overhead, diversified across a number of markets. Interest rates are low, so we're very comfortable with our leverage. In fact, because some of us bring low basis assets to the table, even at that degree of leverage, we're a profitable company and end up being a taxpayer. So there may be a financial argument for us to have a little more leverage than we currently have so that we can be more tax efficient.

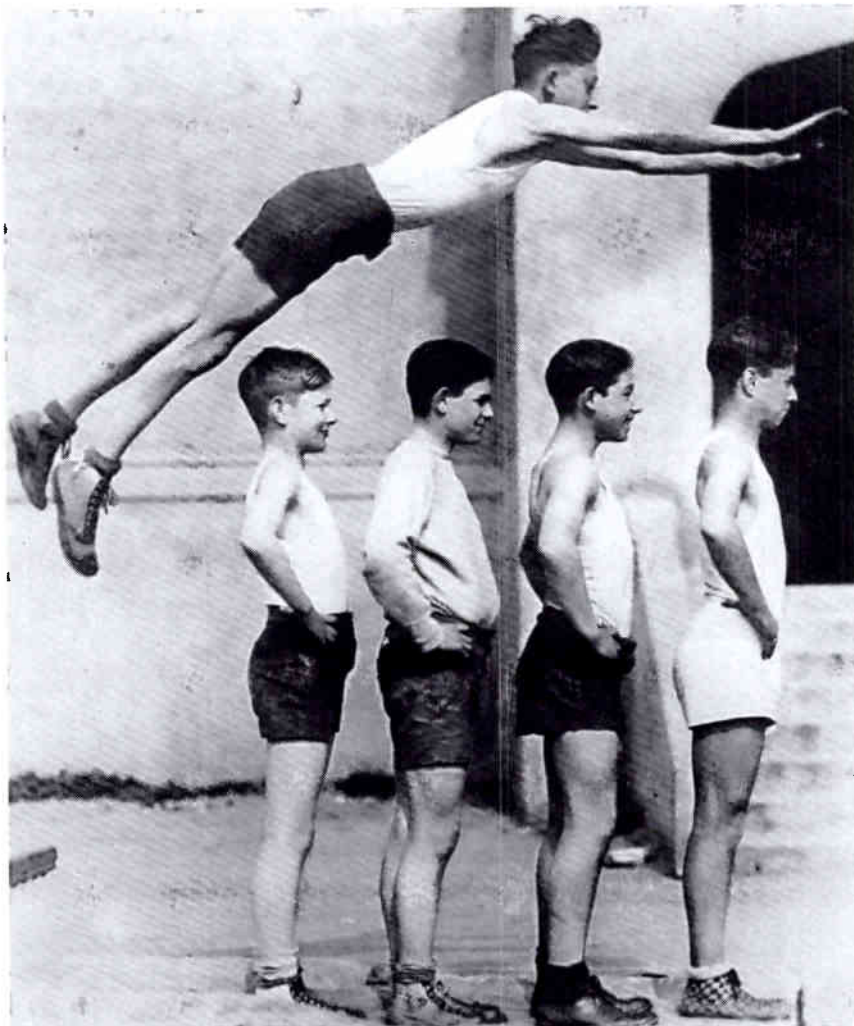
INK: You've already mentioned that you got into Radio at just about the absolute worst time. What lessons do you think you learned from the last few years of the financial storm that hit us so hard?

DODGE: First, that nothing is for sure in Radio. We've learned how critically important management is, particularly at the station level. We've learned what a good Radio market is and what a bad Radio market is ... and why. And we understand the kind of Radio stations that are likely to have legs over a period of time as opposed to those which are going to be constant fixes, always needing attention and money. Finally, we've become a little more intelligent in selecting the kind of people that we need to attract at the corporate level to be successful in this business.

INK: What is your current management structure? Are you a hands-on type of manager, or do you give your managers a

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lot of latitude to work independently?

DODGE: As long as I'm in this business, I really will never qualify as a Radio guy. I've been in it now for six years and people still perceive me to be primarily a financial person. I do have those skills, but I also know how to create cultures and environments where people can feel and be successful. At the corporate level, we have an Operations Committee that meets regularly every week that consists of four people: myself, Joe Winn, David Pearlman and John Gehron. We're all different people with different styles, strengths, and weaknesses, and our meetings are both productive and fun. David Pearlman has more than 20 years in the industry in a number of different positions, and John Gehron is an industry



The Dodge family at their home in Vermont. (L to r): Tom, Steve, Ben, Kristen and Anne.

veteran of about 25 years ... and they both have tremendous skills. John is responsible for Boston and manages WRKO directly, and David is responsible for the rest. Underneath them — and this was one of the hidden values of the Stoner company — we acquired a core of very fine general managers who are very capable of doing a first-rate job in each of their markets. They all know their markets really well and have demonstrated the ability to run Radio stations successfully over a long period of time. Besides, they're all very good people ... and yes, we delegate lots of responsibility to them.

RESHAPING UP

INK: Your company operates stations in a number of different-sized markets. Is that part of your long-term plans, or should we expect to see some changes?

DODGE: We expect to reshape the com-

pany a little bit over time. On average, our market size is going to be significantly larger. That doesn't suggest that we'll be running after L.A. or New York any time soon, but I think you'll find us focusing more on \$30-75 million markets as we go forward. Within the next month or two at least one deal will put us into a market of that nature.

INK: Do you expect to remain in the other markets you're currently in?

DODGE: It really wouldn't be responsible for me to comment on what Radio stations we might contemplate selling ... but we do expect to reshape our company's average market size upward significantly.

INK: Understood. How has duopoly affected your company, your operations, and the Radio industry in general?

DODGE: On balance, duopoly has proven to be tremendously positive. At the high-

est level, it permits people to create much larger companies. This, in turn, facilitates the attraction of capital in all forms, but particularly public forms. Where we might have been limited to the creation of a market cap of two or three hundred million dollars, it is now possible in Radio to create market cap com-

panies of a billion or more. That opens up a lot of doors that weren't open to us previously. At the local market level, one of the things from which Radio has suffered over a period of years has been the highly fragmented nature of each market. The mindless rate-cutting and rate-whoring that has occurred is the result of a lot of marginal operators competing for a limited number of dollars. At this stage of duopoly we're seeing a firming up in pricing and, as a result, we're going to see companies become much better at serving clients, attracting people, and running a much more profitable business. For instance, in Boston we have an opportunity to build a 40 to 50 million dollar business with a lot of different demographics with a broad appeal to a wide range of advertisers. That permits us to redefine our business not as one in which we simply

schlep spots, but one which involves providing good cost-effective marketing solutions to client companies.

THE IRREVERSIBLE FORCE

INK: How have you structured your sales departments in the duopoly markets you're currently in?

DODGE: It varies a little bit according to the size of the market. Philosophically, we are very much geared toward creating autonomous business units within each market so that each station can retain its own identity — and so the people who work for that station can feel responsible for its success. There may be some limited sharing in some of our smaller markets at the GM level, as well as some back-room sharing in such areas as engineering and business. In the critical areas of product, sales and marketing, however, we really believe in keeping these critters separate by permitting each of them to compete and to be as great as they can be in the marketplace.

INK: What challenges have you encountered during the consolidation process? Has consolidation or duopoly been easier or tougher than you anticipated?

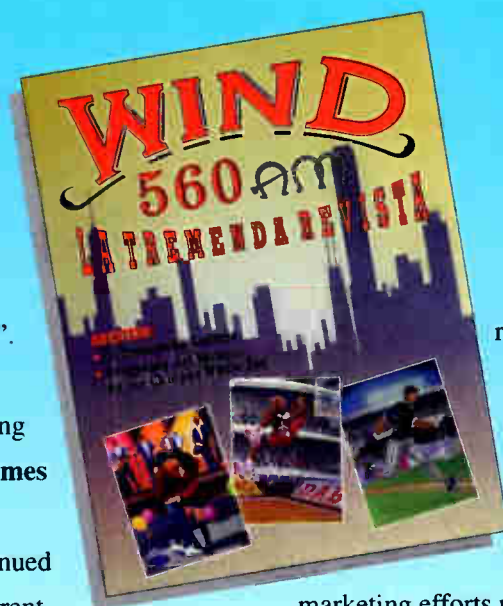
DODGE: It really hasn't been any tougher than we expected. If you have even a bit of common sense you can anticipate that there are going to be a lot of challenges associated with blending station personnel who have been paid for the last several years for their ability to kill each other. By nature, the people who work in this business are insecure, so when you combine two Radio entities with the prospect of job loss, there's a lot of anxiety floating around. You have to anticipate this and deal with it quickly and rationally. It's also important to understand that merging sales functions and programming functions is a recipe for a lot of problems. You are invading the critical components of those Radio stations and, in that kind of circumstance, the job loss prospect is significant. However, if you've limited the consolidation to back-room functions like business and engineering, it's really not that traumatic.

INK: Do you see any down side to duopoly? Are there going to be any losers in this?

DODGE: Sure, there will be some losers. If you're the last guy in the market with a marginal signal in a marginal format position, you're going to be faced with

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some very specific challenges — particularly in maintaining some kind of presence in the advertising arena. It's hard for you to maintain advertiser interest if you're a three-share player when there are 20-share players out there that advertisers can work with. Having said this, there are very constructive and positive ways for Radio station owners to work with some of the duopoly entities in a way that serves both interests.

INK: Five years from now, should we expect to see most duopolies still performing well, or will there be some natural attrition?

DODGE: Duopoly is an irreversible force. It makes so much business sense that it's going to continue to happen. There will be a few casualties, and many of them will be the product of ill-guided management decisions rather than something that is inherently wrong with duopoly.

INK: Is there any reason to be concerned with post-duopoly station values or pricing structures?

DODGE: Duopoly probably has had an effect on pricing, but we really can't generalize about that effect. There are situations where prices may have risen, but there are also those where someone may be the last guy out there and there are few, if any, natural buyers. In that situation, it could be argued that prices might go down.

GOING PUBLIC

INK: What do you think of the public marketplace?

DODGE: What we all saw last fall — extraordinary multiples and a rash of IPOs — was based on fantasy economics. Radio stations and Radio companies shouldn't be trading in the ozone of 4-times next year's cash flow — it just doesn't make business sense. Now the market has overreacted a little bit and some entities are getting punished more than they should. Still, over time the market should become a little more rational and recognize what a good business this is right now. It is so inherently sound that the quality and the growth that resides in some of these companies is going to become very apparent to Wall Street, and that will bode well.

INK: Should we expect to see American

Radio Systems make a public offering any time soon?

DODGE: As a company, we would certainly consider the public as an option for financing our growth in the future — but we would view taking a company public as a form of financing, and not as some kind of end unto itself. There are reasons to be public and there are reasons not to be public. Basically, it comes down to the cost of capital and the objectives of individual shareholders involved with the company.



Dodge suffering through a recent birthday.

INK: Can the public markets hold up, or should we expect to see another correction?

DODGE: This year is going to be very interesting. I think we're going to see several public companies report surprisingly strong first half results, and perhaps full year results. Other companies won't be as profitable. As a result, the market is going to begin to recognize that some of these companies are good and some of them aren't, and they'll behave accordingly.

INK: With revenues increasing at a double-digit pace and interest rates still relatively low, are we in danger of forgetting — or at least ignoring — the economic lessons of the recent past?

DODGE: Clearly, we are all benefiting from a very positive growth cycle that is occurring throughout our industry. There is a rising tide here and we'll all be benefiting from it. I don't think any of us can, or should, count on the same degree of percentage growth extended indefinitely in the future. It's going to slow down — at least from mid-teens growth to 7, 8, or 9 percent growth which, by historical standards, is still very high. A lot of us learned an awful lot the hard way in the 1988-'90 time frame, and today's situation is an interesting test of that statement. There is a lot of money out there now for Radio

guys and interest rates are relatively low. Generally, when you see a convergence of lots of money and low interest rates, you see very high prices. While some prices are firmer than they were two or three years ago, we're also finding a number of very attractive deals that make a lot of economic sense to us. And that, in part, is because there aren't too many fools out there willing to buy Radio stations at any price just to grow a company. And the banks are smarter, too.

CHASTENED BY EXPERIENCE

INK: You've only been in Radio for six years, but in that time how has the industry changed?

DODGE: I think people may be a little bit smarter and a lot more humble. Some of the funny-money artists are out of the business, and most of the people who are in this industry now are serious broadcasters who really care about Radio and want to grow good Radio companies as opposed to good financial platforms. On the other hand, I'm not sure that I see any great innovations occurring in programming. I don't have a 20 year perspective on this, but sometimes the formula approach to programming and market assessment becomes a little bit tedious. On balance, I'm struck by the fact that people in Radio today are much sounder thinkers than they might have been four or five years ago. They've been chastened by difficult experiences and recognize what we all recognize — that we have a chance to do something really interesting.

INK: Having had more experience in the cable industry, what do you view as Radio's greatest strength — and, conversely, its greatest weakness?

DODGE: Radio works. That's its greatest strength. There are a lot of advertising vehicles that don't work, but Radio works. Our primary challenge is to bring clients into this business that might not have been Radio users in the past and create advertising programs for them that are tailored to their needs. Then we need to provide results that are measurable so they will want to come back and use our medium again. We have these big old AM Radio stations in Boston, and people ask, "Why do you want to be in AM Radio?" Well, I have a simple answer to that question: It works. It hooks

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consumers. It's simply a much more efficient medium than those that are out there. Radio has a significant market share growth opportunity in Radio, probably at the expense of television and maybe secondarily at the expense of newspapers. This is because we can give advertisers the demographics they want to reach very efficiently. And while TV is fragmenting, Radio is consolidating.

INK: What can we learn from your former industry?

DODGE: Cable is one of the culprits in the fragmentation of television which, until recently, was relatively concentrated. Also, just like Radio, cable has the ability for advertisers to target a specific demographic group pretty darn efficiently. The problem with cable is that it is very difficult to buy, and the people running cable companies don't know how to sell what they have to advertisers. Also, Radio is very much responsible for its own product, unless we've allowed ourselves to become too dependent upon syndication. Cable outlets are just distributors.

INK: Sort of like a utility?

DODGE: Yes. Cable companies have a pipe-

line and they have very little to do in the real world with product development.

INK: How do you envision Radio in the year 2000? Will we ever actually see an information superhighway and, if so, does Radio have a competitive place in it?

DODGE: There is a tremendous "BS" factor floating around in this whole superhighway issue. The fact is, you don't change consumer behavior very quickly. There's also a high level of confusion among consumers who want 12 good channels, not 500 lousy channels. While there is tremendous technological potential, the marketplace may not come along nearly as fast as the technology. There's also the whole regulatory question, with a lot of different people jockeying for position and trying to get a piece of something. And I just don't think that there is anybody out there smart enough to envision clearly what this is all going to look like in the year 2010. The only thing we can be confident of is that Radio probably is less threatened technologically than most other communication mediums.

INK: Do you expect to see Digital Audio Broadcasting (DAB) in some fashion by the end of the decade?

DODGE: I'm not smart enough to under-

stand exactly how digital is going to play out, whether it will be in-band on-channel or some other form. There are a lot of unanswered questions. Meanwhile, we've got to keep our focus on product. There are a lot of moving parts out there right now with an awful lot of issues that all of us in this industry have to be alert to. We each have our own worry list. But ultimately our strengths lie in the localism of our product. Satellite-delivered programming really isn't going to have a tremendous effect on our business, and digital audio via cable is a tremendous bunch of malarkey. While some operators out there might be thinking they can run 40 channels of music down the pipeline into people's homes, they forget to ask a few key questions. They forget to ask about the programming content, they forget to ask about programming appeal, and they forget to ask why people in those houses who are used to getting Radio for free suddenly are going to want to pay for it — particularly when they're already pissed about their cable bills. Now, I don't think we should stick our head in the sand on a lot of these issues but, if we mind our business and put on some great-sounding programming alternatives and market them well, we'll be in great shape. — **REB**

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THE REGULATORY FCC Do's

by John

“Deregulation” is a popular FCC buzzword that suggests its rules and regulations have been marched off into the sunset. In reality, deregulation has become a never-ending parade, with new regulations following old like one marching band after the other.

Today's GM faces more — and more intrusive — regulatory involvement than ever. Noncompliance is more expensive, too: What used to be a \$500 hand-slap for, say, a public file violation, is now a \$5,000-\$20,000 whopper.

Here is a guide to regulation to give the manager an overview of the most significant requirements. Most of these are imposed by the FCC, but other federal agencies also have an impact on station operation.

The guidelines are meant to be thought-stimulators, not legal advice. Station managers should consult their attorney about the facts of their particular case.



STORY PARADE

& Don'ts

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PERSONNEL

EEO is the single most important concern to the FCC in broadcast regulation. The FCC's attitude about EEO progress made since the rules were adopted in 1968 is reflected in tough new employment guidelines; stiff five-figure fines; and even more stringent proposed rules.

You're not exempt from scrutiny just because your minority and female employment statistics pass muster. The FCC requires detailed records on job descriptions, regular contacts with recruitment sources, and the number of minorities and women who apply for every job position. The focus has shifted from who you employ to how you employ.

Job No. 1 for the GM must be to put a thorough — and effective — EEO program in place. If the prospect of a hefty FCC fine isn't enough to spur EEO action, the threat of a challenge when the station is sold or the license is renewed certainly should be. Witness the recent \$2 million settlement with Infinity when it acquired a Washington, D.C. combo.

ADA is one of the hottest new acronyms in Washington — it stands for the Americans with Disabilities Act. The ADA requires most companies to make their premises accessible to disabled persons, and forbids discrimination in recruitment and hiring on the basis of a disability. The risk of noncompliance is no mere fine. It can be a lawsuit and judgment in the hundreds of thousands of dollars. In the two years since ADA became law, it has become one of the fastest growing areas of litigation, with thousands of lawsuits filed.

Sexual harassment needs no introduction, with claims regularly making front-page headlines. It is imperative to have a written policy in place, firmly against any form of conduct that attempts to wrest sexual favors from others or makes them feel uncomfortable in the workplace.

There's more alphabet soup for personnel-related matters. *INS*: The Immigration and Naturalization Service requires all employees to fill out its Form I-9 for each new employee hired. *OSHA*: The Occupational Safety and Health Act requires employers to post notices about safety in the workplace; to keep a log of all accidents on the job; to post an annual summary of work-related accidents; and to comply with an encyclopedia of workplace safety standards. *RFR*: The FCC requires measurement of the Radio frequency radiation level at a transmitter site, and written policies and procedures for avoiding human exposure to RFR, such as coordinating with other occupants when the tower is climbed.

PROGRAMMING

Indecency. With the increase in shock jock popularity and raw pop lyrics, indecency is currently the high-visibility FCC issue. The FCC defines "indecency" as language or material that depicts or describes, in terms patently offensive as measured by contemporary community standards for the broadcast medium, sexual or excretory activities or organs. Stations are prohibited from airing indecent material between the hours of 6 a.m. and 8 p.m., but the "safe harbor" concept — and the indecency standard itself — are under challenge in the courts, so watch this space.

Public service. Didn't that go out the window with "ascertainment" (see following)? By no means. Every station license is imbued with the basic public interest obligation to broadcast programming that responds to public needs and interests. Stations are given wide latitude on how to meet this obligation, but the programmer who thinks a half dozen PSAs a day is enough is putting the license at risk.

Quarterly Issues-Program Lists are the com-

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SPECIAL REPORT

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positive track record of service that a station runs on at renewal time. The lists are a legally binding statement ("anything you say can and will be held against you") of the best responsive programming a station has broadcast. They must be prepared and placed in the Local Public File on the first day of each calendar quarter. The importance of the lists is commonly underestimated, but if you don't have them and your renewal is challenged, there is no way for the FCC to judge your past programming. Sloughing off this regulatory requirement raises the greatest risk of all: loss of license.

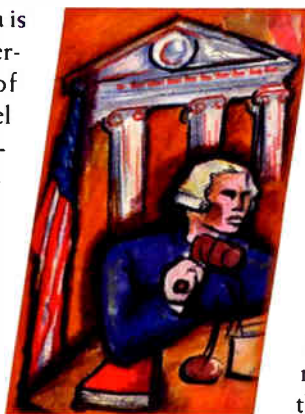
Ascertainment. Broadcasters are no longer required to adhere to any formal interview procedure. They are, however, still obligated to ascertain public needs and air responsive programs. A station cannot be responsive without knowing what the needs of its service area are. Some ongoing method of ascertaining them, and documenting the findings, is therefore essential to a station's complete record of performance.

Program controls are necessary to avoid

payola and plugola. Payola is the illegal practice of under-the-table payments of money or gifts to personnel in return for broadcast exposure of a product, usually a recording. Plugola is a free commercial or a plug for a product or service in which an employee has a financial interest that is not disclosed. Stations are required to take reasonable steps to prevent payola and plugola from occurring. One widespread program control is the practice of requiring all personnel to sign an affidavit periodically affirming that they have not had any involvement in payola and plugola practices.

PROMOTION

Contests are the broadcaster's promotional lifeblood. The FCC has a straightforward regulation on contests to prevent rigging and deception: All material terms of a contest must be broadcast (such as how to play, what to win, and how the winner is chosen), and the contest must be conducted the way the sta-



tion says it will be. This is simple in concept but can be complex in action.

The effect of the contest rule is to force the broadcaster to develop promotional contests carefully, and to craft well-written, comprehensive rules. For example, if you announce that a winner will be randomly chosen, make sure the selection is truly random.

If the prize is an "all expense paid" trip, decide beforehand whether that includes lodging, meals, tips, taxes and similar incidentals. If a tie is possible, include tie-breaking rules or be prepared to give away more than one grand prize.

Hoaxes have earned special FCC attention. A broadcast hoax (such as the staged kidnapping of a disc jockey or broadcast of a fake news item) can snowball into unanticipated public commotion or hysteria, strangle telephone service, and call out police or fire personnel. The aftermath is usually not pretty. Best advice: Avoid hoaxes altogether. Be especially sensitive to the tendency to slip one by on April Fool's Day.

Treasure hunts are a species of contests that the FCC views sternly. It repealed a formal policy on the subject several years ago, but emphasized that contests that could potentially cause human injury, damage public property, and create risks to public safety, are not to be condoned. The safest way to do a treasure hunt is not to do it.

Bar nights raise a dangerous prospect of station liability. Before you do a tie-in promotion with a popular local bar or nightclub, check to see if your state has a "dram shop" law. This makes the purveyor of alcoholic beverages liable for death or injury that is caused off premises by a patron (a drunk driving accident on the way home from the bar, for example). A station that co-sponsors an event or evening can be held jointly responsible. Dram shop law or not, it's a good idea not to emphasize alcoholic beverage consumption in promotional announcements for bar nights. It would be wise to avoid hyping "two-fers," beer tastings, and similar exhortations to imbibe.

Telephone call-outs are subject to a very strict rule: The person answering the

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phone must not be put on the air or be recorded for air playback unless he or she has been told the conversation is being broadcast or is being recorded for broadcast. Is any call-out worth \$5,000? That's the minimum fine for violating the rule.

Telephone call-ins do not need to be told they are going on the air or being recorded for airplay if the caller would know from listening to the station that his or her call will be broadcast. Call-ins to a request line, contest calls, and talk show calls are the most common examples. The key is knowledge: Persons who call the station not knowing they will be put on the air or recorded for airplay must be told in advance.

LOTTERIES

Lotteries belong in a class by themselves, since they can involve both the promotion and sales departments. A lottery is a game or contest with three elements present: prize, chance and consideration. Think of it as pay to play. The broadcast of lottery information used to be entirely forbidden. Now, it depends on whose lottery it is. Information about state-run lotteries is permitted if a station is licensed in a state that conducts a lottery. So is gaming conducted by American Indian tribes (with important qualifications). If not prohibited by state law, charity-sponsored lotteries and occasional lotteries sponsored by commercial entities not in the business of gaming (a car dealer or restaurant, for example) may be promoted. Exceptions to the general ban on the broadcast of lottery information also exist for horse racing and fishing contests.

Broadcasting information about commercial gaming in casinos and riverboats is illegal, except in Nevada (where the federal lottery statute is under attack in the courts).

Because state and federal lottery laws are in flux, it's a good idea always to consult an attorney when in doubt about the legality of broadcasting a lottery or promotion that you believe may be a lottery.

SALES

Sponsorship identification is the oldest regulatory requirement on the books,

requiring that when something of value is given in return for an on-air mention, that fact must be announced. Paid commercial announcements are the most



common example, and in those cases the mere mention of the name of the product, service or vendor is sufficient. (Recognize, though, that this requirement precludes teaser campaigns.) The sponsor ID requirement applies not just to money paid, but also to things furnished in return for on-air plugs, and this can overlap the station's sales and promotion departments. So if the morning drive crew extols the virtues of an on-air breakfast catered by IHOP, an announcement that IHOP provided the meal in return for promotional consideration must be made.

Billing. The sale of an intangible such as broadcast time creates a special potential for fraud. Make certain all documentation for a time sale, from sales order to

invoice, accurately describes all terms of the sale. This is especially important in the case of co-operative advertising, in which a less than scrupulous local sponsor may attempt to claim co-op reimbursement to which it may not be entitled.

Political advertising is a thicket of federal law and FCC regulations and rulings. One of the hottest areas is the requirement to give all candidates most favored advertiser status: the best discount in the house, aka lowest unit charge. Most dangerous practice: failing to assign some contract value to bonus spots. Bonus spots with a value of zero make a station's lowest unit charge zero for that type spot (or possibly the entire daypart). All stations must also make available not just a "political rate card," but a written, comprehensive summary of all commercial advertising rates and practices known as a political disclosure statement.

Installment purchases. Spots for new cars, furniture, and other goods bought on credit may not refer to price, interest rate, or installment payments without making other disclosures. This is the proverbial fine print that television spots flash on screen, usually for several micro-

44 ▶

Major market talent in your morning drive — FREE!

Good Day, USA

with Doug Stephan

Good Day, USA can be heard in Dallas, Boston, Tampa, St. Louis, Cleveland, Columbus, Denver and more than 100 other markets.

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Affiliate Line: (617) 937-9390

Further information: (508) 877-8700

Circle Reader Service #121

SPECIAL REPORT

◀ 43

seconds; it can't be done on Radio. A bill is pending in Congress to relax the disclosure requirements.

Joint sales practices with other stations used to be forbidden. Since rep firms are the agents of their station clients, the prohibition limited them to a one-per-market maximum. The FCC repealed the ban so that today joint sales practices flourish at the local and national levels. They are, however, subject to laws prohibiting unfair or anticompetitive trade practices. "Tying," or forcing a buy on one station in order to buy another, is a classic anticompetitive practice that is unlawful.

ENGINEERING

Chief operator. Every station must have one. Unless the CO's appointment is written and posted, the FCC will fine you for not having one. This is the easiest FCC requirement to comply with, yet one that stations are often fined for vio-



lating. Make sure a signed statement is posted that says simply, "I hereby appoint Joe Doaks the Chief Operator of Station XXXX."

Operator licenses. The chief operator and all board operators must hold FCC licenses. The most common is the Restricted Radiotelephone Operator Permit, a wallet-sized card the FCC issues by mail for the lifetime of the holder for \$35. The FCC no longer issues

class-designated operator licenses for broadcasting, the so-called "first" phones and "third" phones, though they may still be found posted on the studio walls of many a station.

Logs. All broadcasters must record in the station log any tower light malfunctions and all EBS tests, broadcast and received. Some directional AMs must log readings of operating parameters every three hours. It's a good idea for all stations to log readings at regular intervals throughout the day. The Chief Operator must review the logs for completeness, then date and sign them.

Equipment performance measurements must be made by AM stations annually, with not more than 14 months between inspections.

The most frequent citations for violations of the FCC rules are for failure of indicating instruments to function or to be calibrated properly; EBS violations; neglect of tower lights and painting; operator incompetence; logging violations; and problems with remote control systems.

OWNERSHIP AND MANAGEMENT

Local public file obligations require broadcasters to make documents available for public inspection and copying. The file is a favorite target of FCC inspectors. Know the requirements in detail. Generally, the file must contain the publication called *The Public and Broadcasting — A Procedure Manual*; the station's most recent construction permit application; ownership applications (license assignment and transfer of control) for the past seven years; Annual Employment Reports and Annual Ownership Reports

45 ▶

Need To Know How To Sell More Advertising?

The Griffin Reports is a proven sales tool that provides qualitative research tailored for your geographic market. Our research provides local listener demographics plus information about how much they spend, what they buy and where and how often they shop. It's highly targeted, flexible and affordable.

If you want to sell more to current accounts, or if you need help convincing new clients that your station should be on their buys, call Griffin. We know how to help with the audience information that can give your station a competitive edge.

Griffin Knows.



Call Craig Harper at 800-723-4743 for more information

Circle Reader Service #122

for seven years; Quarterly Issues-Problems Listings for the current license term; political broadcasting requests for two years; and letters from the public for three years.

Some file musts and mustn'ts: The file must be readily accessible to the public, such as at or near reception, not locked in the GM's office or tucked in a file cabinet in engineering. The file must be located in the station's city of license, so if your studios are outside the city limits, keep the file at the public library, city clerk's office or in a lawyer's or accountant's office. Anyone may see the file just by asking without a prior appointment, and without disclosing anything more than their name and address. They may not be asked what they want to see or why. You must make photocopies of material, if requested, but only within seven days. A reasonable photocopying fee may be charged. Requests received by mail for copies need not be honored. Most emphatic mustn't: Do not permit any file item to be removed from

the premises; keep possession of all file contents at all times. The commission will not be sympathetic to a claim that someone removed a file item if you are fined for an incomplete file.

Multiple ownership. An entity may own up to 18 AM and 18 FM stations (the limit increases to 20 this September), and may have an interest in three more AMs and three FM stations that are controlled by minorities and small businesses (annual revenues less than a half million dollars, total assets less than \$1 million).

Duopoly. An entity may own up to two AM and two FM stations in markets with 15 or more commercial stations, so long as the stations' total audience share does not exceed 25 percent. An entity may own up to three stations in markets with fewer than 15 commercial stations, no more than two of which may be in the same service, and so long as the stations represent less than 50 percent of the stations in the market. The definition of "market" is a complex, technical determination, based on the principal commu-



nity contours of the overlapping stations. "Audience share" can be an equally complex calculation.

Time brokerage has entered a new era of popularity, with the FCC's blessing. Agreements between broadcasters fall along a broad spectrum, from joint sales agreements involving no change in stations' sales staffs or practices, to "LMAs," in which one station is hired to program and sell the air time of another. The single most important factor in entering into any time brokerage arrangement is the retention of ultimate licensee control by the brokered station, which must retain at least two employees and originate some of its own programming. The ownership of a station that is brokered for more than 15 percent of the broadcast week is attributed to the broker, which can have consequences under ownership limits.

Main studios. Like chief operators, every station must have one. In the duopoly and time brokerage settings, this can create logistical problems. The main studio may be located anywhere

46 ▶

"These are the best Radio sales tapes ever made. They consistently produce higher billing."

— George Green, KABC, Los Angeles

When the economy was hot, selling Radio was a lot easier. Orders came pouring in regardless of your format, reach or numbers — everybody got a piece of the pie.

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Former VP of Shamrock Broadcasting, **Pam Lontos** was responsible for a 500% increase in sales in one year. President of her own company since 1981, she has trained thousands of Radio salespeople. Pam was recently featured in the cover story of *Entrepreneur Magazine*, and *Reader's Digest*.

What you'll learn:

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UPCOMING IN **RADIO INK**

A GLANCE AT RADIO INK SPECIAL REPORTS

Is There Anything New in Radio Research?

Issue Date: July 25
Ad Space Deadline: July 7

Hot Programming Trends

Issue Date: August 8
Ad Space Deadline: July 21

Budgeting and Planning Guide

Issue Date: August 22
Ad Space Deadline: August 4

Software (Sales, Traffic & Billing)

Issue Date: September 5
Ad Space Deadline: August 18

Does Value-Added Add Value?

Issue Date: September 19
Ad Space Deadline: September 1

Industry Organization Report Card

Issue Date: October 3
Ad Space Deadline: September 12

Radio in the U.K.

Issue Date: October 17
Ad Space Deadline: September 29

Direct Marketing

Issue Date: October 31
Ad Space Deadline: October 13

Technology: What's New?

Issue Date: November 14
Ad Space Deadline: October 27

Long Form & Syndicated Programming

Issue Date: November 28
Ad Space Deadline: November 10

The Year In Review

Issue Date: December 12
Ad Space Deadline: November 22

Reach Radio's top executives
with an advertising campaign in
Radio Ink.

For information call
Yvonne Harmon at
407-995-9075

SPECIAL REPORT

◀ 45

How Do I FINE THEE? Let Me Count the Ways

Here is a summary of the FCC's "rate card" for violations of its rules:

- Construction or operation without authorization: \$20,000
- Unauthorized transfer of control: \$20,000
- Failure to permit FCC inspection: \$18,750
- Failure to respond to FCC communications: \$17,500
- Exceeding power limits: \$12,500
- EBS equipment broken or not installed: \$12,500
- Broadcasting indecent/obscene material: \$12,500
- Violation of EEO or political broadcast rules: \$12,500
- Violation of main studio rule: \$10,000
- Public file violations: \$7,500
- Sponsor ID or lottery violations: \$6,250


These are "base" amounts per violation, per day. They can be adjusted down or up (to the \$25,000 limit), depending on the circumstances. If conduct is egregious, or if the violator is rich, is a prior offender, or profited from the violation, or if the violation was intentional or caused substantial harm, the fine can go up. If the violation is minor, or if the violator acted in good faith or came clean by confessing the violation, or has a history of overall compliance, or can't afford to pay, the fine can go down. In either case, you may wind up paying a lawyer to defend your case, an added expense of being fined.

There's a hefty kicker to all this: The maximum fine for a continuing violation is \$250,000 per day. No question about it: Compliance may have its costs, but it also has its rewards.

within the principal community contour (daytime 5 mV/m for AM, 3.16 mV/m or 70 dBu for FM). Although no programming is required to be originated from the main studio, it must have origination capability and a meaningful management and staff presence. The FCC has interpreted this to mean at least two full-time persons, one of whom is management level. Both must use the designated main studio as home base and report there daily.

Main studios formerly had to be located in the city of license. Many suburban-licensed stations used a two-studio "Arizona waiver" setup to operate from the urban center. A designated main studio in the suburban city of license was used only for originating non-entertainment programming. For many, this meant turning on the lights there only one or two hours weekly for a tape playback of

Your University Speaks or similar fare, and locating virtually all of the station's operations at the urban auxiliary studios. The FCC no longer issues Arizona waivers (so-named because the first such operation was authorized at Glendale, AZ) due to the relaxation of the main studio location rule and the adoption of the meaningful presence requirement.

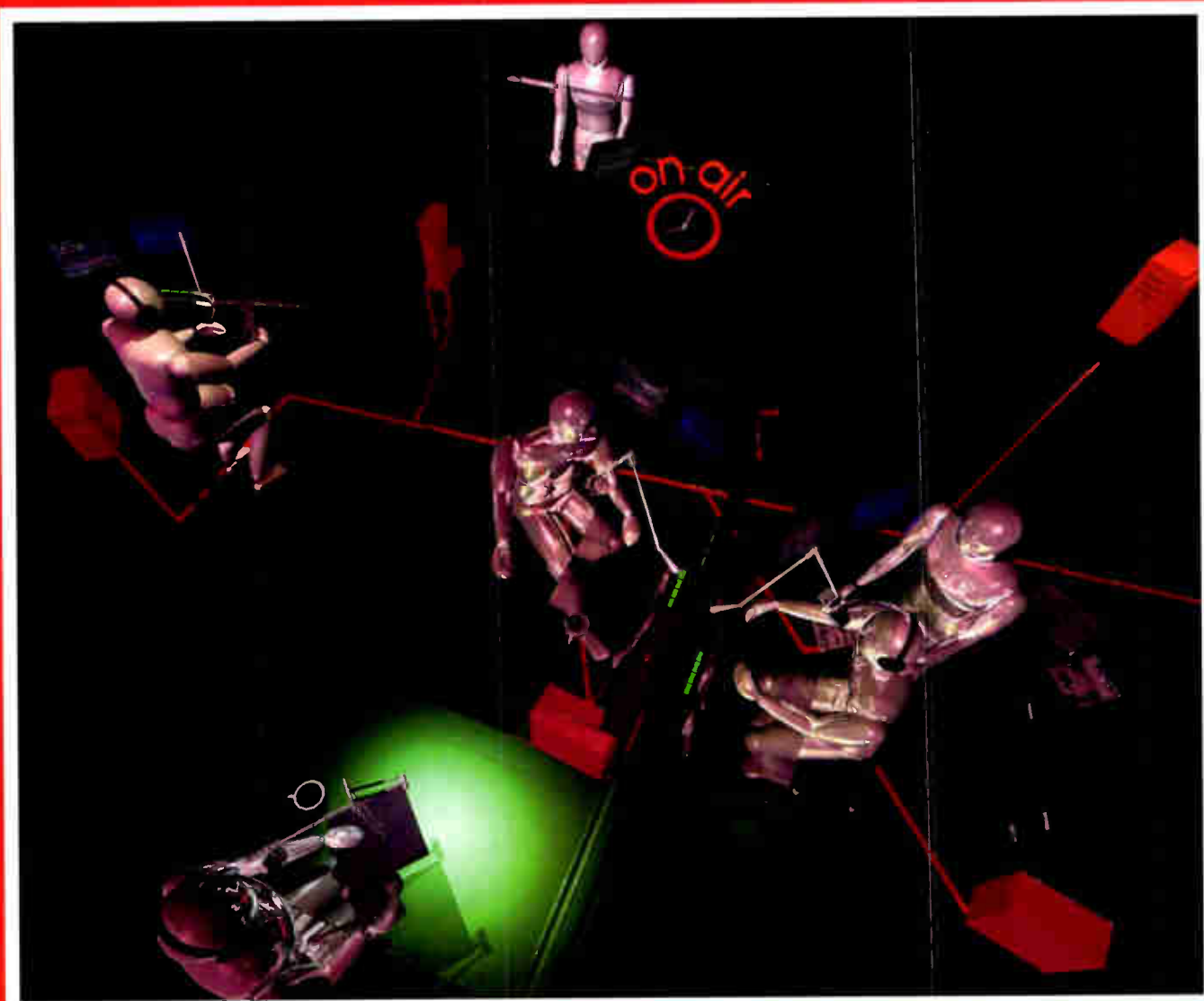
These are only a few of our favorite things. Copyright, trademarks, libel, advertising restrictions, user fees, antitrust and unfair trade practices head a virtually endless parade of regulatory concerns. Promises of deregulation usually produce only different regulation, so the wise general manager stays abreast of the regulatory parade. 

John Wells King is a partner in the Arlington, VA law firm of Haley, Bader & Potts. He may be reached at 703-841-0606.

Special Advertising Section

Wave Makers

Cutting-Edge Information From Leading Radio Suppliers



BROADCAST PROGRAMMING: A New Way of Looking at 'Walk-Away Programming'

BROADCAST ELECTRONICS: Determining Your Digital Needs

CASH FLOW MANAGEMENT: Factoring for Your Station

WALK-AWAY PROGRAMMING

Another Way of Looking At It

by Edith Hilliard



Is there a U.S. radio station that hasn't completely changed its programming at least once in the past 20 years? Programming is the puzzle we all must solve, over and over. It's an intricate puzzle, and its rules are constantly changing. And no matter how many new sources of radio programming appear, lasting success is still no easier to achieve. We're all engaged in a constant battle for profit-producing audience shares without major overhead. Many of you dream of "walk-away" operations. At Broadcast Programming, we've done our share of fueling that dream and supplying the tools to realize it.

But it's important to say this: we know what can be automated or syndicated, and what can't. In the end, the most important programming decisions will not be made by research reports or digital systems or satellites. They'll be made by people, at ground level. And the most important programming actions will be taken by you, in your city. And when these decisions and

actions are most effective, they'll produce a radio station that will work in only one place on Earth.

Look around. What successful radio station do you most admire? Not the latest ratings skyrocket ... I'm talking

about the enduring winner, that station that keeps on keeping-on despite direct format challenges. What made that station great? What keeps it on top? There's a better than even chance that this is a station that sounds like the town it 'lives' in. We've all heard these stations. To an outsider, they sound strange and quirky in spots, even while they're doing all the formatics exactly like everybody else. Yet, they're No. 1, and have been for books and books. They speak in the voice of the audience.

This is the tantalizing, elusive, eternal promise of radio. All management imperatives, technical considerations and economic objectives aside, this is the dream you strive for. You don't really want to "walk away" from your operations. You want to walk away from the competition.

Knowing this, we've developed a CD-format-plus-equipment packaging system that makes it possible to do both kinds of walk-away radio with music; that allows a small staff to concentrate on the

kind of creative localism that can find the voice of your audience, at a cost that's fully competitive with satellite-delivered programming.

And to do that, we've built nothing less than a fully competitive major market radio staff. At its center is a group of outstanding music programming experts. We've given them advanced information technology and excellent technical support so they can project their expertise to all our clients, one station at a time.

In the coming months on this page, you'll meet the programmer-consultants of Broadcast Programming, the people who make it possible for us to provide winning music formats to so many stations in so many categories. We think you'll be stimulated by their ideas, maybe startled by their insights, and impressed with their talents. Impressed enough, we hope, to remember us when you're looking for support in your own search for a solution to the radio programming puzzle.

Broadcast Programming is the leading provider of consulted music formats and related products to locally-programmed radio stations. Broadcast Programming also produces *Chartbreakers*

Weekly Hit CDsSM, monthly recurrent services, and CD-PlusSM format libraries, all under the day-to-day direction of expert programmer-consultants. BPC Consulting Group provides full service research and consulting services to music stations. With its parent company, Broadcast Electronics Inc., Broadcast Programming assembles complete digital programming systems for live, live-assist



**Edith N. Hilliard, President,
Broadcast Programming**

or fully-automated stations. Broadcast Programming and Broadcast Electronics can provide a turnkey digital music programming solution at an affordable lease price, backed by 24-hour support. For complete information on Broadcast Programming consulted music formats and digital solutions, call (800) 426-9082 or fax (206) 441-6582. From outside the United States or Canada, call (206) 728-2741.

The Truth About Digital

by Bob Arnold, Marketing Manager, Digital Products, Broadcast Electronics Inc.



Radio is going digital. You're dealing with a whole new kind of technology. We're hearing you say you need more information and less digital hype. So, we'll be here once a month to provide some. First, I'd like to review what "digital" means.

The computer was invented to process complex information and perform repetitive tasks. Because everything in the universe can be described mathematically, the computer "describes" whatever you want to work on by doing thousands or even millions of calculations per second. We tell a computer what to describe and calculate with a list of instructions in a software program.

computers to control on-air operations and to store and access recorded audio in a new way. When you can play back audio by accessing a list of numbers instead of getting a tape up to speed, you can do all kinds of amazing things with that audio. Like playing it back simultaneously from all studios. Or editing it without making it unavailable for broadcast.

Because computers are jacks-of-all-trades, we who develop digital radio tools sometimes get so excited about the possibilities, we forget that in the great digital race, you're the driver. We can demo features forever, but it's better to ask, "What do you want it to do?" And because digital technology isn't limited to what it can do today, we can also ask, "What are you planning to do next?" We've provided some suggested questions for a digital planning checklist.

Next month, we'll give you more specific and useful infor-

BE BROADCAST ELECTRONICS, INC.
WORLD LEADER IN RADIO BROADCAST TECHNOLOGY

The programs (the instruction lists) have grown longer and more complex. Much of this growth is due to improved information provided the computer user, you. In most cases the bulk of a program isn't dedicated to its basic function; it's instructing the computer, or the operator, what to do if something goes wrong. A good measure of the professionalism of a program is the quality of this "error handling."

In a radio station, we're currently using personal

information about digital technology for radio. If you have a comment or a question you want us to answer here, fax me at (217) 224-9607.

Digital Technology is only the latest new technology Broadcast Electronics has mastered in 35 years as a reliable supplier of high quality equipment to radio stations worldwide. Broadcast Electronics designs and manufactures a full line of digital audio storage and automation systems for radio, including

A DIGITAL PLANNING CHECKLIST:

1. How many radio stations will our system have to control or supply with recorded audio?
AM____ FM____
2. How many other stations might we add to the system within a year?_____
Within two years_____
3. How many program functions and sources are now in use or may be needed later?
____ Live studio(s)
____ Production studio(s)
____ On-air program sequencing
____ Hard disk audio systems
____ CD decks
____ Reel to reel decks
____ Cartridge transports
____ RBDS (Radio Broadcast Data System) services
____ Satellite music programming services
____ News networks
____ Network program delay
____ Other_____
4. How digital are we now? Do we use:
☐ Live-assist controller
☐ On-air automation system
☐ Digital editing or production effects system
☐ Local area network (LAN)
☐ Computerized traffic system
☐ Music rotation software
5. How much walk-away time would I like to plan for?
☐ None ☐ MIDDAYS ☐ OVERNIGHTS
☐ WEEKENDS ☐ 100%
6. Will I need to share source material, like music CDs, for both live and automated segments?
7. Can the digital automation system I'm looking at cover all the needs I've identified above?
8. Who's inside this system? Is it from an experienced radio station systems company, concerned with my entire technical operation, or a computer company getting into broadcast for the first time?
9. Will they be around to provide upgrades and 24 hour technical support? Will they be around at all in three years?

AudioVAULT®, AudioVault OnLINE™ and Disk Sentry™ digital hard disk audio systems, CORE™ and Format Sentry™ digital automation controllers, and daBOX™, the new BE all-in-one digital programming system. Broadcast Electronics continually develops and improves the technology in its product line, which also includes AM and FM transmitters, audio consoles and associated

equipment, and provides 24-hour technical support for all products. With its Broadcast Programming division, BE develops complete digital programming solutions for radio stations and groups. For information on Broadcast Electronics digital systems, call (800) 426-9082 or fax (206) 441-6582. From outside the United States or Canada, call (206) 728-2741.

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Is Factoring For Your Station?

An interview with two station owners who used factoring to change the direction of their station.

Factoring receivables is a concept which has been around most industries for years ... but is relatively new to radio. As a result, many radio stations have not taken advantage of the benefits they can receive from factoring. Many don't fully understand the concept. To clarify, we asked Cash Flow Management clients Jo Zackery and Brenda Wooten, owners of WFSC-AM/WRFR-FM in Franklin, NC, to tell you how they used factoring to improve their operation. If you wish to phone them and ask your own questions, call (704) 524-4418.

Q: Explain, from a radio perspective, what factoring is?

A: It's selling your accounts receivable. Being able to get instant cash for billing that you've just sold ... not having to wait on the client to pay. In radio you may wait 25 days before you bill them, then you're waiting another 30 days if you're paid on time, sometimes you're waiting 60 to 90 days, if you get paid at all. Factoring cuts down on the time you have to wait to get money from the client.

Q: What are some of the benefits of factoring?

A: It helps us budget our monthly expenditures. We know exactly the amount of cash we'll have each month and exactly when that money is going to be in our account. Therefore I know what I can spend to the penny. I don't have to guess at who is going to pay or not, and how long they will take. In the past our billing was good, but we never knew if, or when, the client was going to pay. It made it hard to budget. A good month in billing didn't necessarily mean we would have a good month in collections. We get



Jo Zackery and Brenda Wooten
Owners of WFSC-AM/WRFR-FM

our money within 24 hours after we're given Cash Flow Management proof of billing.

Q: How did you get involved in factoring?

A: Our accountant had first recommended factoring through a local bank. Ultimately we were too small for them. We then saw an ad for Cash Flow Management and gave them a call. We've been doing business for over a year now. Our cash flow has never been better. They relieved all the collection pressures.

Q: How long did it take to get rolling?

A: It took us about one billing cycle to get up and running. We took our time, but could have been factoring within two weeks.

Q: Aren't you afraid of having someone else calling and collecting from the accounts you've worked so hard to build up?

A: We've used it to our advantage. There have often been clients who have taken advantage of the fact that they know us personally, delaying payment because they know we won't push too hard. By factoring through Cash Flow Management it takes some of the responsibility off of us. When clients see they are paying a professional firm across the country, they get more serious about paying the bill and

not taking advantage of the relationship.

Q: When you told your clients that you were factoring did they think you'd sold the station or that the station was in financial trouble?

A: We sent out a letter, which Cash Flow Management helped us write, assuring clients that this was just a business move to make us more efficient. Since we can factor the clients we want, we've assured them that if they don't feel comfortable they can still deal with us. A couple clients called and wanted more information, but we've had no problems whatsoever. We reassured all our clients that this is just a better way for us to do business.

Q: Is there any fear that Cash Flow Management will get too tough with clients when collecting your receivables?

A: Cash Flow Management does not make any calls to anybody I don't want them to. I have total control. They say and do exactly what I want them to say and do. Actually our clients perceive us as more serious, having better controls, and now they pay us on time. I guarantee you that we're the first to get paid in our market. I have great confidence in their treatment of my clients.

Q: What would you tell other stations exploring factoring?

A: I'd say give it a try. It certainly helped us. This isn't just for people with cash flow problems; it's a tool that can really help your budgeting and give you use of your cash much earlier. Cash Flow Management has been very flexible with us. They do anything they can to make the arrangement work. They came here initially, spent a couple of days, and since then have always listened to us and designed systems to our needs.

Q: What about the cost?

A: The cost ends up not being any more than the late charges you'd pay for not paying bills on time, or the cost of your bad debt, or the cost of collection. It's well worth it to have that lump sum of money and eliminate the worry about not having cash come in to pay your bills. In these economic conditions it's something anybody can use. Our accountant told us he thought it was one of the best financial moves we have made.

Cash Flow Management is a specialist in factoring for radio stations. If you have cash needs, they can develop a simple-to-implement plan which will allow you to gain benefit of your outstanding receivables immediately, whether you're in a small market or major market. Factoring is an excellent way to accelerate your growth and gain a competitive edge. No more waiting 30, 60, 90 or more days for your cash; it's available to you when you bill. Cash Flow Management is not a collection company, it's an extension to your radio station. For an information kit and references, contact Denise Smith of Cash Flow Management at 1-800-553-5679.

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31200	21.	_____	_____
31300	21.	_____	_____
31400	21.	_____	_____
31500	21.	_____	_____
31600	21.	_____	_____
Set of 6	116.	_____	_____
DISPLAY CASE 25.		_____	_____
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GRAND TOTAL			\$ _____



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COPY CLIPS

Below are nine different Radio Spot copy ideas which have been used on the air successfully in various markets. Just copy this page, cut out the cards, put them in a filing box and use them as a reference for tried-and-true copy ideas. Send your great Radio spot copy by fax to 407-995-8498, or mail to: Radio Ink, Attn.: Copy Clips, 8000 N. Federal Highway, Boca Raton, FL 33487. Please remember to include the copy category, client's name, your name, title, station and whether the spot is :30 or :60.

AUTO SERVICE

:60 SITE'S JET LUBE

Annrc: If only your trucks could talk ... What would they be saying? (sfx: street ambiance) Vc. 1: Honk-honk, Vern! Vc. 2: Honk-honk, Henry! Hey, my owner just took me to Site's Jet Lube to have me checked over and filled with Quality Quaker State Motor Oil before hunting season. Vc. 1: Just went there yesterday myself! Hey, there comes Rusty! (sfx: truck getting closer). Vc. 3: (Low voice and coughing) Honk-honk fellas ... How's it ridin'? Vc. 1: Pretty smooth! Me and Vern's been to Site's Jet Lube to get in shape before hunting season! Vc. 3: Ah, hunting season ... time to head up to those mountains ... them rough mountains ... way up there ... (suddenly crying) ... I don't think I can handle it this year! Vc. 2: (whispering) Boy, I'm worried ... Rusty ain't been to Site's Jet Lube yet! I got a feelin' he ain't gonna be around much longer. Annrc: Before you take to the mountains this hunting season, get your four-wheel truck or Blazer ready with a checkup from Site's Jet Lube. (Tag).

Jeff Wine, WCHA-AM/WIKZ-FM Chambersburg, PA

RADIO
INK

WINDOW REPLACEMENT

:60 THERMAL DESIGN INC.

Here's a tale of two homeowners — Mr. Good Homeowner and Mr. Bad Homeowner. Mr. Good Homeowner prepares for the cold months by insulating his home with certain-Teed Solid Vinyl Replacement Windows from Thermal Design Incorporated. Mr. Bad Homeowner knows that certain-Teed Solid Vinyl Replacement Windows can keep his family warm and hold down energy costs. Mr. Bad Homeowner likes the winter because he can keep his beer cold outside in the snow. Mr. Good Homeowner trusts the professionals at Thermal Design Inc. Mr. Bad Homeowner trusts his window installer too — a guy named Gus who accidentally killed the family dog when he fell off the ladder. Mr. Good Homeowner or Mr. Bad Homeowner — The choice is yours. Annrc: Now through Sept. 30, get certain-Teed Solid Vinyl Replacement Windows for just \$269 ... Four window minimum purchase. Plus be one of the first 25 customers to call Thermal Design Inc. and get high-performance glass with your order at no extra charge. (Tag).

Jim Mulvaney, WOKY-AM/WML-FM Milwaukee, WI

RADIO
INK

STEREO RETAILERS

:60 STEREO PLUS/ROAD MUSIC AND MORE

Is your car stereo a wimp? (sfx: wimpy music) Then run with the big boys at Stereo Plus in Greenville and Road Music and More in Spartanburg! (sfx: format-acceptable music, under to bed) They'll put some punch in your Christmas! You already know Rockford-Fosgate makes the only amp that gives you the punch when you need it! So why settle for second best when Rockford-Fosgate's Punch-45 is priced at only \$199.95! Can you believe it? \$199.95! That's a savings of 60 bucks! You've never been able to get a "Punch-45" at a price this low before, and you may never again! So don't just sit there, head on over to Stereo Plus or Road Music and more for some Christmas Punch from Rockford-Fosgate! While you're there, check out the Sony CDX4040 for only \$299! And once your car has some Punch, make sure it's got some bite! You'll find even more values in your Rock-101 Big Toys Catalog! Start running with the big boys today! Stop by Road Music and More at 220 East Henry St. in Spartanburg or Stereo Plus at 1000 Laurens Road in Greenville!

Richard Breen, WROQ-FM, Greenville, SC

RADIO
INK

RESTAURANT

:60 RICCOBONO'S

There are all sorts of ways to dine out. There's the fast food routine ... (sfx: whizzing-by effect). The expensive restaurant routine ... (sfx: cash register) and, of course, the trendy downtown restaurant scene ... (sfx: traffic jam) ... complete with parking that's hard to find. (music: authentic Italian) Next time, try all three — Riccobono's. Riccobono's combines the low price of fast food, the elegance of an expensive restaurant and the at-home atmosphere of a trendy restaurant for a dining experience that's not to be missed. Riccobono's menu is filled with traditional Italian recipes — like Shrimp Scampi, Chicken Oscar and Veal Sinatra — layered with ham, mozzarella and zucchini in marsala wine. Plus salads, pasta, seafood, homemade pizza and American entrees ... All done in Riccobono's unique style. Riccobono's: Dining out that doesn't make you do without. (Tag).

Jim Mulvaney, WOKY-AM/WML-FM Milwaukee, WI

RADIO
INK

PET STORE

:60 PETLAND

(Vc. 1 & 3: males; Vc. 2: female) (sfx: pet store ambiance) All 3: Lions and tigers and bears, oh my! Lions and — Vc. 1: Wait a minute! We're in Petland of Hagerstown! There's no lions or tigers or bears! Vc. 2: You're right ... Just us cute, cuddly kittens. Vc. 3: And puppies. Vc. 1: And hamsters. Vc. 2: Plus birds, parrots, reptiles, and a large selection of fish. Vc. 1: And we have to tell everyone about the large selection of supplies and accessories. Vc. 3: You just did Herman! Vc. 2: OK, boys, no fighting — We all get along well together here at Petland, remember? Vc. 1: But we still need homes. Vc. 3: So visit Petland today, beside Wal-Mart in Hagerstown. Vc. 1: Well, that's all ... bye! Vc. 2: Meow. Vc. 3: Ruff.

Jeff Wine, WCHA-AM/WIKZ-FM Chambersburg, PA

RADIO
INK

GYM

:30 HARDBODIES

Not many people know this, but Rudolf and the other reindeer have decided that pulling Santa's sleigh one night a year simply isn't enough to stay in shape. That's why they recently paid a visit to Hardbodies Gym. Al and his team of experts set them up with their own personal workout program. Not only will it keep them in top condition for that yearly sleigh ride, it'll help when it comes to impressing the doe's! After all, who likes a flabby reindeer? Al and the staff from Hardbodies hope that your holiday season keeps you pumped up through '94! Hardbodies Gym — located in the Lion Plaza, Red Deer.

Kelly S. Thompson, CKGY-AM/CIZZ-FM Red Deer, Alberta, CN

RADIO
INK

MATTRESSES

:30 PAYLESS FURNITURE (KING KOIL CO-OP)

(sfx: Sound of man snoring, ad lib, having a very comfortable sleep) Female Vc.: This is my husband Fred, and, well, as you can hear Fred is having a very restful sleep thanks to Payless Furniture! We recently purchased this cozy King Koil Chiro-Span Elegance Mattress and Boxspring set from Payless Furniture! Fred really likes it. (sfx: snoring and turning over) Male Vc.: (kind of dazed) I love King Koil. Female Vc.: And we both loved the price! Payless Furniture will beat any price on a King Koil Mattress! You'll sleep easy on a King Koil. Just like Fred here! Annrc: Payless Furniture in downtown Steinbach, your King Koil Mattress Center!

Karen M. Horobec, CHSM-AM Steinbach, Manitoba, CN

RADIO
INK

SKI RESORT

:30 FROST FIRE MOUNTAIN

Vc. 1: So ... you're a skiologist. Vc. 2: That's right! The only full-time ski scientist! Vc. 1: So what can you tell us about skiing? Vc. 2: Well the word is derived from the ancient Scandinavian words Ski Ing. Which translates as "to hurl oneself down a cliff for no apparent reason". Vc. 1: So where do you do most of your ski research? Vc. 2: Over at Frost Fire Mountain in Walhalla of course. Vc. 1: That would be Walhalla in Norway. Vc. 2: No, Walhalla, North Dakota. Vc. 1: Walhalla, North Dakota? Vc. 2: Of course, Frost Fire Mountain is easily the best skiing in the area! (fade out conversation) Did I tell you about the time ...

Allan G. Lie, CHSM-AM Steinbach, Manitoba, CN

RADIO
INK

LOUNGE

:30 THE SPORTSPAGE

(sfx: bar sounds) Vc. 1: So, this is the SportsPage. Vc. 2: Yep, this is it. (sfx: elephant) Vc. 1: There's an elephant in here. Vc. 2: Oh, great! Hey everybody, Ed's here! Large crowd: Hey Ed! Vc. 1: The elephant's a regular here? Vc. 2: You bet! Come on Ed, sing us a song! Wait till you hear him sing, he's great! Vc. 1: A karaoke elephant? Vc. 3: (starts to sing — really good) Vc. 1: (sarcastic) No one's gonna believe this! Annrc: For a night out you'll never forget, stop in at the SportsPage Lounge — Deer Park Plaza, Red Deer.

Kelly S. Thompson, CKGY-AM/CIZZ-FM Red Deer, Alberta, CN

RADIO
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