

Manager's Business Report™

April 1998

Radio Business Report, Inc.

15 Years



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Radio's Roll Carries Into The New Year

The first revenue figures for 1998 are in, and they show that radio is picking up right where it left off in 1997. The industry enjoyed an 8% gain over January 1997, broken down into a 7% gain in local business, and a 12% gain in the still white-hot national category. This month's forward pacing report shows that the industry can expect more of the same.

The stock market in February again resembled the streets of Pamplona as the bulls ran rampant. Radio companies in general either kept pace or stayed a bit ahead of the herd.

Non-traditional revenue accounted for 12.2% of the average station's bottom line in 1997. That number figures to go up. Our chart shows what categories are hot.

More and more stations are adding Internet service. This month we compare current station by format totals with last year. The number of audiocasters on the web is close to three times what it was, and the pace of growth remains rapid.

— Dave Seyler

Radio Revenue Index

Radio Starts The Year Up 8%

The radio industry is expected to better its record-breaking revenue performance of 1997 by a considerable margin, getting off on the right foot with a healthy 8% improvement over the first month of last year. Local dollars increased by 7%, while national continued its double-digit soaring act with a 12% gain.

Results from coast to coast can be written in black ink. Although the Southeast hit a bit of a speed bump in local revenues, it made up some of the slack with a nice 13% jump in national dollars. The situation was reversed in the Southwest, where modest gains in national were offset by a hefty 12% gain in local revenue.

For the first time, the RAB is releasing actual dollar figures for the 100 or so markets which are monitored to produce industry revenue estimates. In those markets radio was able to bank \$30.7 Million more than it did last January.

January 1998	Local	National
All Markets	7%	12%
East	9%	8%
Southeast	1%	13%
Midwest	9%	6%
Southwest	12%	2%
West	7%	22%

Local & Nat'l Revenue December 1997 All Markets 8%

Total Cash (M), Monitored Markets	
January 1997	\$377.1
January 1998	\$407.8

Forward Pacing Report

Q2 Spot Pacing Springs Ahead of 1997

The demand for advertising time on radio remains very strong. Already, almost one half of April avails have been sold, and over a third of May inventory has been spoken for. All indications are that the radio industry is on track to best its best year ever by a comfortable margin.



Superduopoly Dimensions

Industry Consolidation (as of March 9, 1998)

Superduopoly: 44.0%		
Market	# of stns	percent
1 to 50	711	49.3
51 to 100	503	46.0
101 to 150	305	39.5
151 to 200	332	41.8
201 to 261	295	38.1
All markets	2,146	44.0

Total Industry: 67.5%		
Market	# of stns	percent
1 to 50	1,040	72.1
51 to 100	760	69.5
101 to 150	468	60.5
151 to 200	526	66.2
201 to 261	500	65.0
All markets	3,294	67.5

Note: The "# of stns" shows the total count for stations in either a superduopoly or, in the case of total industry consolidation, in an LMA, duopoly or superduopoly. The "percent" column shows the extent of consolidation for each market segment.

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YTD Stock Performance

The bulls resumed their Wall Street stampede in February and radio stocks kept pace with the surging market. A few even did a lot better than keep pace. Pulitzer shot up nearly 34% after announcing that it might sell off its radio and TV stations. Only Alliance Broadcasting, a volatile penny stock, has done better among radio station owners. The best performers in MBR's chart, though, were the radio-related tech stocks. SportsLine USA's stock has already more than doubled this year, as has DG Systems.

Company	2/27/98 Close	YTD Gain/Loss	Pct. Gain/Loss
Ackerley	19.063	2.125	12.55%
Alliance Bcg.	0.500	0.250	100.00%
Am. Radio Sys.	59.750	6.438	12.08%
AMSC	8.469	1.469	20.98%
Belo Corp.	54.750	-1.375	-2.45%
Big City Radio	9.875	1.750	21.54%
CBS Corp.	30.938	1.500	5.10%
CD Radio	15.875	-1.062	-6.27%
Ceridian	46.563	0.750	1.64%
Chancellor	44.750	7.438	19.93%
Childrens Bcg.	3.313	-0.750	-18.45%
Clear Channel	90.500	11.063	13.93%
Cox Radio	43.000	2.750	6.83%
DG Systems	5.125	2.625	105.00%
Disney	111.938	12.938	13.07%
Emmis Bcg.	49.500	3.875	8.49%
Faircom	0.813	-0.031	-3.62%
Fisher	129.000	9.000	7.50%
Gaylord	34.000	2.063	6.46%
Granite	11.813	2.751	30.35%
Harris Corp.	50.750	4.875	10.63%
Heftel Bcg.	47.375	0.625	1.34%
Jacor	57.875	4.750	8.94%
Jeff-Pilot	83.875	6.000	7.70%
Jones Intercable	17.000	-0.438	-2.51%
Metro Networks	36.875	4.125	12.60%
NBG Radio Networks	1.750	-0.250	-12.50%
New York Times	65.438	-0.688	-1.04%
News Comm.	1.375	-0.062	-4.31%
Otter Tail Power	37.875	0.000	0.00%
Pacific R&E	3.625	0.250	7.41%
Pulitzer	84.000	21.188	33.73%
RealNetworks	15.000	1.125	8.11%
Saga Commun.	20.500	-0.750	-3.53%
SFX Bcg.	92.000	11.750	14.64%
Sinclair	56.563	9.938	21.31%
SportsLine USA	23.500	12.750	118.60%
TM Century	0.563	-0.063	-10.00%
Triathlon	10.563	0.063	0.60%
Tribune	64.563	2.313	3.71%
Westower	20.750	9.000	76.60%
Westwood One	31.000	-6.125	-16.50%
WinStar Comm.	42.063	17.126	68.68%

Major Stock Market Indices

Dow Industrials	8545.72	637.470	8.06%
Nasdaq composite	1770.51	200.140	12.74%
S&P 500	1049.34	78.910	8.13%

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	Jan 98	Jan 97
Automotive	23.04	16.61
Food/Grocery	21.57	30.47
Leisure/Electronic	24.42	24.96
H&BC	3.11	7.89
Home Imp.	7.72	2.53
Office	17.58	8.19
Clothing	2.56	9.34

Similarly, Clothing, which was high last year, tends to bring in more dollars in Spring and Fall. It's still the weakest category for NTR.

While Health & Beauty Care was down compared to last year, expect March and April to come in stronger.

Format	1997 Stns	1998 Stns	Chng	Pct.
Non-commercial	29	75	+46	12.2%
Country	18	55	+37	9.0%
Rock	19	49	+30	8.0%
News/Talk	18	46	+28	7.5%
Religion	17	46	+29	7.5%
CHR	14	40	+36	6.5%
Sports	17	33	+16	5.4%
Classic Rock	11	28	+17	4.6%
Alternative	13	27	+14	4.4%
Hot AC	6	27	+21	4.4%
AC	10	27	+17	4.4%
Talk	16	25	+9	4.1%
Oldies	7	22	+15	3.6%
Adult Altern.	9	22	+13	3.6%
Ethnic	8	15	+7	2.4%
Urban	8	14	+6	2.3%
Soft AC	2	12	+10	2.0%
News	7	10	+3	1.6%
Standards	3	10	+7	1.6%
New AC-Jazz	5	8	+3	1.3%
Classical	4	8	+4	1.3%
AC-Spanish	3	5	+2	0.8%
Talk-Spanish	0	4	+4	0.7%
CHR-Spanish	2	3	+1	0.5%
70's Oldies	2	1	-1	0.2%
Easy List.	1	1	0	0.2%

Medium	1997	1998	Chng	Pct.
Radio Stations	249	613	+364	52.3%
International	120	436	+316	36.6%
Networks	19	38	+19	2.9%
Internet Only	42	100	+58	8.3%
TOTAL	430	1,187	+757	100.0%

As with any emerging industry, audio webcasting is growing up fast, as the comparison to last year indicates. Total audio webcasting is only about a hundred entities shy of *tripling* the total at this time last year. And this pace can be expected to continue for some time to come.

RealAudio	1,041	87.7%
Microsoft NetShow	92	7.8%
StreamWorks	43	3.6%
AudioActive	7	0.6%
Radio Destiny	4	0.3%
Interflix	1	0.1%
GTS Audio	1	0.1%
Vosaic	1	0.1%
TOTAL	1,187	100.0%

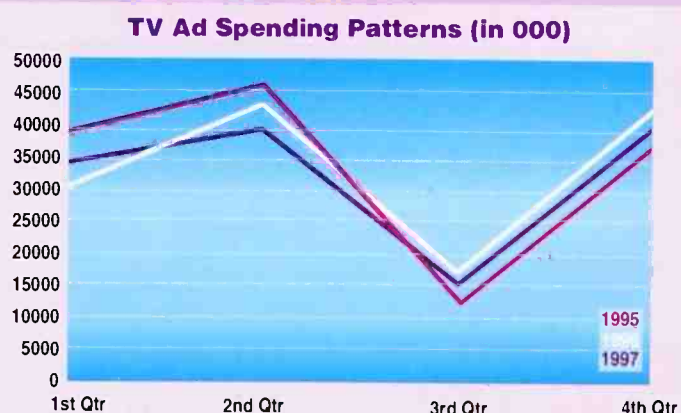
Source: BRS Consultants

Since Telcom, stations have been spending slightly less on TV ads. In 1997, stations spent about \$128M or 2.3% less than the previous year and 3.7% less than in 1995, according to a Shark TV analysis of the top 75 markets.

In the top 12 markets (which represents 55% of all TV expenditures by radio stations), spending is relatively flat. Some markets are up in TV spending including Boston (indexing at 130), LA (116), Houston (112), and New York (103).

What hasn't changed much are station spending patterns. Stations still bulk up promotions in Q2 for the Spring survey and in Q4 for the Fall

	1995	1996	1997
1st Qtr	38,651.69	29,428.29	33,979.71
2nd Qtr	45,557.08	42,736.74	39,292.77
3rd Qtr	12,612.43	16,734.24	15,316.73
4th Qtr	36,499.96	42,443.51	39,777.54
Total	133,321.16	131,342.78	128,366.75



Source: Shark TV analysis of Competitive Media Reporting data

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Arbitron Changes Metro Redefinition Policy

Broadcasters looking to change the metro definition of their Arbitron markets are now required to follow a new policy issued in early March. The policy is based on recommendations of a task force of stations, agencies, advertisers, the Arbitron Advisory Council, the RAB and the NAB. Arbitron is touting its new policy as simpler and more objective. "There were a lot more variables in the old policy and no set formula," said Thom Mocarsky, VP, Arbitron.

station owners must request the change and a reevaluation will include all existing metro counties and all counties adjacent to the existing metro.

The new policy was a year in coming, prompted in part by Boston broadcasters desperate not to fall out of the top 10. Including Boston, about 25 markets with outstanding metro redefinition issues will be eligible to request metro redefinitions in Fall 1998. Other markets may request metro redefinition evaluation in Spring 1999. ♦

Campaign Finance Fizzles

For the second straight year, efforts to reform campaign funding failed to clear the Senate. The McCain-Feingold Bill became bogged down during debate, when Senate Republicans were not able to cull enough votes to clear a Democrat-lead filibuster.

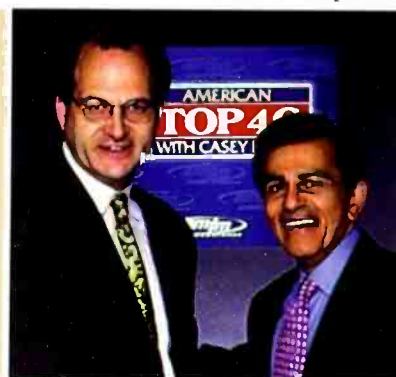
President Clinton, meanwhile, is still trying an end run around Congress to get radio and TV stations to give free or reduced price air time to candidates. "I applaud your previous decision to take the next steps toward providing such free and reduced rate time," Clinton wrote to FCC Chair Bill Kennard (D). Kennard is proposing the FCC look at using the public interest standard to pass such requirements onto broadcasters. ♦

AMFM Adds Programming

Just three months after it launched the network on Jan. 5, Chancellor's (O:AMFM) AMFM Radio Networks has added syndicated programming to its roster. Countdown King Casey Kasem signed in early March, although his former syndicator Westwood One (O:WONE) filed a lawsuit against him (RBR 3/9, p. 4).

AMFM has also signed Dave Koz, who will host a two-hour Smooth Jazz weekend program, "The Dave Koz Radio Show." Koz moves from MediaAmerica, which bought his program last November (RBR 11/24/97, p. 3). ♦

Kasem and
David
Kantor,
SVP,
Chancellor
Media,
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Top 10 1997 Station Billers

Which stations billed the most in 1997? According to BIA's ranking, it looks like Mel Karmazin is king of the billings mountain again, as CBS (N:CBS) comes out ahead of all others with five of the nation's ten highest billing stations. Last year's ranking is in parentheses. ♦

1	(1)	WFAN-AM NY	\$47.7M	CBS
2	(7)	WLTW-FM NY	\$37.9M	Chancellor
3	(6)	WXRK-FM NY	\$37.3M	CBS
4	(3)	WINS-AM NY	\$36.5M	CBS
5	(2)	WGN-AM Chicago	\$34.5M	Tribune
6	(4)	KRTH-FM LA	\$34.3M	CBS
6	(—)	WKUU-FM NY	\$34.3M	Chancellor
8	(10)	KIIS-FM LA	\$34.2M	Jacor
8	(—)	KKBT-FM LA	\$34.2M	Chancellor
10	(8)	KVIL-FM Dallas	\$32.8M	CBS

Source: BIA

Casino Ads Ruled Legal

All bets are on! A Supreme Court decision handed down February 23 has made casino and lottery advertising legal in eight western states, and supporters say it may clear the way for a nationwide reversal of the FCC's ban on broadcast casino advertising.

In a closely-watched free speech case, the Department of Justice appealed a Sept. 4 ruling by the Ninth Circuit, which lifted an FCC ban barring broadcast casino ads (RBR 9/8/97, p. 4). DOJ lawyers did not attack the Appeals Court ruling, but argued the lower court should not have used a 1995 Supreme Court decision as the basis for its ruling. The Supreme Court's refusal to hear DOJ's appeal makes the Ninth Circuit's decision binding law in Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon and Washington.

"We believe the high court will ultimately strike down the ban nationally," says Eddie Fritts, president and CEO, NAB. ♦



WRKO-AM Boston; Jack Swanson, KGO-AM SF; Leslie Gold, WRKO-AM; Bob McAllan, Press Broadcasting; Chris Kampmeier, WTKS-FM Orlando.

Other winners (not pictured): Jim Trapp, The Buzz, Houston; Leigh Jacobs & John Dziuba, New Jersey 101.5; Jim Phillips, WTKS-FM; Sally Jessy Raphael; Gary Slaight, Standard Broadcasting, Toronto. ♦

The second annual Visionary Awards, held in February, honored ingenuity, imagination and individuality in radio programming. The Awards were co-sponsored by the Wall Street Journal Radio Network and Sabo Media's Walter Sabo.

The winners, left to right, Dr. Judy Kurianski, Premiere; Dan Griffin, WCBS-AM NYC; Lori Kramer, Media's Walter Sabo.

Low Power, High Anxiety

The FCC is considering allowing one AM and FM one watt station in each market. "People just want to speak to their community. We ought to figure out what our options are," says FCC Chair Bill Kennard (D). But he adds, "I am not ready to support it." Mass Media Bureau Chief Roy Stewart says the Commission is hoping to reverse some of consolidation's impact, "so it's not just the big people that get to speak, it's the little people that get to speak in America too."

Distribution and policing must still be worked out. One consideration is last year's Balanced Budget Act which dictates available broadcast spectrum be auctioned. ♦

Holy Toledo!

Mid-size markets are reaping the rewards of consolidation with the largest gains in revenue, according to BIA. At the top is #76 Toledo, with a growth rate of 17%, and outpacing last year's leader, Raleigh-Durham, NC, which had a 15.4% growth rate. ♦

Hot Markets by Revenue Growth (in Millions)

Market/rank	96 revs	97 revs	% growth
1 Toledo, OH (76)	21.8	25.5	17.0%
2 Denver-Boulder (22)	117.6	137.4	16.8%
3 Knoxville, TN (68)	23.8	27.7	16.4%
4 Washington, DC (8)	202.7	235.2	16.0%
5 Atlanta, GA (12)	192.9	222.2	15.2%
6 Dallas-Ft. Worth (6)	221.8	254.7	14.8%
7 Tucson, AZ (61)	27.7	31.6	14.1%
8 Detroit (7)	183.2	208.5	13.8%
9 Greenville, NC (80)	15.4	17.5	13.6%
10 Austin, TX (50)	49.0	55.4	13.1%

Source: BIA

Exclusive New Report

MBR/Miller, Kaplan Total Media Index

by Katy Bachman

Detailed local market advertising expenditure information across media has been something of a Holy Grail, until now. While both TV and newspapers have enjoyed local market ad expenditure data for several years, radio has not, leaving many GMs clamoring for a way to gauge how radio stacks up to its local media competitors.

Each month, MBR (and Radio Business Report) will report the RBR/Miller, Kaplan Radio/Total Media Index. For each major local advertising category, The Total Media Index gives side-by-side advertising expenditures for each of the three major local media—radio, TV, and newspaper—as well as radio's share of total media. (The report does not measure outdoor, magazines, direct mail, or newspaper classifieds.)

This first report summarizes media expenditures for the top 25 local ad categories (representing about 90% of all the local ad dollars) from a sample of radio stations in seven markets measured by Competitive Media Reporting (CMR) and Miller, Kaplan's Market X-Ray. The number of markets will increase next month as Miller, Kaplan has a total of 17 markets signed for Market X-Ray.

Radio Captures 13.3% of The Local Ad Pie

On the local level, radio does a lot better than the 7% share it gets overall, capturing 13.3% of the local dollars. Still, that's far below newspapers' and TV's share.

Radio is doing well among Cellular companies (14%), Financial Services (17.4%), and Grocery Stores (15.5%), but against the two biggest categories, Automotive and Restaurants, radio only gets 6.6% and 7.5% of the dollars, respectively. In some of the less lucrative categories, radio tends to net one out of every five media dollars.

January 1998 (Expenditures in 000)

Category	Newspaper	TV	Radio	Total Media	Radio% of Total
Automotive	\$ 41,215	\$ 38,768	\$ 5,639	\$ 85,622	6.6%
Restaurants	15,272	15,273	2,477	33,022	7.5%
Department Stores	16,316	1,989	2,818	21,123	13.3%
Foods	9,387	9,251	1,942	20,580	9.4%
Communications/Cellular	7,879	6,799	3,914	18,592	21.1%
Furniture	6,240	5,845	1,972	14,057	14.0%
Financial Services	6,232	4,938	2,352	13,522	17.4%
Movies/Theater/Concerts	4,500	6,462	1,384	12,346	11.2%
Grocery Stores	6,485	3,560	1,840	11,885	15.5%
Appliances & Electronics	6,944	3,464	1,454	11,862	12.3%
Hotels/Resorts/Tours	8,619	1,686	819	11,124	7.4%
Drug Stores/Products	2,125	4,464	1,144	7,733	14.7%
Computers/Office Equipment	4,198	1,545	1,459	7,202	20.3%
Other Retail	2,834	1,982	1,953	6,769	28.9%
Medical/Dental/Health Insurance	2,229	2,318	1,312	5,859	22.4%
Auto Parts/Service	1,116	3,203	1,084	5,403	20.3%
Music Stores/CD's Videos	732	2,743	1,109	4,584	24.2%
Transportation	2,563	1,018	792	4,373	18.1%
Entertainment - Other/Lottery	832	1,383	1,904	4,119	46.2%
Home Improvement	1,944	1,218	824	3,986	20.7%
Professional Services	445	2,578	939	3,962	23.7%
Beverages	187	1,979	1,207	3,373	35.8%
Television	1,034	724	1,337	3,095	43.2%
Personal Fitness & Weight Centers	320	2,049	410	2,779	14.8%
Publications	404	924	450	1,778	25.3%
	\$150,052	\$126,163	\$42,535	\$318,750	13.3%

*Based on Media Market X-Ray composite data for 17 markets. Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPA's. For further information contact George Nadel Riven, CPA at (818) 769-2010.

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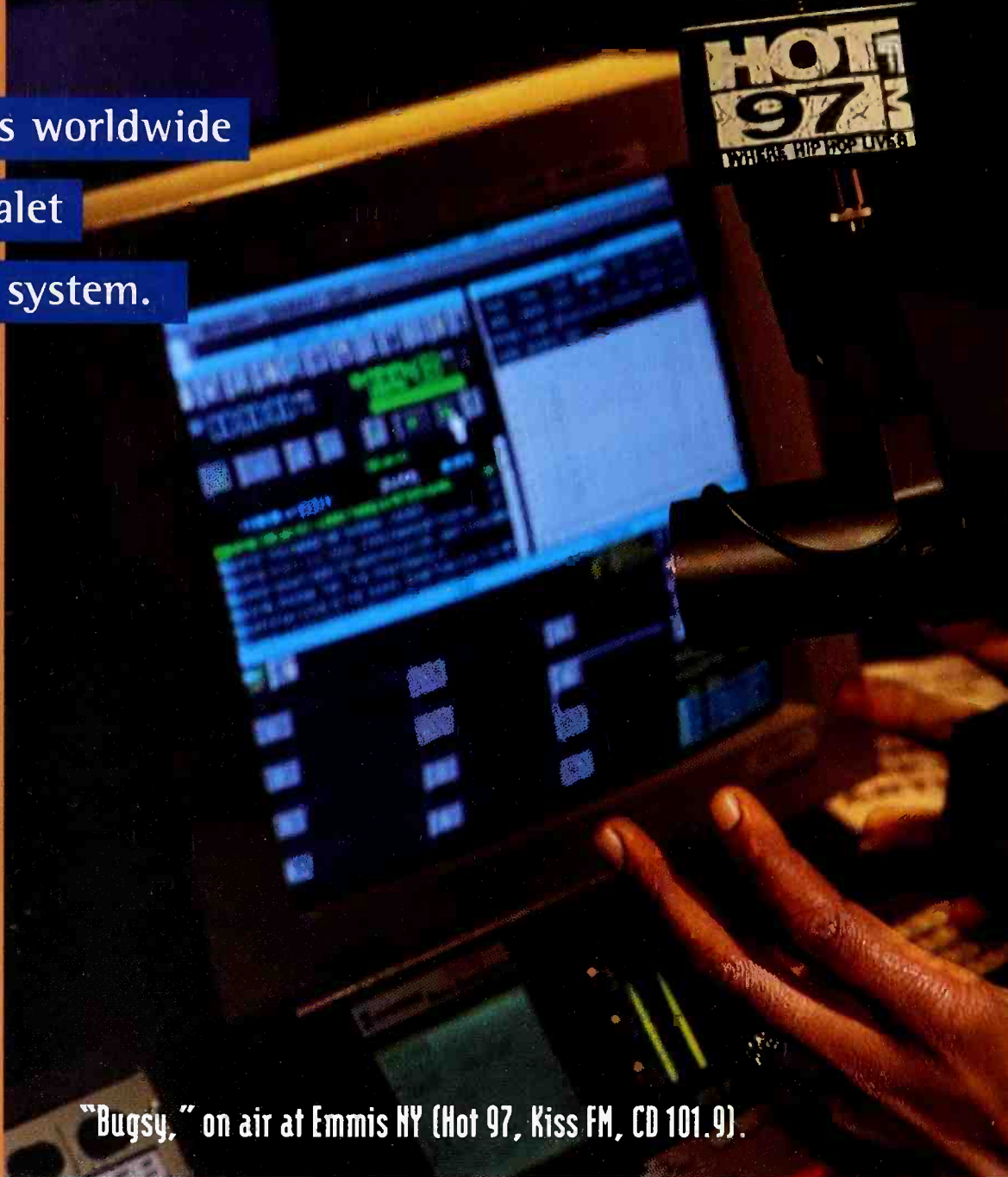
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Jim McGivern,
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"Bugsy," on air at Emmis NY (Hot 97, Kiss FM, CD 101.9).

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Sound Arguments

Processing For Music Formats

by Carl Marcucci

Behind the music, production and positioning, every format takes on a unique processing style which engineers tweak out of the audio chain. A marriage between dressing up the music and serving the psychographic needs of the listeners is made at the hands of the CE with today's high-tech processing boxes. Here, a look at how some CEs format their specific station's sound.



Pete Booker, president, Delmarva Broadcasting, adjusts processing for WDEL-AM and WSTW-FM Wilmington.

CHR

Traditionally, CHR processing is loud, with a powerful low end and a nice presentation on the high end. However, there is a new school of thought.

"Our sound is aggressive, but not gimmicked. The days of slamming people out of their seats are over. The competition today is the CD player rather than the station across the street."

Ed Bukont, CE, WWZZ-FM Washington, DC

Hot AC

While Hot AC borders CHR musically, Hot AC's presentation is a little smoother.

"Our Adult CHR, WSTW-FM [Wilmington, DE] is really a Hot AC—it walks that border. It's not processed as hot as some CHRs, particularly the big city, dance-leaning CHRs. We tend to be a little broader in the equalization. We try for a pretty even frequency response across the board, but want a tight, defined low end."

Pete Booker, president, Delmarva Broadcasting

AOR

Because the music is spread over so many years and genres, this format requires a middle-of-the road approach.

"We are not as loud, but add a little low end enhancement. We want more of a dynamic range without sounding too compressed—a natural sound, but competitively loud."

Dan Mettler, CE, WFBQ-FM Indianapolis

Urban

Think of a street dance. To make it sound exciting for the listeners, Urban stations tend to go for a very well defined low end.

"There's so much bump and grind and emphasis on that beat and base line. That has to have a special treatment."

Tom McGinley, CE, WPGC-FM Washington, DC

Oldies

Because much of the music was originally recorded in mono, consistency is key from song to song. Some go for a "big AM sound," especially from the mic.

"There is a lot less brain work because the music was entirely processed with tubes, and often tracked in mono. We try not to get too scientific, keeping the music in the analog realm and treating the audio the way it was meant to be treated."

Chuck Bullett, CE, WYNZ-FM Portland, ME

Classical

Because of the broad range of instruments, Classical needs a broad dynamic range.

"We maintain the integrity of the original recordings. However, we do compress a little to overcome road noise and huge differences between Classical's crescendos and lulls. This avoids listeners turning the volume up and down."

Herb Squire, CE, WQXR-FM New York

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Country

Because of the music's emphasis on guitar and vocals, attention is given to the presence and high frequency ranges.

"Because of a lot of instrumentation in Country music, we take an AC approach to processing our Country stations. With all of the acoustic and percussive instruments, you want the individual notes to stand out. The processing is a little more open, more transparent. Maybe the envelope is up using clipping, but we don't want to sacrifice that natural, open sound just to get extra loudness. Country is a 55% female, 45% male format, so we tend to lean a little bit to what a female listener would like. We aren't a hard-edged, sh—kicking Country station. Our entire envelope is up pretty high, but we back off on the gain reduction,"

Pete Booker, president, Delmarva Broadcasting

With different packaging, comes different processing.

"We've got one station that's Contemporary Country, so that's a little bit backed down. The other one is Modern Country, so that's more aggressively processed."

Don Missad, CE, Clear Channel, Grand Rapids

Spanish

On many Spanish-formatted stations reverb is used on the mic and processing varies.

"We process our two LA FM's somewhat differently. At KSCA, we push the audio on it a little bit more because it's a regional Mexican uptempo sound, and it sounds a little better when it's a little denser. At KLVE, we use the Cutting Edge Unity box. It's processed to be very relaxed, with a minimum of fatigue. However, we do realize that radio has a need to keep the average volume up because of car windows and traffic noises."

Bill Tanner, VP Programming, Heftel, Los Angeles

Soft AC

This requires compression for consistency without being too loud or "punchy." Soft AC is often processed for listenability at low volume settings.

"You don't want to create listener fatigue with overprocessing. We want a presence on the dial, and cohesive sound from song to song. Our listeners have good TSL—being too aggressive could send them away. We do use some compression and limiting for low level office listening."

Nick Doshi, CE, WLTW-FM New York

Classic Rock

The processing tries to bring a modern twist to the sounds of the 60s and 70s.

"We try to make the radio station's image on the dial exciting, easy to listen to and yet almost bigger than a CD player would provide. The tricks that we employ make the station almost sound bigger than life—stereo image enhancement, judicious clipping without distortion. It's a carefully selected list of tradeoffs using clipping, compression, attack and release times, EQ and low end augmentation. We use the Optimod 8200's factory presets, then crank up from there."

Tom McGinley, CE, WARW-FM Washington, DC

Alternative

There are two schools of thought—allowing the loud edge of the music to come through, pushing it to the point of adding a little distortion—or—a small amount of processing because the music is already processed and loud.

"The most difficult thing for me was to adjust processing for our Adult Alternative format which carries clean, analog 80s Alternative Rock and digital Seattle grunge bands. I attached a little notch filter in the presence range in the EQ. The consonance of the vocals fights with the loud electric guitars. I pull down the gunk that distracts from the vocals about 6 dB. Essentially what I do is use my analog multiband processor as more of an AGC with very slow attack and release times to create loudness and punch."

Greg Benson, CE, KXPX-FM Denver

NAC

Like Classical, Smooth Jazz is instrument-based.

"You want to color the sound the least. You want consistent levels song to song. We're running this in a small market, so you don't have quite so many audiophiles that you'd find in big cities. We're running on a Class A, so we obviously need to punch a little more just to get through. But we are very conservative in the way we process that station. We want the dynamic range, we want the separation in levels and instruments."

Pete Booker, president, Delmarva Broadcasting

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Reaching For an IBOC Standard: Is Radio Any Closer?

by Carl Marcucci

IBOC (in-band on-channel) is again in the spotlight. Now that Digital Radio Express (DRE) has entered the field (RBR 2/16, p. 7), it will be competing with USADR for the NRSC's approval of a US digital broadcast standard.

Whether or not the two companies will push the radio biz closer to adopting a standard remains to be seen. Both companies will begin field testing this year. DRE is working within the political structure and will subject its tests to the scrutiny of the NRSC's DAB subcommittee, while USADR has opted to use an independent lab (RBR 3/28, p. 4).

Both companies cannot win, despite the similarities between the two systems. The differences are enough that it's highly un-

likely manufacturers will produce one receiver to accommodate both DRE and USADR signals.

"Look at what happened with AM stereo. As a result of confusion from broadcasters as to which system to choose, it died on the vine. I would hope the FCC will choose an IBOC system for the standard [based upon the DAB subcommittee's recommendation]. It would assure a seamless transition from analog to digital. If a single system isn't chosen, the receiver manufacturers will choose by default," said Milford "Smitty" Smith, co-chairman, NRSC's DAB subcommittee and VP engineering, Greater Media.

The DAB subcommittee, inactive for two years, was reactivated at the request of DRE on Jan. 7. The first round of testing, targeted for Q2 will only be a feasi-

bility study to see if DRE's system—already in the hardware stage—can make the grade. "No broadcast standard is going to be recommended at [that] stage of the game," said John Marino, VP/ Science & Technology, NAB.

USADR's system will still be evaluated by the DAB subcommittee. "The only thing the DAB subcommittee has decided to do at this stage of the game is encourage USADR to go ahead with their independent testing. And whenever the testing is done, the committee will lend its expertise and evaluate those test results," said Marino.

The major difference between the DRE and USADR systems is analog backup. Both systems will be comparable in sound quality. The deciding factors will be fringe reception quality and resistance to signal dropout (the tradeoff for "no static at all" is no signal at all). USADR answers that question with a time-delayed backup blend with the analog signal. DRE claims an improved digital signal ability which shirks the need for backup.

Other DAB issues

IBOC was one of the center-stage issues at the NAB's annual Washington Fly-in in mid February. Randy Odeneal, chairman of the NAB's DAB task force and General Partner, Sconnix Broadcasting, updated broadcasters on several DAB issues including satellite DARS, IBOC and Eureka-147.

Broadcasters have some breathing room when it comes to competitive threats from DARS proponents, CD Radio and AMRC. "They are going deeply into the hole before they get their first \$10 subscription check. By their own admission, they've lost \$70M thus far and they expect to lose another \$170M by the end of next year," reported Odeneal. He added that both companies admit they will need hundreds of terrestrial repeaters to fill in reception gaps the satellites can't "view," such as in urban corridors.

Many broadcasters, including Odeneal would like to see IBOC get out of the chute before the satellite broadcasters begin operation sometime in 1999, a deadline he feels is iffy. USADR expects to have receivers in the stores for Christmas 2000. DRE may be able to meet or beat that date.

While CEMA announced Feb. 4 its final recommendation for US broadcasters is Eureka-147, there is almost zero support from US broadcasters, and the L-band rests on our military's frequencies. Odeneal reassured US broadcasters that Eureka is losing support in this hemisphere (Mexico rejected Eureka and Canadian broadcasters have new doubts). ♦

USADR and DRE: More Similarities Than Differences

- Both broadcast digital signals on the upper and lower sidebands of the analog signal. If either of the digital streams are impaired from interference or multipath, the other will still be usable—they are redundant.
- Both have no interference to the host analog signal or first adjacent stations.
- Both claim digital signal reacquisition in less than one second and use forward error correction technology in overcoming multipath or signal obstructions while driving.
- Both need much of the same equipment add-ons for plugging into existing transmission facilities.
- Both offer digital subcarriers for systems like Muzak.
- Both systems allow most of the existing analog subcarrier frequencies to be used without added interference.



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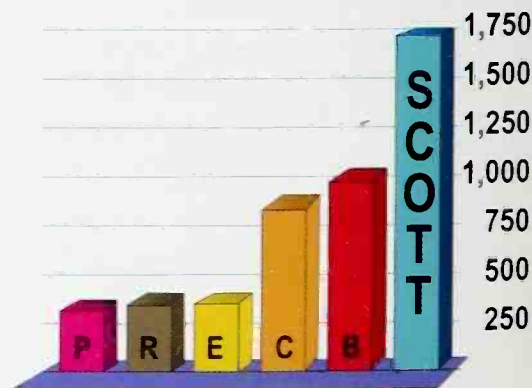
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Northeast Country Rides Horse of a Different Color

by Carl Marcucci

Country is the most programmed radio format, but not in the Northeast where only 13% of Country's listeners reside, according to an Interop study. It's no surprise then that Phoenix has six Country stations and New York one. So NE Country programmers have to take a different look at programming, positioning and packaging and develop their own set of instructions.

"The only thing Country about a Country station in the Northeast is the music. It's extremely important that the presentation, personalities and marketing have a very contemporary feel and flavor. You're looking to make it very palatable to as broad a section as possible, while maintaining the loyalty of your P1s," said Deborah Parenti, GM, WXTU-FM Philadelphia. Parenti, who started at Beasley's WXTU last fall, is working on building the Country audience among the urban Philly population.

For Parenti and other NE Country station GMs, the challenge starts with getting people to come to the format to begin with. "Music means the most to people when they can form an emotional bond with it. And you're not going to form an emotional bond with Country in the Northeast because in most cases it wasn't the music they listened to as teenagers. It's an acquired musical taste and an acquired musical formative choice," said Ken Johnson, WXTU's new PD. Johnson should know, having programmed one of the more successful NE country stations (WYRK-FM Buffalo).

NE Country stations can be enormously successful when they find the right equation. Take WPOR-FM Portland, Maine. A heritage Country station, WPOR has existed long enough to pull quite a few heart strings, and is so successful that competitors emerge to try and get a piece of the audience. "We've been #1 in the market for a long time. #1 or #2 for 20 years. We've got a head-on competitor in the market, [WOKQ-FM] in Portsmouth, NH. We're still the top dog, not only in Country, but in the marketplace," said Bob Gold, GM, WPOR-FM Portland.

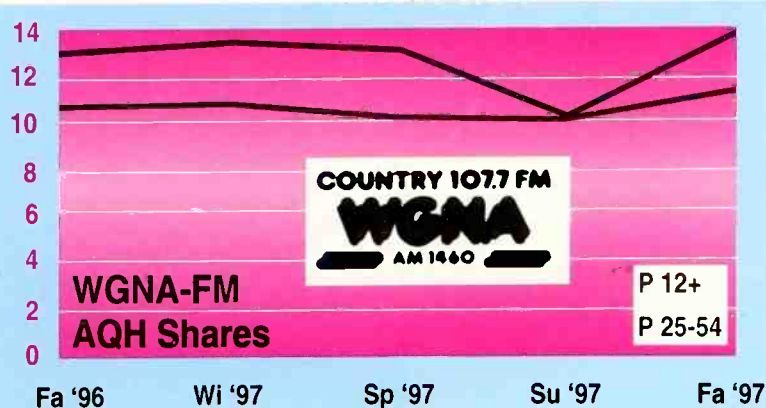
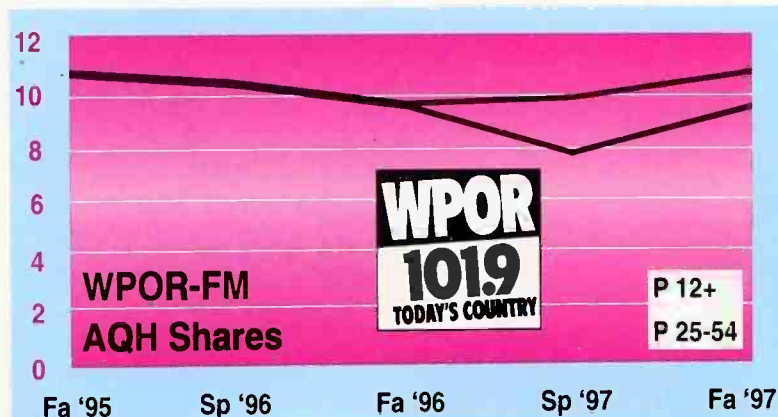
To keep WPOR where it is today, Gold relies heavily on research and the principle that (especially in the Northeast) Country is a hit-based format. "We're sticking with the superstars. We're playing what the people want to hear. We test music a lot. We just finished a test and found the old songs we're playing don't go back more than seven or eight years with the exception of Patsy Cline, who still tests pretty good. In our focus groups, people are looking to the new, well known artists rather than old. A lot of things we don't play until they prove themselves to us. But if Garth Brooks comes out with something, we put it right on. We don't need to be the first station with the new songs. It doesn't mean squat to us here," says Gold.

Another heritage Northeast success story going back over 20 years lies in the Albany-Schenectady market at WGNA-FM (#1 P12+ with a 4-book average of 10.7). "WGNA has been Country for

25 years, although I and many other people didn't realize it was Country until the late 80s. They were playing Country, but weren't as much a factor in the marketplace until the Garth era, when the new mix of Country really kicked in. So we've ridden the crest of that wave and have been fortunate enough to keep going. We do have another competitor in the marketplace—Albany Broadcasting's WPTR-FM went Young Country on Nov. 1. They're coming straight at us, but to this point haven't had any impact. We're prepared for that. We don't play many commercials right now. They're doing their 15 in a row bit. Our business is Continuous Country," said Buzz Brindle, PD.

Brindle is a believer in word of mouth—not only to get new listeners interested, but to keep in touch with what his audience wants: "The constant challenge for us in the NE is there are only a limited number of P1 Country listeners. Over 50% of our audience is first preference. We have a very strong relationship with them. Our job is to continue that relationship and be relevant to their life, and hopefully bring some new people in using focus groups."

Appealing to as many people as possible is the key. The easier the crossover from other formats the better. Pete Booker, president, Delmarva Broadcasting, has two Country stations (WICO-FM Salisbury, MD and WXCX-FM Wilmington, DE) and takes his cues from AC: "A lot of [AC] crosses over to Country. A lot of Country music has an AC or almost Hot AC flavor to the production. We take a superstar approach to programming. We play a lot of music from the top 20 or so Country artists. We're not the fastest to break tons and tons of new Country songs. We have a current playlist of about 25-30, not playing them in as heavy a rotation as some other stations. We try in our presentation and positioning to give it a real adult sound. We're shooting 55% female, 45% male. That's what you need to do in markets like these." ♦



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Last September 2nd, CILQ, Toronto's Q-107, added Howard Stern's weekday syndicated show in morning drive. MOBILTRAK's daily information enabled the station to see the seismic impact of the programming change virtually immediately. MOBILTRAK showed that Q-107 went from a typical 6-7 share to an 18.5 share within the first hour of the show. In the second hour they had a 19 share, and by the last hour they were pushing a 20! The next morning the station went to a 22 share overall in morning drive, with a peak hour of 23.4! PD, Pat Cardinal, was able to use MOBILTRAK's next-day data to immediately confirm the success of his programming strategy, and was even able to see that the Stern audience was carrying over into other dayparts. The impact on other stations in the market was also quickly apparent...

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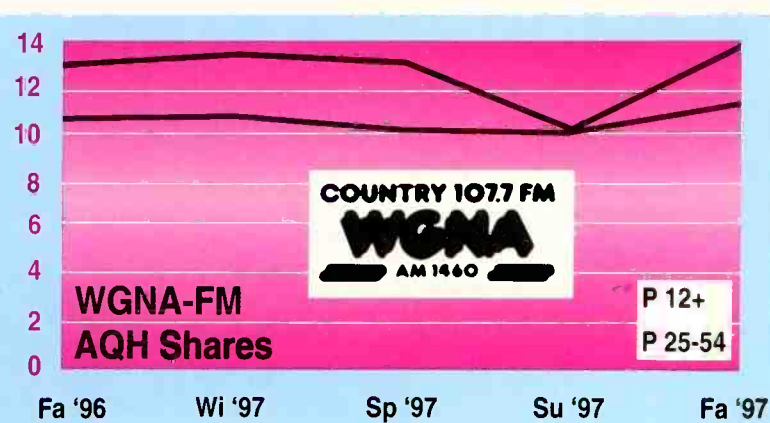
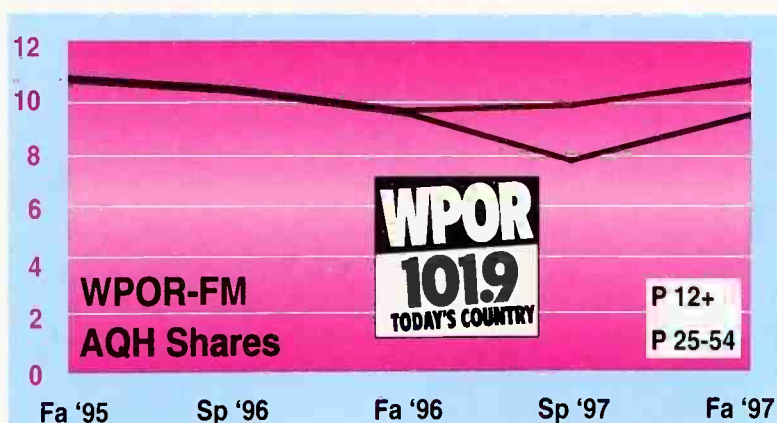
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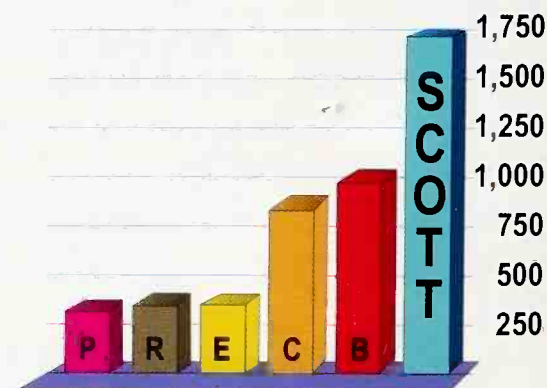
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Coen upbeat on radio

McCann-Erickson guru **Bob Coen** predicts that radio will continue to outgrow most other media in 2000. The forecaster told the PaineWebber Media Conference in New York (12/6) that national radio (network and spot) should gain 8% next year. Local radio should do even better, rising 9%.

"The Internet/new media is lifting all boats," Coen said of the explosion of dot-com advertising. "It's helping all advertising."

With dot-com and millennium advertising adding fuel to what would have traditionally been a strong year for advertising, with a presidential election and the Summer Olympics, Coen is expecting 2000 to be an exceptional year for all advertising-supporting media—even TV, which has suffered through a weak 1999.

The closely watched forecaster is expecting major national media ad revenues to rise 8% in 2000. The big four TV networks are expected to rebound from '99 with a 9% gain, beaten only by cable with 15%. Most other national media, including radio, are forecast to grow 8%.

Fellow panelist **David Poltrack**, Exec. VP/Research & Planning, CBS (N:CBS), thought Coen was selling the TV networks short. Poltrack predicted that the big four nets will gain 14% next year.

Locally, Coen is expecting radio to repeat as the king of all media, rising 9% on top of this year's 13% run-up. Local TV is expected to recover with an 8.5% gain.

Coen and other forecasters were caught off-guard by the economy's strength this year and had to revise their forecasts upward. "It turned out to be a lot stronger than we expected a year ago, except for TV," he noted. Why? He and other panelists noted that there were widespread fears a year ago that an economic crisis in Asia was going to spread around the globe. That didn't happen and the US economy proved more robust than even the most bullish economists had expected.

A year ago Coen foresaw radio gaining 7.5% for national and 6% for local in 1999. He raised those estimates to 9% for each category in June (*RBR* 7/5, p. 2). Now Coen expects radio to finish 1999 with national up 10% and local 13%. The grand total for all media, national and local, will finish a full point above Coen's original forecast—rising 6.5%, rather than 5.5%.

The Coen Forecast

Ad spending	1999	2000
National	indication	forecast
Big 4 TV nets	7.0%	9.0%
Spot TV	2.5%	8.0%
Cable TV	20.0%	15.0%
Syndication TV	8.0%	8.0%
Radio (net & spot)	10.0%	8.0%
Magazines	5.5%	7.5%
Newspapers	10.0%	8.0%
Major media subtotal	7.8%	9.0%
Direct mail	5.0%	7.0%
Yellow pages	7.0%	8.0%
Internet	75.0%	75.0%
Other national media	6.7%	8.0%
Total National	7.2%	9.1%
Local		
Newspapers	4.5%	6.0%
TV	3.5%	8.5%
Radio	13.0%	9.0%
Yellow pages	5.4%	6.0%
Other local media	8.2%	8.0%
Total Local	6.1%	7.1%
Grand Total	6.8%	8.3%

Source: Universal McCann "Insider's Report," 12/6/99

EEO rules making a comeback

As was promised by Chairman **Bill Kennard** last year (*RBR* 10/5/98, p. 3), new EEO rules may be on the books before you can say "Happy Y2K."

Last year a US Appeals Court struck down the FCC's original 30-year-old EEO rules which had required radio and TV stations to actively recruit minorities and women for employment positions (*RBR* 4/20/98, p. 3). After the Lutheran Church decision, many of the largest group owners voluntarily continued to honor the rules.

According to the Notice of Proposed Rulemaking released 11/98 for new EEO rules, broadcasters would be required to take extra efforts to alert minorities and women of job openings (*RBR* 11/23/98, p. 2). While the outreach rule would require notification, the rules "would operate only to expand the pool of candidates for a job opening and would not pressure broadcasters to adopt racial preferences in hiring decisions."

The updated rules would not require employers "to assess how the composition of their employment profiles compares with the composition of the local force." The Court of Appeals had ruled that such a requirement in the original rules was unconstitutional.

According to an FCC official, the revised EEO rules are scheduled to be on the 12/15 meeting agenda.—TS

ABC inserts Internet-only ads

Beginning with the 12/6 "Tom Joyner Morning Show," ABC Radio Networks is now using RealNetwork's (O:RNWK) new ad insertion capability to seamlessly deliver different spots to Internet listeners than those heard over Joyner's radio station affiliates. The new service from RealNetwork's Real Broadcast Network (RBN) creates new inventory for radio networks, allowing them to re-sell on the Internet space already sold by the broadcast network, plus the local avails. Disney's (N:DIS) ABC Radio is expected to expand the ad insertions to other shows and the service will also be available to other RBN clients.—JM

The pace of consolidation: Steady as she goes

When the turkeys were being carved up back in late November 1996, just over one-fourth of all radio stations in Arbitron-rated markets were part of a superduopoly cluster. Three years later (now, for the mathematically-challenged), that percentage has almost doubled. When simple duopolies are included in the consolidation total, the total number of stations in a consolidated operation stands at a whisker less than 75%.

The heavy lifting of consolidation took place during the first two years after enactment of the 1996 Telecom Act. Indeed, deals in

anticipation of its enactment were being announced in late 1995. The formation of superduopoly clusters has continued during 1998 and 1999 at a more measured pace.

Early deals in the dereg era focused on the larger markets. However, the gap between the largest and smallest markets has narrowed significantly as several groups have concentrated on building portfolios in markets 100+.

Perhaps the biggest anomaly on the chart is the fact that the numbers for markets 101-150 are significantly lower than those for the two market groups beneath it. This is primarily due to the large concentration in this group of Arbitron markets which are either embedded or flat out overwhelmed by nearby megamarkets. Medium to small markets operating in the shadow of a huge market tend to have suppressed station totals, suppressed ratings and suppressed ownership interest from national groups.

Spin-offs from the Clear Channel/AMFM merger will not have a big affect on consolidation percentages. Even if all 107 stations tentatively designated for resale went from standalone to superduopoly status, it would result in less than a 2% overall increase in superduopoly consolidation. Not only are many of the involved stations already in superduopolies (meaning going to a new superduopoly would have zero impact on the percentage), we anticipate quite a few of them

will exit the consolidation ranks, in particular smaller AM stations which are sold into niche operations with Children or Spanish/Ethnic formats.—DS

LPFM hits a wrinkle in the House

Congress' impatience with the FCC and its low-power FM proposal actually took on a name recently: it's called the Radio Broadcasting Preservation Act of 1999 and was introduced 11/17 by five House members in an attempt ward off any LPFM possibilities.

The Act, introduced by Rep. **Mike Oxley** (R-OH) and cosigned by Reps. **Barbara Cubin** (R-WY), **Cliff Stearns** (R-FL), **Frank Pallone** (D-NJ) and **Robert Ehrlich** (R-MD), would prohibit the FCC "from establishing rules authorizing the operation of new, low-power FM radio stations."

Further, the legislation would void "any low-power radio licenses issued pursuant to such rules."

This is not the first time that Chairman **Bill Kennard** and his agency have felt the temperature rise from Congress over LPFM—Reps. Oxley and Stearns this past summer ordered the FCC boss to compile a report on how the Commission plans to implement LPFM service without interference to existing FM stations (*RBR* 8/30, p. 6).—TS

Is the King/Sharpton \$4B bid for real?

Rev. **James Dixon** of Houston's Northwest Community Baptist Church tells *Ad Biz* that he was one of eight people, including Rev. **Al Sharpton** and boxing promoter **Don King**, who met with Clear Channel (N:CCU) CEO **Lowry Mays** and Dixon confirms that the group made a serious \$4B bid for all of the radio stations being spun off in the Clear Channel-AMFM merger.

Dixon won't disclose the source of the group's funding, but says it is definitely a serious offer and that "the purchasing entity would meet FCC standards." That apparently means that voting control would rest with someone other than King, due to his criminal record (*RBR* 11/15, p. 3).

Although he has a radio and TV ministry, Dixon says he and the others are not planning to run the stations. Rather, they want to ensure that the stations are put into minority hands and are currently talking with experienced minority broadcasters who would be able to operate the stations.—JM

Wave of mega-mergers strikes a Congressional nerve

A Senate panel, worried about the long term effects of mega-mergers on consumers, is warning two federal agencies that the need for new legislation may be now.

"Most Americans tend to view increased concentration of control as a negative, and, unfortunately, this is often the case," Senate Commerce Committee Chairman **John McCain** (R-AZ) told FCC and FTC heads 11/8. "We worry whether increasing consolidation in the radio broadcasting industry will homogenize radio programming."

FCC boss **Bill Kennard** and his FTC counterpart, **Robert Pitofsky**, were summoned before McCain's Commerce Committee to defend their agencies' support of mega deals, including the proposed mergers between CBS and Viacom; MCI WorldCom and Sprint; and Bell Atlantic and GTE.

According to the Federal Trade Commission, merger filings in the communications industry have increased by 50% since 1995, compared to a value of more than \$266B.

While Kennard testified that he is "very cautious" about mergers, now is not the time to pass legislation to strip away the FCC's authority to review the deals.

"We at the FCC have a statutory obligation to ensure that mergers will result in tangible benefits for American consumers...it is the FCC's job to make sure that no transfers of control create a conglomerate so large and so dominant that it kills competition," Kennard pointed out.

Pitofsky added during testimony that the Committee should not be worried about the number of recent mergers, but the size of the deals and the impact they will have on consumers.

McCain, who has already written legislation to streamline federal review of Telecom mergers (*RBR* 5/31, p. 2), has ordered a congressional study of the merger wave to look at the "consumer viewpoint of this entire situation" while Sen. **Byron Dorgan** (D-ND) is urging members of the panel to reopen the 1996 Telecom Act when they reconvene next term.—TS

Interep loses Clear Channel

Just days before Interep was expected to price its IPO, Clear Channel (N:CCU) has pulled out as Interep's second-largest client (after Infinity, N:INF). All of the 225 stations which had been represented by Interep's Clear Channel Radio Sales will move to the rep firms of Katz Radio Group. The move isn't surprising, since Katz is owned by AMFM Inc. (N:AFM), which is merging with Clear Channel. Interep (O:IREP) priced its IPO 12/8 at \$12 per share.—JM

A fashionable Fall begins

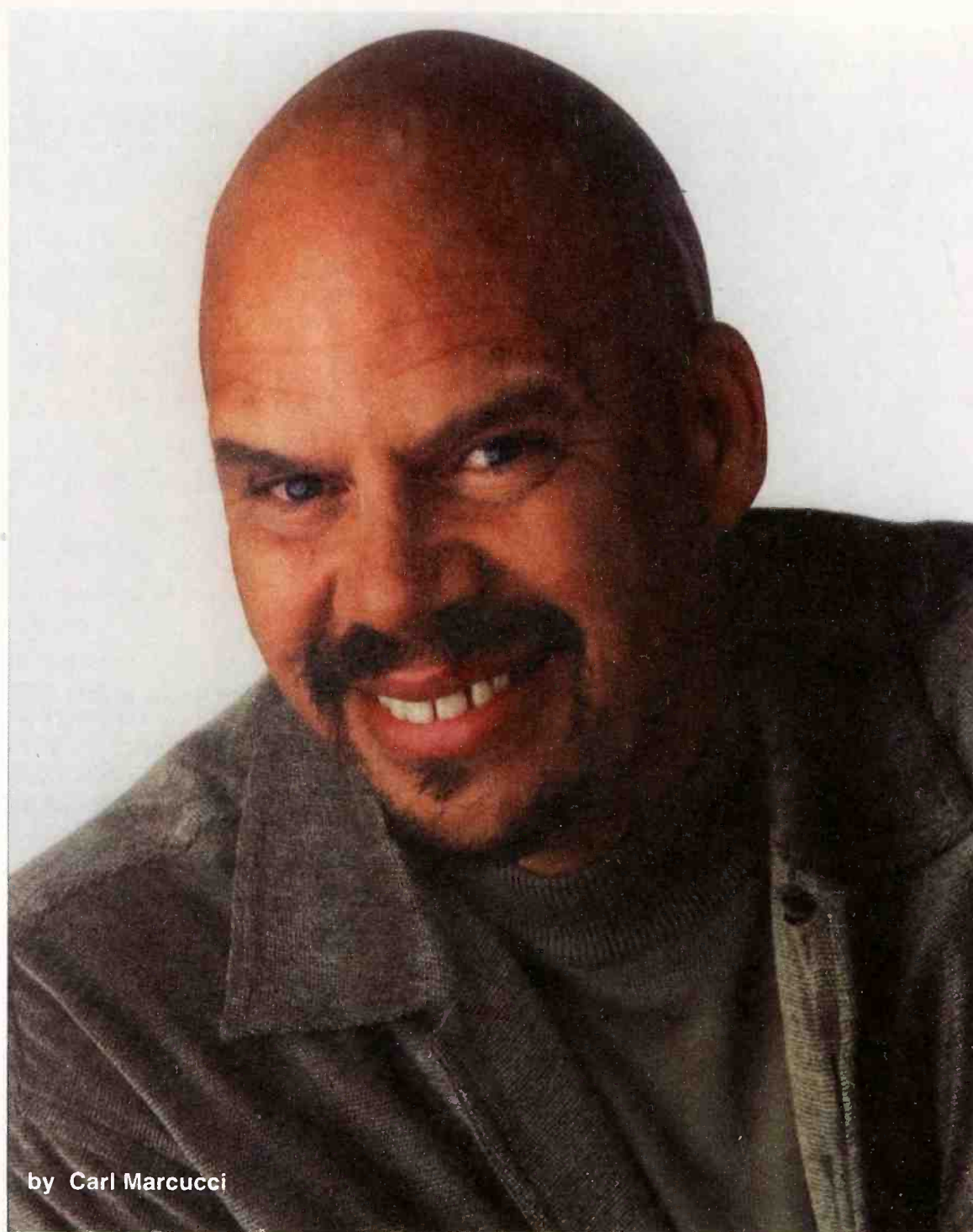
Fall fashions were a strong area for radio stations to find non-traditional revenues in October, according to tracking by Revenue Development Systems. The Clothing sector accounted for 5.78% of the month's NTR, up from 2.24% in September. Leisure returned to normal levels after a bump-up in September.—JM

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

	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD
Automotive	9.42	16.01	4.29	16.09	6.76	19.67	17.81	12.00
Food/Grocery	18.83	23.20	49.33	25.44	30.62	13.31	28.40	28.67
Leisure	40.67	30.43	25.73	26.66	26.69	35.69	24.74	25.22
Health & Beauty Care	6.94	9.26	2.67	10.60	3.31	11.53	11.32	7.14
Home Improvement	9.08	3.57	5.50	5.58	5.58	6.41	5.08	5.94
Office	0.07	2.02	2.75	0.26	17.15	2.13	2.70	3.71
Clothing	12.35	2.75	6.38	7.62	2.88	2.24	5.78	4.69
Recruiting	2.65	12.78	3.36	7.74	6.99	9.03	4.17	7.80

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

Tom Joyner: Taking it a step up



by Carl Marcucci

ABC Radio Networks' morning drive sensation **Tom Joyner** bills himself as more than just an entertaining host. One of the hardest working men in radio, he flies around the country on remotes—actually concerts—and works with his listeners to further worthwhile causes and charities, including his own Tom Joyner Foundation. Just before being picked up for syndication 1/94, he was doing two shows a day from Chicago and Dallas, earning him the well-deserved nickname of "Fly Jock." In '98, Joyner became the first African American elected into the Radio Hall of Fame.

Now with a well-seasoned team of personalities—**Tavis Smiley, J. Anthony Brown, Sybil Wilkes, Kevin Woodson** and **Myra J**—The Tom Joyner Morning Show has evolved into a first class entertainment mix, including such regular features as "It's Your World," a daily soap opera parody, "Christmas Wish," "Thursday Morning Mom" and "The Old School Breakfast Mix," featuring R&B Oldies. Now on 99 affiliates, Joyner explains how he got there.

You sell some inventory for the show yourself, i.e. McDonald's and Southwest Air. How do you sell your show and what accounts did you bring in?

I just don't *sell* the spots. What I do is look for partners—someone that wants to partner with me and the show and in some way do something for the community. An example is Southwest Airlines, which is the first account that I partnered with. Southwest not only bought some of my inventory, but they also became title sponsor for our "Sky Show," which is our remote broadcast that we do 30 times a year. It's a big production. We called it "The Road Show" until we got the Southwest Airlines sponsor. We do 2,000-seaters in each city and people get up in ungodly hours in the morning just to get into what is a free show. We have an old school act: Earth Wind & Fire, Chaka Khan, The Temptations, **Jeffrey Osborne**, you name it. And we do a party for four straight hours, while on the air.

Southwest Airlines sponsors a weekly thing [year 'round] we call "Christmas Wish." You write us, you tell us your story and we grant it. And along with all that, Southwest uses me as a spokesperson to the African-American audience. They use me in their print, TV and radio ads. They also do spot buys on a lot of the affiliates.

So it really is a partnership in almost every sense of the word.

It is complete partnership. Then you have Coca Cola. Coca Cola not only buys part of my inventory, but it is also a supporter of the foundation. Coca Cola has donated \$250K to the foundation.

Tell us about the Tom Joyner foundation.

The Tom Joyner Foundation does one thing and one thing only—we help kids continue their education at black colleges. We do that by several methods and one of our biggest sponsors is Coca Cola. And every penny, every cent that is donated to the foundation goes directly to the schools and the schools issue out the scholarships. The foundation has no administrative costs or expenses—I incur all of that. We spotlight one school 11 months of the year except December because it's a short school month. We spotlight one school each month, and for that month, we just drive donations—drive and drive and drive. We have a 900-number and \$15, \$20 or \$25 is billed to your phone. Fifty cents of every donation from that phone call is matched

by the United Negro College Fund. We just reached our million dollar mark, in existence just since March '98.

Oldsmobile is another one. We partnered with them and they're doing a voter registration drive. It's one thing to get on the air and say, "Hey, vote, because it's important." We took it to another level. We gave people an incentive to vote. We're partnered with Oldsmobile, but Oldsmobile donates cars that we give away—you register for the car when you register to vote. In each stop that we make, we get volunteers from the League of Women Voters, The Urban League and NAACP. So far in '99 we've registered 10,000 people.

Why is the Tom Joyner Morning Show a good choice for spot advertisers and network agency buyers?

We've got a real active audience. Like the CompUSA thing (RBR 10/25, p.4). That's a good example of how active our audience is. It makes a whole lot of sense to go after our audience, and the fact that in most cases is underserved when it comes to advertisers—no matter what category. In most cases, the black consumer is not served or courted by advertisers. So, when black consumers know that an advertiser wants and appreciates their business, that makes our audience very endearing to their brand. We've got a lot of money and we're spending it. And if you're a smart advertiser, you will go after it.

Tell us about your fly jock days in the 80s and early 90s—mornings in Dallas at KKDA-FM and afternoons in Chicago at WGCI-FM.

I kept a real good attitude about it. I said, "I can't control these flights and I'm not going to let these flights frazzle me." I would go to the airport, and if the plane was flying, I'd be on it.

Did you at least fly first class?

Yeah—I was in the budget. They put me in their projections. And when I quit flying back and forth, people were laid off, I'm sure.

How do you make your show sound so local?

The credit goes to the producers on the affiliate end. The good ones, and most of them are, send drops that I cut the day that I do after the show for the next day. I do about a phone book thick of drops and when I'm finished on this end, I simply hit a tone that triggers their drops on the affiliate end. We satellite it to the cities (RBR 8/23, p.4).

Tell us about your web site

The Web site has blown up. It's far exceeded the expectations of everybody. We relaunched our Web site in November and we've been averaging about a million hits a day. No one forecast that. We offer banner ads and audio streaming ads (RBR 12/6, p.3). This thing has taken off in such magnitude proportions.

How do you drive so many people to your site?

Just on the air. We just say, "Go to the site," and they go—just another example of how active this audience is. We have a message board, once a week we do chats and lunchrooms. They average like 200-300 thousand people trying to get on during the two hours that we go on line live.

How did you get your show going—something that was virtually unproven—during the challenging first year with the 29 affiliates?

Well, you know—your basic 25 hour days. I knew that if this was going to work for black radio then I couldn't do what **Howard Stern** did. Stern does a New York show that everybody listens to. I knew I couldn't do that with black radio. Black radio is much too personable for that. I had designed a show that was for a national audience, but yet had a local feel.

I had to come up with a show that was tailored for my Chicago and Dallas listeners and felt local, so I had to do it with mirrors. I had to take some of the main elements of what I was doing daily in Dallas and Chicago and I just stepped it up, for instance, the soap opera. I used to talk about what happened on the previous day's soap operas. I used to do that forever. And I said, "How can I step this up?" Well, instead of talking about what happened and making fun of it, do it—do an actual soap opera.

Legend has it you sang with the Commodores. Was that during your college years at Tuskegee?

This is before the money. We all went to school together. I was with the group before



Tom Joyner and two members of his morning team: J. Anthony Brown and Sybil Wilkes.

they took flight. My parents said, "You need to get out of that group because they ain't going nowhere." I got married in school and my new wife said the same thing, so stupid ass me I said, "Yeah, you're right."

You must have cried a couple of tears...

I'm still crying. After I got the degree in Sociology, I sat on my ass with nothing to do for about three to six months. I didn't have a job, and I was married. I got a call from a friend who said, "Would you like to do news on this radio station?" It was WRMA Montgomery, Alabama.

What do you want to tell our agency readers about buying on minority media outlets, in the wake of the CompUSA story?

Agencies need to tell their advertisers that this is an untapped gold mine and if they want a piece of this, if they want to secure this niche, they should actively go after it. And if they're not, they should re-think their strategy.

It's evolution not revolution

Like BuyMedia.com, Masarek considers AdOutlet.com to be a communications platform that simplifies the buying process. He also believes that the service is "less revolutionary and more evolutionary and it is simply an acceleration of what's been happening anyway." Using the Internet to sell inventory gives stations broader distribution breadth. Rather than be limited by the extent of their sales force and rep firm, Masarek says that using the Internet as an additional sales channel makes perfect sense. "Portions of media are appropriately served through a direct sales force. But there's also very large proportions of media that can be more efficiently served through electronic channels."

AdOutlet.com also hopes to address the challenges associated with the proliferation of media and the accompanying fragmentation of media. "You have a situation where media is more difficult to buy because there are more places to buy it, but with fragmentation, you can't buy as much reach in one property."

Confidentiality of the sale retained

Stations can choose to post their inventory together with the price, or they can have it coded into the system but hidden from the buyers' view. But regardless of whether or not the buyers can see the price, AdOutlet.com knows what the stipulated price is.

For example, a station could give its published rate of \$20 or not give a rate, but in actuality, its threshold price is \$10. The \$10 is then coded into the site. If 10 different buyers are logged on at the same time and are viewing the same inventory, and one buyer makes an offer of \$11, the system automatically awards that spot to that buyer. The system accepts the first higher than threshold price offer and does not make allowances for the very real possibility that one of the other nine buyers may offer a better price.

Masarek says that by using this method, the website has overcome the unique challenge of retaining the confidentiality of a sale in the "context of public distribution." He adds, "We think this is very powerful because this is a way we can encourage a radio station who is always very concerned about selling privately."

AdOutlet has 4,500 registered media buyers using their service and that number is climbing. Masarek says the company has grown rapidly thanks to a "substantial cadre of very senior people on the management side—seven officers—each averaging over 20 years of experience." In addition to Masarek, the Columbus, OH-based company is led by founders **John Detwiler**, President, and **Eric Place**, EVP. AdOutlet also has an advisory council of industry experts guiding its course.

Media Index**Radio regains share in August**

by Carl Marcucci

While down almost two points in July, Radio's share of the media pie was a bigger bite in August, up to 18.56% from 17.09%. Some of the biggest gainers were Automotive, Communications/Cellular, Internet/e-commerce, Television and Music Stores/CDs/Videos.

RBR/Miller Kaplan Total Media Index

August 1999 (Expenditures in 000)

Category	Radio	TV	Newspaper	Total Media	Radio % of Total
Automotive	50,609,730	183,892,106	191,541,111	426,042,947	11.88%
Restaurants	16,132,290	58,502,188	3,145,288	77,779,766	20.74%
Department Stores	14,365,669	27,663,765	90,969,575	132,999,009	10.80%
Foods	7,804,910	36,185,429	1,195,725	45,186,064	17.27%
Communications/Cellular	19,775,821	27,510,671	37,288,573	84,575,065	23.38%
Furniture	7,845,405	19,781,261	29,959,809	57,586,475	13.62%
Financial Services	14,460,699	16,980,006	35,291,385	66,732,090	21.67%
Movies/Theater/Concerts	10,749,027	25,533,525	25,028,346	61,310,898	17.53%
Grocery Stores	10,185,494	11,536,602	16,803,739	38,525,835	26.44%
Appliances & Electronics	5,069,030	8,451,683	36,158,649	49,679,362	10.20%
Hotel/Resorts/Tours	4,352,673	5,356,008	33,293,748	43,002,429	10.12%
Drug Stores/Products	5,503,059	17,069,457	10,230,035	32,802,551	16.78%
Computers/Office Equipment	8,122,918	9,624,196	21,452,879	39,199,993	20.72%
Specialty Retail	18,479,798	26,120,725	32,606,950	77,207,473	23.94%
Health Care	9,220,786	14,812,335	11,130,997	35,164,118	26.22%
Auto Parts/Service	5,877,687	9,874,076	7,000,856	22,752,619	25.83%
Music Stores/CDs/Videos	4,571,195	7,451,718	1,988,562	14,011,475	32.62%
Transportation	2,951,367	4,332,120	10,580,927	17,864,414	16.52%
Entertainment-Other/Lottery	9,055,681	9,872,297	4,227,134	23,155,112	39.11%
Home Improvement	4,274,255	9,669,355	9,425,252	23,368,862	18.29%
Professional Services	8,860,622	10,274,689	8,482,366	27,617,677	32.08%
Beverages	15,956,311	19,497,776	1,493,230	36,947,317	43.19%
Television	9,727,064	4,639,354	10,530,059	24,896,477	39.07%
Personal Fitness & Weight Ctrs.	807,212	3,773,829	981,287	5,562,328	14.51%
Publications	3,577,329	2,789,672	33,893,495	40,260,496	8.89%
Internet/E-Commerce	18,367,067	12,381,590	9,849,008	40,597,665	45.24%
TOTAL	286,703,099	583,576,433	674,548,985	1,544,828,517	18.56%

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

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Atlanta
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972-239-6220



Manager's Business Report™

Radio Business Report, Inc.

15 Years

April 1998



MBR Stats

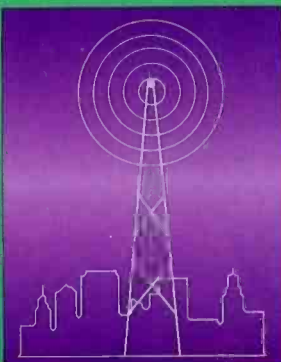
Despite ownership shuffle,
station spending on TV is flat.

Page 4

News in Review

Top billers, hot markets,
high anxiety.

Page 6



The sound of Formats: It's all in the processing



Feature
Page 10



Programming & Positioning

Horse sense:
Making Country work in
the Northeast

Page 14

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Radio's Roll Carries Into The New Year

The first revenue figures for 1998 are in, and they show that radio is picking up right where it left off in 1997. The industry enjoyed an 8% gain over January 1997, broken down into a 7% gain in local business, and a 12% gain in the still white-hot national category. This month's forward pacing report shows that the industry can expect more of the same.

The stock market in February again resembled the streets of Pamplona as the bulls ran rampant. Radio companies in general either kept pace or stayed a bit ahead of the herd.

Non-traditional revenue accounted for 12.2% of the average station's bottom line in 1997. That number figures to go up. Our chart shows what categories are hot.

More and more stations are adding Internet service. This month we compare current station by format totals with last year. The number of audiocasters on the web is close to three times what it was, and the pace of growth remains rapid.

— Dave Seyler

Radio Revenue Index

Radio Starts The Year Up 8%

The radio industry is expected to better its record-breaking revenue performance of 1997 by a considerable margin, getting off on the right foot with a healthy 8% improvement over the first month of last year. Local dollars increased by 7%, while national continued its double-digit soaring act with a 12% gain.

Results from coast to coast can be written in black ink. Although the Southeast hit a bit of a speed bump in local revenues, it made up some of the slack with a nice 13% jump in national dollars. The situation was reversed in the Southwest, where modest gains in national were offset by a hefty 12% gain in local revenue.

For the first time, the RAB is releasing actual dollar figures for the 100 or so markets which are monitored to produce industry revenue estimates. In those markets radio was able to bank \$30.7 Million more than it did last January.

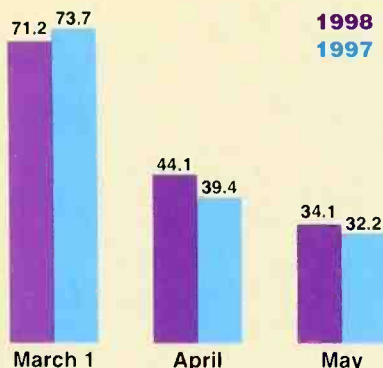
January 1998	Local	National
All Markets	7%	12%
East	9%	8%
Southeast	1%	13%
Midwest	9%	6%
Southwest	12%	2%
West	7%	22%

Local & Nat'l Revenue December 1997 All Markets		8%
Total Cash (M), Monitored Markets		
January 1997	\$377.1	
January 1998	\$407.8	

Forward Pacing Report

Q2 Spot Pacing Springs Ahead of 1997

The demand for advertising time on radio remains very strong. Already, almost one half of April avails have been sold, and over a third of May inventory has been spoken for. All indications are that the radio industry is on track to best its best year ever by a comfortable margin.



Superduopoly Dimensions

Industry Consolidation (as of March 9, 1998)

Superduopoly: 44.0%		
Market	# of stns	percent
1 to 50	711	49.3
51 to 100	503	46.0
101 to 150	305	39.5
151 to 200	332	41.8
201 to 261	295	38.1
All markets	2,146	44.0

Total Industry: 67.5%		
Market	# of stns	percent
1 to 50	1,040	72.1
51 to 100	760	69.5
101 to 150	468	60.5
151 to 200	526	66.2
201 to 261	500	65.0
All markets	3,294	67.5

Note: The "# of stns" shows the total count for stations in either a superduop or, in the case of total industry consolidation, in an LMA, duop or superduop. The "percent" column shows the extent of consolidation for each market segment.

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YTD Stock Performance

The bulls resumed their Wall Street stampede in February and radio stocks kept pace with the surging market. A few even did a lot better than keep pace. Pulitzer shot up nearly 34% after announcing that it might sell off its radio and TV stations. Only Alliance Broadcasting, a volatile penny stock, has done better among radio station owners. The best performers in MBR's chart, though, were the radio-related tech stocks. SportsLine USA's stock has already more than doubled this year, as has DG Systems.

Company	2/27/98 Close	YTD Gain/Loss	Pct. Gain/Loss
Ackerley	19.063	2.125	12.55%
Alliance Bcg.	0.500	0.250	100.00%
Am. Radio Sys.	59.750	6.438	12.08%
AMSC	8.469	1.469	20.98%
Belo Corp.	54.750	-1.375	-2.45%
Big City Radio	9.875	1.750	21.54%
CBS Corp.	30.938	1.500	5.10%
CD Radio	15.875	-1.062	-6.27%
Ceridian	46.563	0.750	1.64%
Chancellor	44.750	7.438	19.93%
Childrens Bcg.	3.313	-0.750	-18.45%
Clear Channel	90.500	11.063	13.93%
Cox Radio	43.000	2.750	6.83%
DG Systems	5.125	2.625	105.00%
Disney	111.938	12.938	13.07%
Emmis Bcg.	49.500	3.875	8.49%
Faircom	0.813	-0.031	-3.62%
Fisher	129.000	9.000	7.50%
Gaylord	34.000	2.063	6.46%
Granite	11.813	2.751	30.35%
Harris Corp.	50.750	4.875	10.63%
Heftel Bcg.	47.375	0.625	1.34%
Jacor	57.875	4.750	8.94%
Jeff-Pilot	83.875	6.000	7.70%
Jones Intercable	17.000	-0.438	-2.51%
Metro Networks	36.875	4.125	12.60%
NBG Radio Networks	1.750	-0.250	-12.50%
New York Times	65.438	-0.688	-1.04%
News Comm.	1.375	-0.062	-4.31%
Otter Tail Power	37.875	0.000	0.00%
Pacific R&E	3.625	0.250	7.41%
Pulitzer	84.000	21.188	33.73%
RealNetworks	15.000	1.125	8.11%
Saga Commun.	20.500	-0.750	-3.53%
SFX Bcg.	92.000	11.750	14.64%
Sinclair	56.563	9.938	21.31%
SportsLine USA	23.500	12.750	118.60%
TM Century	0.563	-0.063	-10.00%
Triathlon	10.563	0.063	0.60%
Tribune	64.563	2.313	3.71%
Westower	20.750	9.000	76.60%
Westwood One	31.000	-6.125	-16.50%
WinStar Comm.	42.063	17.126	68.68%

Major Stock Market Indices

Dow Industrials	8545.72	637.470	8.06%
Nasdaq composite	1770.51	200.140	12.74%
S&P 500	1049.34	78.910	8.13%

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MBR Stats

Non-Traditional Revenue Track

(% of Vendor/New Business by Category)

	Jan 98	Jan 97
Automotive	23.04	16.61
Food/Grocery	21.57	30.47
Leisure/Electronic	24.42	24.96
H&BC	3.11	7.89
Home Imp.	7.72	2.53
Office	17.58	8.19
Clothing	2.56	9.34

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

NTR Revs Off to Strong Start

More stations are beginning the year with more revenue generated from non-spot, according to the latest numbers from Revenue Development Systems (RDS). Last year, the average station's non-traditional revenue comprised 12.2% of total station revenues. For some stations, that number was as high as 30%.

January non-spot business was dominated by the Automotive, Leisure/Electronic, and Office categories. While the Automotive dollars came from the same type of business as last year (gas, oil, manufacturer parts), the Office category boomed with money from computer companies and recruitment, both hot categories for 1998.

While Health & Beauty Care was down compared to last year, expect March and April to come in stronger.

Similarly, Clothing, which was high last year, tends to bring in more dollars in Spring and Fall. It's still the weakest category for NTR.

Web Stats

Formats on the Internet

Format	1997 Stns	1998 Stns	Chng	Pct.
Non-commercial	29	75	+46	12.2%
Country	18	55	+37	9.0%
Rock	19	49	+30	8.0%
News/Talk	18	46	+28	7.5%
Religion	17	46	+29	7.5%
CHR	14	40	+36	6.5%
Sports	17	33	+16	5.4%
Classic Rock	11	28	+17	4.6%
Alternative	13	27	+14	4.4%
Hot AC	6	27	+21	4.4%
AC	10	27	+17	4.4%
Talk	16	25	+9	4.1%
Oldies	7	22	+15	3.6%
Adult Altern.	9	22	+13	3.6%
Ethnic	8	15	+7	2.4%
Urban	8	14	+6	2.3%
Soft AC	2	12	+10	2.0%
News	7	10	+3	1.6%
Standards	3	10	+7	1.6%
New AC-Jazz	5	8	+3	1.3%
Classical	4	8	+4	1.3%
AC-Spanish	3	5	+2	0.8%
Talk-Spanish	0	4	+4	0.7%
CHR-Spanish	2	3	+1	0.5%
70's Oldies	2	1	-1	0.2%
Easy List.	1	1	0	0.2%

Audio on the Internet

Medium	1997	1998	Chng	Pct.
Radio Stations	249	613	+364	52.3%
International	120	436	+316	36.6%
Networks	19	38	+19	2.9%
Internet Only	42	100	+58	8.3%
TOTAL	430	1,187	+757	100.0%

Webcasters by Format

(as of March 5, 1998)

613 radio stations (538 commercial) are now putting audio on the Internet. Of the total 1,187 audio websites now in operation, almost half (568) are of US origin.

Country remains the number one commercial format on the web with a total of 55 stations. However, if the various News, Talk and Sports categories are combined, they account for 114 stations, or 21.2% of all commercial webcasters.

RealAudio remains the streaming platform of choice with almost 88% of the business. Microsoft NetShow and Streamworks remain the most viable alternatives, while several others battle it out to gain a foothold.

As with any emerging industry, audio webcasting is growing up fast, as the comparison to last year indicates. Total audio webcasting is only about a hundred entities shy of tripling the total at this time last year. And this pace can be expected to continue for some time to come.

Streaming Players

RealAudio	1,041	87.7%
Microsoft NetShow	92	7.8%
StreamWorks	43	3.6%
AudioActive	7	0.6%
Radio Destiny	4	0.3%
Interflix	1	0.1%
GTS Audio	1	0.1%
Vosaic	1	0.1%
TOTAL	1,187	100.0%

Source: BRS Consultants

Stations Spending Less on TV Ads

Since Telcom, stations have been spending slightly less on TV ads. In 1997, stations spent about \$128M or 2.3% less than the previous year and 3.7% less than in 1995, according to a Shark TV analysis of the top 75 markets.

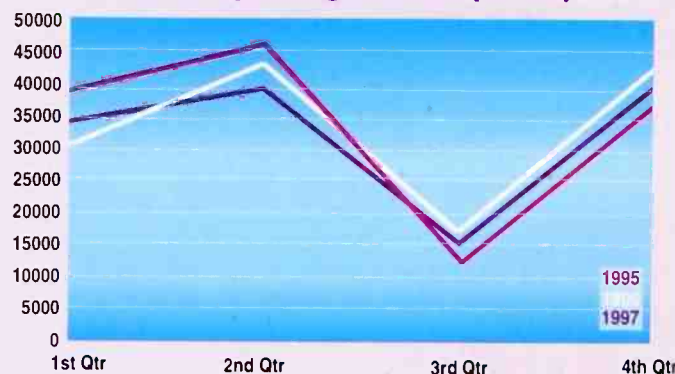
In the top 12 markets (which represents 55% of all TV expenditures by radio stations), spending is relatively flat. Some markets are up in TV spending including Boston (indexing at 130), LA (116), Houston (112), and New York (103).

What hasn't changed much are station spending patterns. Stations still bulk up promotions in Q2 for the Spring survey and in Q4 for the Fall.

TV Ad Spending Trends (in 000)

	1995	1996	1997
1st Qtr	38,651.69	29,428.29	33,979.71
2nd Qtr	45,557.08	42,736.74	39,292.77
3rd Qtr	12,612.43	16,734.24	15,316.73
4th Qtr	36,499.96	42,443.51	39,777.54
Total	133,321.16	131,342.78	128,366.75

TV Ad Spending Patterns (in 000)



Source: Shark TV analysis of Competitive Media Reporting data.

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Arbitron Changes Metro Redefinition Policy

Broadcasters looking to change the metro definition of their Arbitron markets are now required to follow a new policy issued in early March. The policy is based on recommendations of a task force of stations, agencies, advertisers, the Arbitron Advisory Council, the RAB and the NAB. Arbitron is touting its new policy as simpler and more objective. "There were a lot more variables in the old policy and no set formula," said Thom Mocarsky, VP, Arbitron.

Among the changes: 75% of subscribing

station owners must request the change and a reevaluation will include all existing metro counties and all counties adjacent to the existing metro.

The new policy was a year in coming, prompted in part by Boston broadcasters desperate not to fall out of the top 10. Including Boston, about 25 markets with outstanding metro redefinition issues will be eligible to request metro redefinitions in Fall 1998. Other markets may request metro redefinition evaluation in Spring 1999. ♦

Campaign Finance Fizzles

For the second straight year, efforts to reform campaign funding failed to clear the Senate. The McCain-Feingold Bill became bogged down during debate, when Senate Republicans were not able to cull enough votes to clear a Democrat-lead filibuster.

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Top 10 1997 Station Billers

Which stations billed the most in 1997? According to BIA's ranking, it looks like Mel Karmazin is king of the billings mountain again, as CBS (N:CBS) comes out ahead of all others with five of the nation's ten highest billing stations. Last year's ranking is in parentheses. ♦

1	(1)	WFAN-AM NY	\$47.7M	CBS
2	(7)	WLTW-FM NY	\$37.9M	Chancellor
3	(6)	WXRK-FM NY	\$37.3M	CBS
4	(3)	WINS-AM NY	\$36.5M	CBS
5	(2)	WGN-AM Chicago	\$34.5M	Tribune
6	(4)	KRTH-FM LA	\$34.3M	CBS
6	(—)	WKTU-FM NY	\$34.3M	Chancellor
8	(10)	KIIS-FM LA	\$34.2M	Jacor
8	(—)	KKBT-FM LA	\$34.2M	Chancellor
10	(8)	KVIL-FM Dallas	\$32.8M	CBS

Source: BIA

Low Power, High Anxiety

The FCC is considering allowing one AM and FM one watt station in each market. "People just want to speak to their community. We ought to figure out what our options are," says FCC Chair Bill Kennard (D). But he adds, "I am not ready to support it." Mass Media Bureau Chief Roy Stewart says the Commission is hoping to reverse some of consolidation's impact, "so it's not just the big people that get to speak, it's the little people that get to speak in America too."

Distribution and policing must still be worked out. One consideration is last year's Balanced Budget Act which dictates available broadcast spectrum be auctioned. ♦

Casino Ads Ruled Legal

All bets are on! A Supreme Court decision handed down February 23 has made casino and lottery advertising legal in eight western states, and supporters say it may clear the way for a nationwide reversal of the FCC's ban on broadcast casino advertising.

In a closely-watched free speech case, the Department of Justice appealed a Sept. 4 ruling by the Ninth Circuit, which lifted an FCC ban barring broadcast casino ads (RBR 9/8/97, p. 4). DOJ lawyers did not attack the Appeals Court ruling, but argued the lower court should not have used a 1995 Supreme Court decision as the basis for its ruling. The Supreme Court's refusal to hear DOJ's appeal makes the Ninth Circuit's decision binding law in Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon and Washington.

"We believe the high court will ultimately strike down the ban nationally," says Eddie Fritts, president and CEO, NAB. ♦



WRKO-AM Boston; Jack Swanson, KGO-AM SF; Leslie Gold, WRKO-AM; Bob McAllan, Press Broadcasting; Chris Kampmeier, WTKS-FM Orlando.

Other winners (not pictured): Jim Trapp, The Buzz, Houston; Leigh Jacobs & John Dziuba, New Jersey 101.5; Jim Philips, WTKS-FM; Sally Jessy Raphael; Gary Slaight, Standard Broadcasting, Toronto. ♦

Holy Toledo!

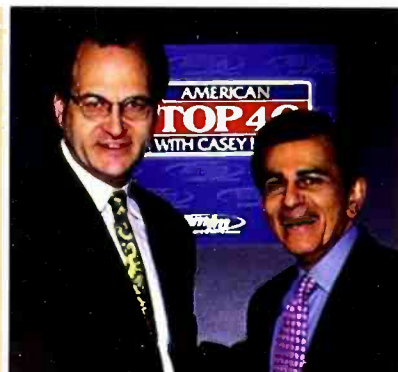
Mid-size markets are reaping the rewards of consolidation with the largest gains in revenue, according to BIA. At the top is #76 Toledo, with a growth rate of 17%, and outpacing last year's leader, Raleigh-Durham, NC, which had a 15.4% growth rate. ♦

AMFM Adds Programming

Just three months after it launched the network on Jan. 5, Chancellor's (O:AMFM) AMFM Radio Networks has added syndicated programming to its roster. Countdown King Casey Kasem signed in early March, although his former syndicator Westwood One (O:WONE) filed a lawsuit against him (RBR 3/9, p. 4).

AMFM has also signed Dave Koz, who will host a two-hour Smooth Jazz weekend program, "The Dave Koz Radio Show." Koz moves from MediaAmerica, which bought his program last November (RBR 11/24/97, p. 3). ♦

Kasem and
David
Kantor,
SVP,
Chancellor
Media,
AM-FM
Radio
Networks



Hot Markets by Revenue Growth (in Millions)

Market/rank	96 revs	97 revs	% growth
1 Toledo, OH (76)	21.8	25.5	17.0%
2 Denver-Boulder (22)	117.6	137.4	16.8%
3 Knoxville, TN (68)	23.8	27.7	16.4%
4 Washington, DC (8)	202.7	235.2	16.0%
5 Atlanta, GA (12)	192.9	222.2	15.2%
6 Dallas-Ft. Worth (6)	221.8	254.7	14.8%
7 Tucson, AZ (61)	27.7	31.6	14.1%
8 Detroit (7)	183.2	208.5	13.8%
9 Greenville, NC (80)	15.4	17.5	13.6%
10 Austin, TX (50)	49.0	55.4	13.1%

Source: BIA

Exclusive New Report

MBR/Miller, Kaplan Total Media Index

by Katy Bachman

Detailed local market advertising expenditure information across media has been something of a Holy Grail, until now. While both TV and newspapers have enjoyed local market ad expenditure data for several years, radio has not, leaving many GMs clamoring for a way to gauge how radio stacks up to its local media competitors.

Each month, MBR (and Radio Business Report) will report the RBR/Miller, Kaplan Radio/Total Media Index. For each major local advertising category, The Total Media Index gives side-by-side advertising expenditures for each of the three major local media—radio, TV, and newspaper—as well as radio's share of total media. (The report does not measure outdoor, magazines, direct mail, or newspaper classifieds.)

This first report summarizes media expenditures for the top 25 local ad categories (representing about 90% of all the local ad dollars) from a sample of radio stations in seven markets measured by Competitive Media Reporting (CMR) and Miller, Kaplan's Market X-Ray. The number of markets will increase next month as Miller, Kaplan has a total of 17 markets signed for Market X-Ray.

Radio Captures 13.3% of The Local Ad Pie

On the local level, radio does a lot better than the 7% share it gets overall, capturing 13.3% of the local dollars. Still, that's far below newspapers' and TV's share.

Radio is doing well among Cellular companies (14%), Financial Services (17.4%), and Grocery Stores (15.5%), but against the two biggest categories, Automotive and Restaurants, radio only gets 6.6% and 7.5% of the dollars, respectively. In some of the less lucrative categories, radio tends to net one out of every five media dollars.

January 1998 (Expenditures in 000)

Category	Newspaper	TV	Radio	Total Media	Radio% of Total
Automotive	\$ 41,215	\$ 38,768	\$ 5,639	\$ 85,622	6.6%
Restaurants	15,272	15,273	2,477	33,022	7.5%
Department Stores	16,316	1,989	2,818	21,123	13.3%
Foods	9,387	9,251	1,942	20,580	9.4%
Communications/Cellular	7,879	6,799	3,914	18,592	21.1%
Furniture	6,240	5,845	1,972	14,057	14.0%
Financial Services	6,232	4,938	2,352	13,522	17.4%
Movies/Theater/Concerts	4,500	6,462	1,384	12,346	11.2%
Grocery Stores	6,485	3,560	1,840	11,885	15.5%
Appliances & Electronics	6,944	3,464	1,454	11,862	12.3%
Hotels/Resorts/Tours	8,619	1,686	819	11,124	7.4%
Drug Stores/Products	2,125	4,464	1,144	7,733	14.7%
Computers/Office Equipment	4,198	1,545	1,459	7,202	20.3%
Other Retail	2,834	1,982	1,953	6,769	28.9%
Medical/Dental/Health Insurance	2,229	2,318	1,312	5,859	22.4%
Auto Parts/Service	1,116	3,203	1,084	5,403	20.3%
Music Stores/CD's Videos	732	2,743	1,109	4,584	24.2%
Transportation	2,563	1,018	792	4,373	18.1%
Entertainment - Other/Lottery	832	1,383	1,904	4,119	46.2%
Home Improvement	1,944	1,218	824	3,986	20.7%
Professional Services	445	2,578	939	3,962	23.7%
Beverages	187	1,979	1,207	3,373	35.8%
Television	1,034	724	1,337	3,095	43.2%
Personal Fitness & Weight Centers	320	2,049	410	2,779	14.8%
Publications	404	924	450	1,778	25.3%
	\$150,052	\$126,163	\$42,535	\$318,750	13.3%

*Based on Media Market X-Ray composite data for 17 markets. Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPAs. For further information contact George Nadel Riven, CPA at (818) 769-2010.

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President Clinton, meanwhile, is still trying an end run around Congress to get radio and TV stations to give free or reduced price air time to candidates. "I applaud your previous decision to take the next steps toward providing such free and reduced rate time," Clinton wrote to FCC Chair Bill Kennard (D). Kennard is proposing the FCC look at using the public interest standard to pass such requirements onto broadcasters. ♦

Top 10 1997 Station Billers

Which stations billed the most in 1997? According to BIA's ranking, it looks like Mel Karmazin is king of the billings mountain again, as CBS (N:CBS) comes out ahead of all others with five of the nation's ten highest billing stations. Last year's ranking is in parentheses. ♦

1	(1)	WFAN-AM NY	\$47.7M	CBS
2	(7)	WLTW-FM NY	\$37.9M	Chancellor
3	(6)	WXRK-FM NY	\$37.3M	CBS
4	(3)	WINS-AM NY	\$36.5M	CBS
5	(2)	WGN-AM Chicago	\$34.5M	Tribune
6	(4)	KRTH-FM LA	\$34.3M	CBS
6	(—)	WKTU-FM NY	\$34.3M	Chancellor
8	(10)	KIIS-FM LA	\$34.2M	Jacor
8	(—)	KKBT-FM LA	\$34.2M	Chancellor
10	(8)	KVIL-FM Dallas	\$32.8M	CBS

Source: BIA

Low Power, High Anxiety

The FCC is considering allowing one AM and FM one watt station in each market. "People just want to speak to their community. We ought to figure out what our options are," says FCC Chair Bill Kennard (D). But he adds, "I am not ready to support it." Mass Media Bureau Chief Roy Stewart says the Commission is hoping to reverse some of consolidation's impact, "so it's not just the big people that get to speak, it's the little people that get to speak in America too."

Distribution and policing must still be worked out. One consideration is last year's Balanced Budget Act which dictates available broadcast spectrum be auctioned. ♦

Casino Ads Ruled Legal

All bets are on! A Supreme Court decision handed down February 23 has made casino and lottery advertising legal in eight western states, and supporters say it may clear the way for a nationwide reversal of the FCC's ban on broadcast casino advertising.

In a closely-watched free speech case, the Department of Justice appealed a Sept. 4 ruling by the Ninth Circuit, which lifted an FCC ban barring broadcast casino ads (RBR 9/8/97, p. 4). DOJ lawyers did not attack the Appeals Court ruling, but argued the lower court should not have used a 1995 Supreme Court decision as the basis for its ruling. The Supreme Court's refusal to hear DOJ's appeal makes the Ninth Circuit's decision binding law in Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon and Washington.

"We believe the high court will ultimately strike down the ban nationally," says Eddie Fritts, president and CEO, NAB. ♦



WRKO-AM Boston; Jack Swanson, KGO-AM SF; Leslie Gold, WRKO-AM; Bob McAllan, Press Broadcasting; Chris Kampmeier, WTKS-FM Orlando.

Other winners (not pictured): Jim Trapp, The Buzz, Houston; Leigh Jacobs & John Dziuba, New Jersey 101.5; Jim Philips, WTKS-FM; Sally Jessy Raphael; Gary Slight, Standard Broadcasting, Toronto. ♦

Holy Toledo!

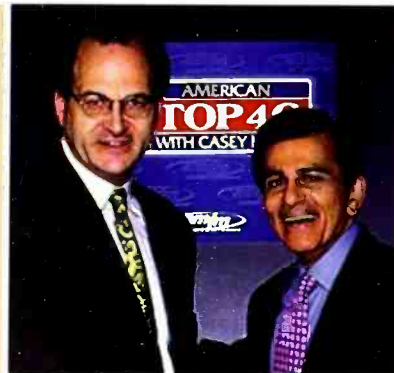
Mid-size markets are reaping the rewards of consolidation with the largest gains in revenue, according to BIA. At the top is #76 Toledo, with a growth rate of 17%, and outpacing last year's leader, Raleigh-Durham, NC, which had a 15.4% growth rate. ♦

AMFM Adds Programming

Just three months after it launched the network on Jan. 5, Chancellor's (O:AMFM) AMFM Radio Networks has added syndicated programming to its roster. Countdown King Casey Kasem signed in early March, although his former syndicator Westwood One (O:WONE) filed a lawsuit against him (RBR 3/9, p. 4).

AMFM has also signed Dave Koz, who will host a two-hour Smooth Jazz weekend program, "The Dave Koz Radio Show." Koz moves from MediaAmerica, which bought his program last November (RBR 11/24/97, p. 3). ♦

Kasem and
David
Kantor;
SVP,
Chancellor
Media,
AM-FM
Radio
Networks



Hot Markets by Revenue Growth (in Millions)

Market/rank	96 revs	97 revs	% growth
1 Toledo, OH (76)	21.8	25.5	17.0%
2 Denver-Boulder (22)	117.6	137.4	16.8%
3 Knoxville, TN (68)	23.8	27.7	16.4%
4 Washington, DC (8)	202.7	235.2	16.0%
5 Atlanta, GA (12)	192.9	222.2	15.2%
6 Dallas-Ft. Worth (6)	221.8	254.7	14.8%
7 Tucson, AZ (61)	27.7	31.6	14.1%
8 Detroit (7)	183.2	208.5	13.8%
9 Greenville, NC (80)	15.4	17.5	13.6%
10 Austin, TX (50)	49.0	55.4	13.1%

Source: BIA

Exclusive New Report

MBR/Miller, Kaplan Total Media Index

by Katy Bachman

Detailed local market advertising expenditure information across media has been something of a Holy Grail, until now. While both TV and newspapers have enjoyed local market ad expenditure data for several years, radio has not, leaving many GMs clamoring for a way to gauge how radio stacks up to its local media competitors.

Each month, MBR (and Radio Business Report) will report the RBR/Miller, Kaplan Radio/Total Media Index. For each major local advertising category, The Total Media Index gives side-by-side advertising expenditures for each of the three major local media—radio, TV, and newspaper—as well as radio's share of total media. (The report does not measure outdoor, magazines, direct mail, or newspaper classifieds.)

This first report summarizes media expenditures for the top 25 local ad categories (representing about 90% of all the local ad dollars) from a sample of radio stations in seven markets measured by Competitive Media Reporting (CMR) and Miller, Kaplan's Market X-Ray. The number of markets will increase next month as Miller, Kaplan has a total of 17 markets signed for Market X-Ray.

Radio Captures 13.3% of The Local Ad Pie

On the local level, radio does a lot better than the 7% share it gets overall, capturing 13.3% of the local dollars. Still, that's far below newspapers' and TV's share.

Radio is doing well among Cellular companies (14%), Financial Services (17.4%), and Grocery Stores (15.5%), but against the two biggest categories, Automotive and Restaurants, radio only gets 6.6% and 7.5% of the dollars, respectively. In some of the less lucrative categories, radio tends to net one out of every five media dollars.

January 1998 (Expenditures in 000)

Category	Newspaper	TV	Radio	Total Media	Radio% of Total
Automotive	\$ 41,215	\$ 38,768	\$ 5,639	\$ 85,622	6.6%
Restaurants	15,272	15,273	2,477	33,022	7.5%
Department Stores	16,316	1,989	2,818	21,123	13.3%
Foods	9,387	9,251	1,942	20,580	9.4%
Communications/Cellular	7,879	6,799	3,914	18,592	21.1%
Furniture	6,240	5,845	1,972	14,057	14.0%
Financial Services	6,232	4,938	2,352	13,522	17.4%
Movies/Theater/Concerts	4,500	6,462	1,384	12,346	11.2%
Grocery Stores	6,485	3,560	1,840	11,885	15.5%
Appliances & Electronics	6,944	3,464	1,454	11,862	12.3%
Hotels/Resorts/Tours	8,619	1,686	819	11,124	7.4%
Drug Stores/Products	2,125	4,464	1,144	7,733	14.7%
Computers/Office Equipment	4,198	1,545	1,459	7,202	20.3%
Other Retail	2,834	1,982	1,953	6,769	28.9%
Medical/Dental/Health Insurance	2,229	2,318	1,312	5,859	22.4%
Auto Parts/Service	1,116	3,203	1,084	5,403	20.3%
Music Stores/CD's Videos	732	2,743	1,109	4,584	24.2%
Transportation	2,563	1,018	792	4,373	18.1%
Entertainment - Other/Lottery	832	1,383	1,904	4,119	46.2%
Home Improvement	1,944	1,218	824	3,986	20.7%
Professional Services	445	2,578	939	3,962	23.7%
Beverages	187	1,979	1,207	3,373	35.8%
Television	1,034	724	1,337	3,095	43.2%
Personal Fitness & Weight Centers	320	2,049	410	2,779	14.8%
Publications	404	924	450	1,778	25.3%
	\$150,052	\$126,163	\$42,535	\$318,750	13.3%

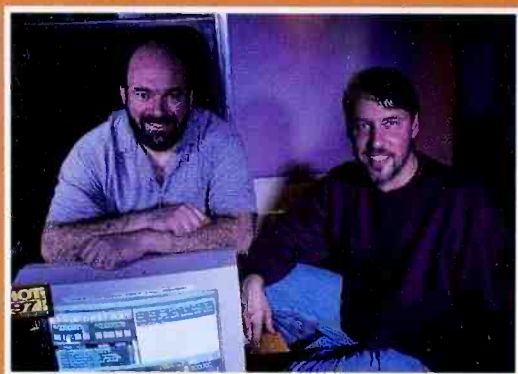
*Based on Media Market X-Ray composite data for 17 markets. Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPA's. For further information contact George Nadel Riven, CPA at (818) 769-2010.

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Jim McGivern

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Sound Arguments

Processing For Music Formats

by Carl Marcucci

Behind the music, production and positioning, every format takes on a unique processing style which engineers tweak out of the audio chain. A marriage between dressing up the music and serving the psychographic needs of the listeners is made at the hands of the GE with today's high-tech processing boxes. Here, a look at how some CEs format their specific station's sound.



Pete Booker, president, Delmarva Broadcasting, adjusts processing for WDEL-AM and WSTW-FM Wilmington.

CHR

Traditionally, CHR processing is loud, with a powerful low end and a nice presentation on the high end. However, there is a new school of thought.

"Our sound is aggressive, but not gimmicked. The days of slamming people out of their seats are over. The competition today is the CD player rather than the station across the street."

Ed Bukont, CE, WWZZ-FM Washington, DC

Hot AC

While Hot AC borders CHR musically, Hot AC's presentation is a little smoother.

"Our Adult CHR, WSTW-FM [Wilmington, DE] is really a Hot AC—it walks that border. It's not processed as hot as some CHRs, particularly the big city, dance-leaning CHRs. We tend to be a little broader in the equalization. We try for a pretty even frequency response across the board, but want a tight, defined low end."

Pete Booker, president, Delmarva Broadcasting

AOR

Because the music is spread over so many years and genres, this format requires a middle-of-the road approach.

"We are not as loud, but add a little low end enhancement. We want more of a dynamic range without sounding too compressed—a natural sound, but competitively loud."

Dan Mettler, CE, WFBO-FM Indianapolis

Urban

Think of a street dance. To make it sound exciting for the listeners, Urban stations tend to go for a very well defined low end.

"There's so much bump and grind and emphasis on that beat and base line. That has to have a special treatment."

Tom McGinley, CE, WPGC-FM Washington, DC

Oldies

Because much of the music was originally recorded in mono, consistency is key from song to song. Some go for a "big AM sound," especially from the mic.

"There is a lot less brain work because the music was entirely processed with tubes, and often tracked in mono. We try not to get too scientific, keeping the music in the analog realm and treating the audio the way it was meant to be treated."

Chuck Bullett, CE, WYNZ-FM Portland, ME

Classical

Because of the broad range of instruments, Classical needs a broad dynamic range.

"We maintain the integrity of the original recordings. However, we do compress a little to overcome road noise and huge differences between Classical's crescendos and lulls. This avoids listeners turning the volume up and down."

Herb Squire, CE, WQXR-FM New York

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Country

Because of the music's emphasis on guitar and vocals, attention is given to the presence and high frequency ranges.

"Because of a lot of instrumentation in Country music, we take an AC approach to processing our Country stations. With all of the acoustic and percussive instruments, you want the individual notes to stand out. The processing is a little more open, more transparent. Maybe the envelope is up using clipping, but we don't want to sacrifice that natural, open sound just to get extra loudness. Country is a 55% female, 45% male format, so we tend to lean a little bit to what a female listener would like. We aren't a hard-edged, sh—kicking Country station. Our entire envelope is up pretty high, but we back off on the gain reduction,"

Pete Booker, president, Delmarva Broadcasting

With different packaging, comes different processing.

"We've got one station that's Contemporary Country, so that's a little bit backed down. The other one is Modern Country, so that's more aggressively processed."

Don Missad, CE, Clear Channel, Grand Rapids

Spanish

On many Spanish-formatted stations reverb is used on the mic and processing varies.

"We process our two LA FMs somewhat differently. At KSCA, we push the audio on it a little bit more because it's a regional Mexican uptempo sound, and it sounds a little better when it's a little denser. At KLVE, we use the Cutting Edge Unity box. It's processed to be very relaxed, with a minimum of fatigue. However, we do realize that radio has a need to keep the average volume up because of car windows and traffic noises."

Bill Tanner, VP Programming, Heffel, Los Angeles

Soft AC

This requires compression for consistency without being too loud or "punchy." Soft AC is often processed for listenability at low volume settings.

"You don't want to create listener fatigue with overprocessing. We want a presence on the dial, and cohesive sound from song to song. Our listeners have good TSL—being too aggressive could send them away. We do use some compression and limiting for low level office listening."

Nick Doshi, CE, WLTW-FM New York

Classic Rock

The processing tries to bring a modern twist to the sounds of the 60s and 70s.

"We try to make the radio station's image on the dial exciting, easy to listen to and yet almost bigger than a CD player would provide. The tricks that we employ make the station almost sound bigger than life—stereo image enhancement, judicious clipping without distortion. It's a carefully selected list of tradeoffs using clipping, compression, attack and release times, EQ and low end augmentation. We use the Optimod 8200's factory presets, then crank up from there."

Tom McGinley, CE, WARW-FM Washington, DC

Alternative

There are two schools of thought—allowing the loud edge of the music to come through, pushing it to the point of adding a little distortion—or—a small amount of processing because the music is already processed and loud.

"The most difficult thing for me was to adjust processing for our Adult Alternative format which carries clean, analog 80s Alternative Rock and digital Seattle grunge bands. I attached a little notch filter in the presence range in the EQ. The consonance of the vocals fights with the loud electric guitars. I pull down the gunk that distracts from the vocals about 6 dB. Essentially what I do is use my analog multiband processor as more of an AGC with very slow attack and release times to create loudness and punch."

Greg Benson, CE, KXPX-FM Denver

NAC

Like Classical, Smooth Jazz is instrument-based.

"You want to color the sound the least. You want consistent levels song to song. We're running this in a small market, so you don't have quite so many audiophiles that you'd find in big cities. We're running on a Class A, so we obviously need to punch a little more just to get through. But we are very conservative in the way we process that station. We want the dynamic range, we want the separation in levels and instruments."

Pete Booker, president, Delmarva Broadcasting

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Reaching For an IBOC Standard: Is Radio Any Closer?

by Carl Marcucci

IBOC (in-band on-channel) is again in the spotlight. Now that Digital Radio Express (DRE) has entered the field (RBR 2/16, p. 7), it will be competing with USADR for the NRSC's approval of a US digital broadcast standard.

Whether or not the two companies will push the radio biz closer to adopting a standard remains to be seen. Both companies will begin field testing this year. DRE is working within the political structure and will subject its tests to the scrutiny of the NRSC's DAB subcommittee, while USADR has opted to use an independent lab (RBR 3/28, p. 4).

Both companies cannot win, despite the similarities between the two systems. The differences are enough that it's highly un-

likely manufacturers will produce one receiver to accommodate both DRE and USADR signals.

"Look at what happened with AM stereo. As a result of confusion from broadcasters as to which system to choose, it died on the vine. I would hope the FCC will choose an IBOC system for the standard [based upon the DAB subcommittee's recommendation]. It would assure a seamless transition from analog to digital. If a single system isn't chosen, the receiver manufacturers will choose by default," said Milford "Smitty" Smith, co-chairman, NRSC's DAB subcommittee and VP engineering, Greater Media.

The DAB subcommittee, inactive for two years, was reactivated at the request of DRE on Jan. 7. The first round of testing, targeted for Q2 will only be a feasi-

bility study to see if DRE's system—already in the hardware stage—can make the grade. "No broadcast standard is going to be recommended at [that] stage of the game," said John Marino, VP/Science & Technology, NAB.

USADR's system will still be evaluated by the DAB subcommittee. "The only thing the DAB subcommittee has decided to do at this stage of the game is encourage USADR to go ahead with their independent testing. And whenever the testing is done, the committee will lend its expertise and evaluate those test results," said Marino.

The major difference between the DRE and USADR systems is analog backup. Both systems will be comparable in sound quality. The deciding factors will be fringe reception quality and resistance to signal dropout (the tradeoff for "no static at all" is no signal at all). USADR answers that question with a time-delayed backup blend with the analog signal. DRE claims an improved digital signal ability which shirks the need for backup.

Other DAB issues

IBOC was one of the center-stage issues at the NAB's annual Washington Fly-in in mid February. Randy Odeneal, chairman of the NAB's DAB task force and General Partner, Sconnix Broadcasting, updated broadcasters on several DAB issues including satellite DARS, IBOC and Eureka-147.

Broadcasters have some breathing room when it comes to competitive threats from DARS proponents, CD Radio and AMRC. "They are going deeply into the hole before they get their first \$10 subscription check. By their own admission, they've lost \$70M thus far and they expect to lose another \$170M by the end of next year," reported Odeneal. He added that both companies admit they will need hundreds of terrestrial repeaters to fill in reception gaps the satellites can't "view," such as in urban corridors.

Many broadcasters, including Odeneal would like to see IBOC get out of the chute before the satellite broadcasters begin operation sometime in 1999, a deadline he feels is iffy. USADR expects to have receivers in the stores for Christmas 2000. DRE may be able to meet or beat that date.

While CEMA announced Feb. 4 its final recommendation for US broadcasters is Eureka-147, there is almost zero support from US broadcasters, and the L-band rests on our military's frequencies. Odeneal reassured US broadcasters that Eureka is losing support in this hemisphere (Mexico rejected Eureka and Canadian broadcasters have new doubts). ♦

USADR and DRE: More Similarities Than Differences

- Both broadcast digital signals on the upper and lower sidebands of the analog signal. If either of the digital streams are impaired from interference or multipath, the other will still be usable—they are redundant.
- Both have no interference to the host analog signal or first adjacent stations.
- Both claim digital signal reacquisition in less than one second and use forward error correction technology in overcoming multipath or signal obstructions while driving.
- Both need much of the same equipment add-ons for plugging into existing transmission facilities.
- Both offer digital subcarriers for systems like Muzak.
- Both systems allow most of the existing analog subcarrier frequencies to be used without added interference.



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Northeast Country Rides Horse of a Different Color

by Carl Marcucci

Country is the most programmed radio format, but not in the Northeast where only 13% of Country's listeners reside, according to an Interop study. It's no surprise then that Phoenix has six Country stations and New York one. So NE Country programmers have to take a different look at programming, positioning and packaging and develop their own set of instructions.

"The only thing Country about a Country station in the Northeast is the music. It's extremely important that the presentation, personalities and marketing have a very contemporary feel and flavor. You're looking to make it very palatable to as broad a section as possible, while maintaining the loyalty of your P1s," said Deborah Parenti, GM, WXTU-FM Philadelphia. Parenti, who started at Beasley's WXTU last fall, is working on building the Country audience among the urban Philly population.

For Parenti and other NE Country station GMs, the challenge starts with getting people to come to the format to begin with. "Music means the most to people when they can form an emotional bond with it. And you're not going to form an emotional bond with Country in the Northeast because in most cases it wasn't the music they listened to as teenagers. It's an acquired musical taste and an acquired musical formative choice," said Ken Johnson, WXTU's new PD. Johnson should know, having programmed one of the more successful NE country stations (WYRK-FM Buffalo).

NE Country stations can be enormously successful when they find the right equation. Take WPOR-FM Portland, Maine. A heritage Country station, WPOR has existed long enough to pull quite a few heart strings, and is so successful that competitors emerge to try and get a piece of the audience. "We've been #1 in the market for a long time. #1 or #2 for 20 years. We've got a head-on competitor in the market, [WOKQ-FM] in Portsmouth, NH. We're still the top dog, not only in Country, but in the marketplace," said Bob Gold, GM, WPOR-FM Portland.

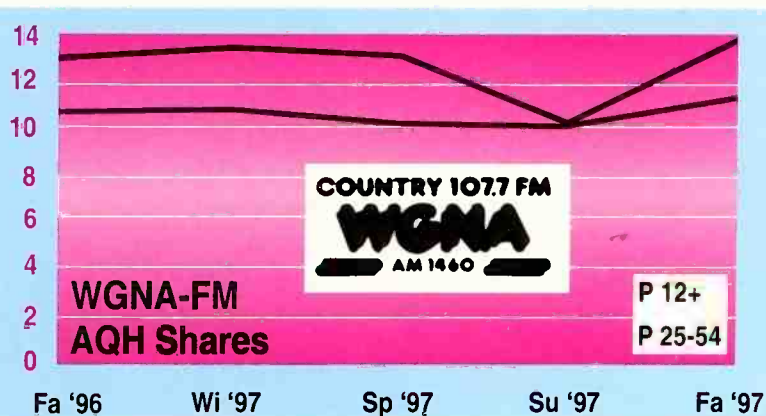
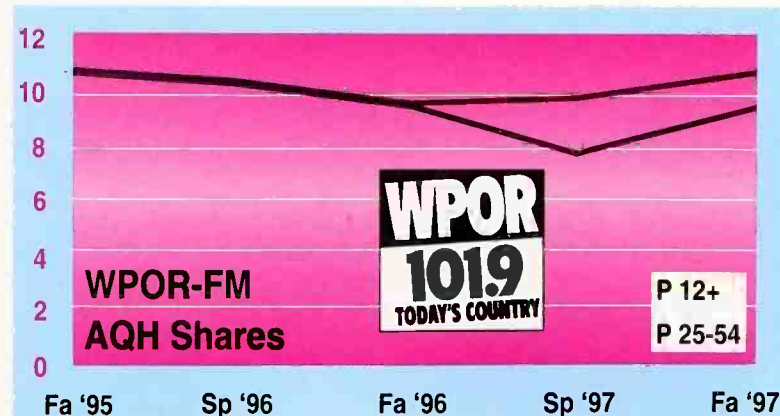
To keep WPOR where it is today, Gold relies heavily on research and the principle that (especially in the Northeast) Country is a hit-based format. "We're sticking with the superstars. We're playing what the people want to hear. We test music a lot. We just finished a test and found the old songs we're playing don't go back more than seven or eight years with the exception of Patsy Cline, who still tests pretty good. In our focus groups, people are looking to the new, well known artists rather than old. A lot of things we don't play until they prove themselves to us. But if Garth Brooks comes out with something, we put it right on. We don't need to be the first station with the new songs. It doesn't mean squat to us here," says Gold.

Another heritage Northeast success story going back over 20 years lies in the Albany-Schenectady market at WGNA-FM (#1 P12+ with a 4-book average of 10.7). "WGNA has been Country for

25 years, although I and many other people didn't realize it was Country until the late 80s. They were playing Country, but weren't as much a factor in the marketplace until the Garth era, when the new mix of Country really kicked in. So we've ridden the crest of that wave and have been fortunate enough to keep going. We do have another competitor in the marketplace—Albany Broadcasting's WPTR-FM went Young Country on Nov. 1. They're coming straight at us, but to this point haven't had any impact. We're prepared for that. We don't play many commercials right now. They're doing their 15 in a row bit. Our business is Continuous Country," said Buzz Brindle, PD.

Brindle is a believer in word of mouth—not only to get new listeners interested, but to keep in touch with what his audience wants. "The constant challenge for us in the NE is there are only a limited number of P1 Country listeners. Over 50% of our audience is first preference. We have a very strong relationship with them. Our job is to continue that relationship and be relevant to their life, and hopefully bring some new people in using focus groups."

Appealing to as many people as possible is the key. The easier the crossover from other formats the better. Pete Booker, president, Delmarva Broadcasting, has two Country stations (WICO-FM Salisbury, MD and WXCX-FM Wilmington, DE) and takes his cues from AC: "A lot of [AC] crosses over to Country. A lot of Country music has an AC or almost Hot AC flavor to the production. We take a superstar approach to programming. We play a lot of music from the top 20 or so Country artists. We're not the fastest to break tons and tons of new Country songs. We have a current playlist of about 25-30, not playing them in as heavy a rotation as some other stations. We try in our presentation and positioning to give it a real adult sound. We're shooting 55% female, 45% male. That's what you need to do in markets like these." ♦



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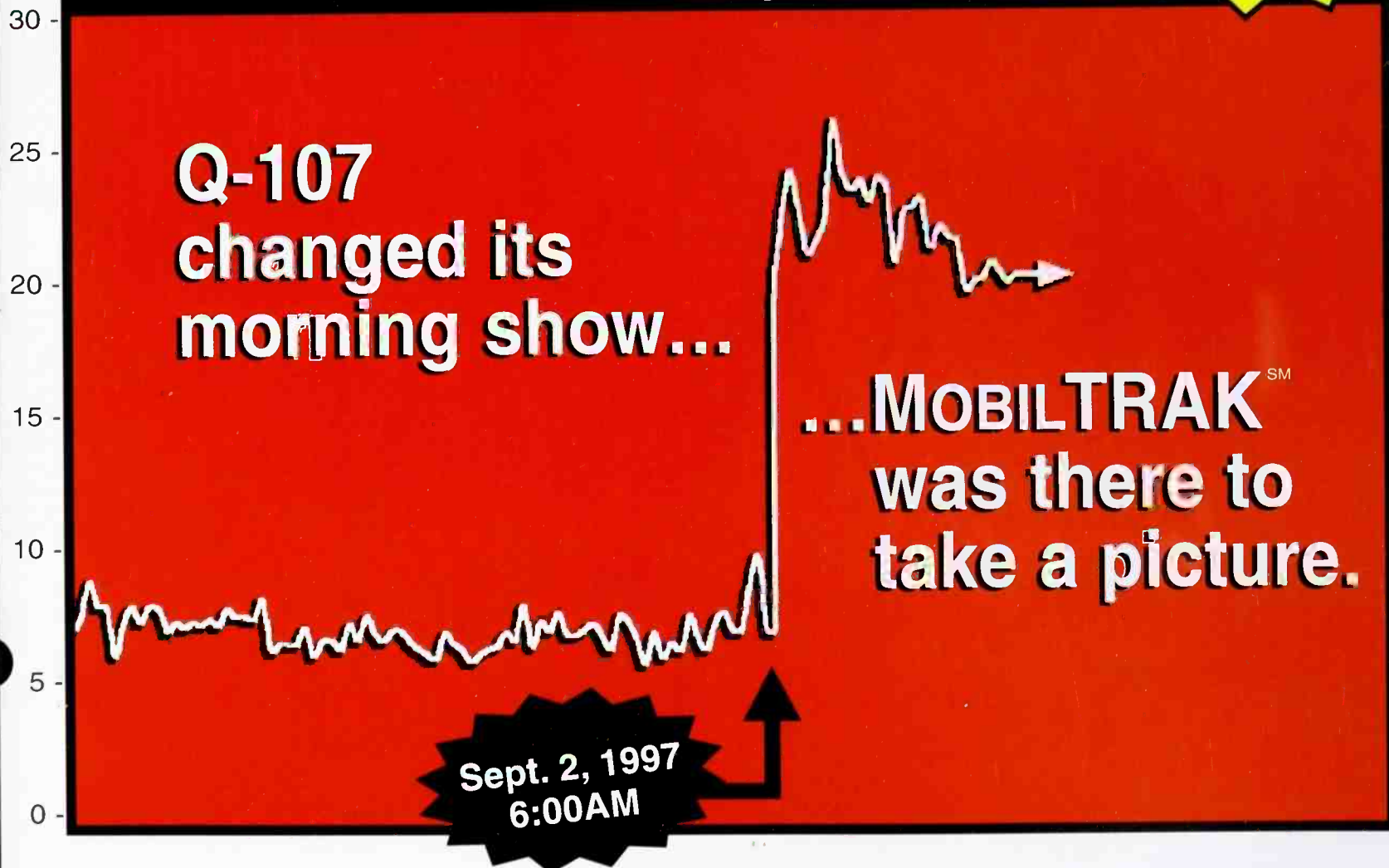
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April 6 & 7
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MOBILTRAK's Immediate, Daily Information



Last September 2nd, CILQ, Toronto's Q-107, added Howard Stern's weekday syndicated show in morning drive. MOBILTRAK's daily information enabled the station to see the seismic impact of the programming change virtually immediately. MOBILTRAK showed that Q-107 went from a typical 6-7 share to an 18.5 share within the first hour of the show. In the second hour they had a 19 share, and by the last hour they were pushing a 20! The next morning the station went to a 22 share overall in morning drive, with a peak hour of 23.4! PD, Pat Cardinal, was able to use MOBILTRAK's next-day data to immediately confirm the success of his programming strategy, and was even able to see that the Stern audience was carrying over into other dayparts. The impact on other stations in the market was also quickly apparent...

MOBILTRAK's U. S. rollout is now under way. Call 1-888-772-TRAK for information on MOBILTRAK's installation status in your market. You can also visit MOBILTRAK's website at www.mobiltrak.com.



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"I Won the Marconi with Scott"



"I do like to give credit where credit is due and acknowledge Scott Studios as a major player in my daily broadcasting battle. The time I now have to devote to preparation, and the ease of operation of the Scott System, has helped me increase show professionalism."

Bill O'Brian - KRKT, Albany, Oregon

Marconi Small Market Personality of the Year - 1997

"We Won the Marconi with Scott"

The 1996 winner of the Marconi Major Market Air Personality of the Year Award *also* uses Scott Studios' touchscreen digital audio system! Still another Scott Studios user won the Country Music Association "Station of the Year" award in 1997! The Scott System can help *your* stations sound better!

Mac Hudson & Irv Harrigan - KILT FM, Houston, Texas

Marconi Major Market Personality of the Year - 1996



"Scott has Improved our Product"



"We were very eager to 'go digital' last Fall, and compared different systems. Our decision to go with the Scott System was one we *all* felt good about. I'm confident knowing the comfort level of our different departments who use the system is high. Our Scott System has improved our efficiency and the quality of our product."

Michelle Mercer, PD - KPWR FM, Los Angeles

Tom Koza, Chief Engineer, top rated afternoon personalities "The Baka Boys" surround Program Director Michelle Mercer

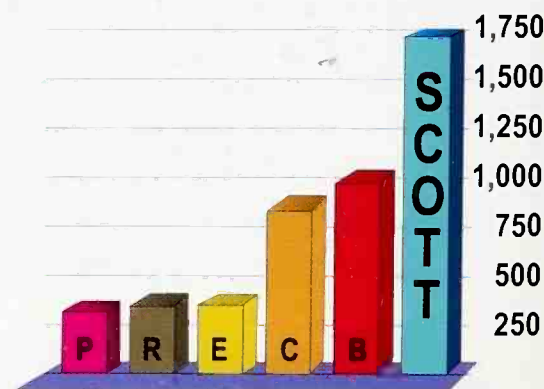
More Stations got Scott Systems in the last 12 months than bought most *other* systems in the past 4 years!

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