

MANAGER'S BUSINESS REPORT

MBR

Radio Business Report, Inc.

17 Years

January 2000

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All-techie radio set to debut in San Francisco.

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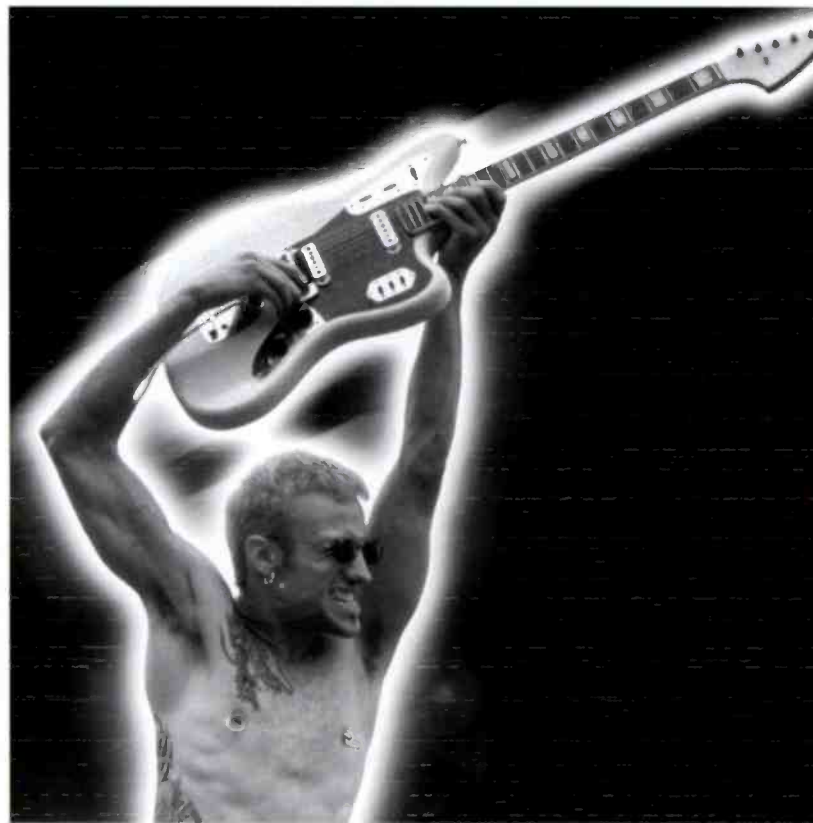
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Telling it like it is

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Radio set to party like it's 1999

October was hot with a 17% revenue gain. More significantly, it seems likely that radio's share of total advertising revenue will increase to 8% for the first time in recent memory. Revenue increases based on upped prices and increased spotloads can be ephemeral; increases based on a larger piece of the overall media pie promise to stick around for awhile.

Pacing into 2000 remains brisk. Despite the fact that revenue records are being broken every year, radio's sales staffs are building further increases on top of the records. The only question is, how much longer can this go on? Seemingly, there are at least a few more years of impressive growth in store.

Ownership consolidation remained flat for another month, with just over half of all stations in Arbitrated markets in a superduopoly, and with three-fourths of all stations in some type of consolidated operation (see the next page for a historical look at the pace of consolidation). We're still waiting to find out who is getting what where from the Clear Channel/AMFM spin-off derby.

Radio Revenue Index

High octane October: Radio surges into competition's territory

October revenue gains of 17% overall were good enough to boost the YTD gain another percentage point, up to 14%, which is comfortably ahead of even the rosiest revenue predictions which were made at the beginning of the year.

RAB reports that Local business surged 14% in October, with gains evenly distributed throughout the country. National business really took off, with an overall gain of 27%. The Southeast and Midwest, which would normally trumpet gains of 18% and 17%, must now hang their heads in shame—each of the other three regions enjoyed gains of 30% or better.

Oct 1999	Local	National
All markets	14%	27%
East	14%	30%
Southeast	16%	18%
Midwest	13%	17%
Southwest	13%	35%
West	15%	33%

Local & Nat'l revenue Oct 1999
All markets 17%

Jan-Oct 1999	Local	National
All markets	13%	15%
East	13%	21%
Southeast	15%	8%
Midwest	10%	13%
Southwest	12%	16%
West	15%	15%

Local & Nat'l revenue Jan-Oct 1999
All markets 14%

Source: RAB

Forward Pacing Report

Y2K starts out sizzling

"More of the same," is the assessment of George Nadel Rivin of Miller, Kaplan, Arase & Co. Not that anyone would complain about pacing that continues to run ahead of the red-hot rate of a year ago.—JM



Superduopoly Dimensions

Industry Consolidation
 (as of December 13, 1999)

Superduopoly: 53.5%		
Market	# of stns	percent
1 to 50	872	56.3
51 to 100	637	56.4
101 to 150	406	49.2
151 to 200	412	49.2
201 to 261	460	53.0
All markets	2,787	53.5
Total Industry: 75.0%		
Market	# of stns	percent
1 to 50	1,209	78.1
51 to 100	852	75.5
101 to 150	594	71.9
151 to 200	611	73.30
201 to 261	640	73.7
All markets	3,906	75.0

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

Radio stocks continued to outpace the market in November. The Radio Index™ was way ahead of the Dow Industrials and S&P 500—and even beat the high-tech dominated Nasdaq composite.—JM

Company	11/30/99 Close	YTD Net Chg	YTD Pct Chg
Ackerley	16.375	-1.875	-10.27%
Alliance Bcg.	0.250	-0.750	-75.00%
Am. Tower	26.125	-3.438	-11.63%
Am. Comm. Ent.	4.000	3.750	1500.00%
AMFM Inc.	70.688	22.813	47.65%
Belo Corp.	18.000	-1.938	-9.72%
Big City Radio	4.500	0.438	10.77%
CBS Corp.	52.000	19.188	58.48%
Ceridian	21.625	-13.281	-38.05%
Citadel	50.063	24.188	93.48%
Clear Channel	80.500	26.000	47.71%
Cox Radio	76.000	33.750	79.88%
Crown Castle	21.063	-2.437	-10.37%
Cumulus	40.000	23.375	140.60%
DG Systems	4.250	-1.313	-23.60%
Disney	27.875	-2.125	-7.08%
Emmis	81.000	37.625	86.74%
Entercom	57.188	34.688	154.17%
Fisher	57.500	-8.500	-12.88%
FTM Media	14.000	8.500	154.55%
Gaylord	30.188	0.063	0.21%
Harris Corp.	21.000	-15.625	-42.66%
Hearst-Argyle	21.750	-11.250	-34.09%
Hispanic Bcg.	82.375	33.125	67.26%
Infinity	36.500	9.125	33.33%
Jeff-Pilot	67.875	-7.125	-9.50%
Launch Media	18.500	-3.500	-15.91%
NBG Radio Nets	1.750	-0.375	-17.65%
New York Times	38.438	3.751	10.81%
Pinnacle Holdings	28.563	14.563	104.02%
Radio One	63.188	39.188	163.28%
Radio Unica	27.625	11.625	72.66%
RealNetworks	139.500	103.625	288.85%
Regent Pfd.	12.500	5.500	78.57%
Saga Commun.	24.875	4.375	21.34%
Salem Comm.	16.688	-5.812	-25.83%
Sinclair	11.500	-8.063	-41.21%
Sirius Sat. Radio	26.875	-7.375	-21.53%
Spanish Bcg.	31.750	11.750	58.75%
SpectraSite Hldgs.	8.500	-21.065	-71.25%
SportsLine USA	47.750	32.188	206.83%
TM Century	0.719	0.407	130.08%
Triangle	0.035	0.003	9.38%
Tribune	48.063	15.063	45.65%
WarpRadio.com	4.625	1.750	60.87%
Westwood One	57.250	26.750	87.70%
WinStar Comm.	50.750	11.750	30.13%
XM Satellite Radio	26.688	14.688	122.40%

Major Stock Market Indices		
The Radio Index™	213.300	92.640 76.78%
Dow Industrials	10877.840	1696.410 18.48%
Nasdaq comp.	3336.920	1144.230 52.18%
S&P 500	1389.270	160.040 13.02%

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RADIO BUSINESS REPORT
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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 mega-markets. 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

Growth of consolidation percentage by market size

Markets		11/25/96	11/24/97	11/23/98	11/22/99
1-50	Superduop	32.6	47.4	52.3	56.3
	Total Consol	61.6	71.9	76.6	78.0
51-100	Superduop	30.5	44.6	50.0	56.4
	Total Consol	61.0	68.6	72.5	75.5
101-150	Superduop	24.8	36.7	46.8	49.1
	Total Consol	53.5	59.1	67.9	71.6
151-200	Superduop	22.3	38.2	43.8	49.2
	Total Consol	52.5	64.4	69.9	73.1
201+	Superduop	22.4	37.2	44.7	52.4
	Total Consol	53.2	62.9	69.1	73.6
Total	Superduop	27.7	42.0	48.3	53.4
	Total Consol	57.5	66.5	72.0	74.9

Non-Traditional Revenue Track

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

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**“CNET Radio”
to launch in San Francisco**

As we told you (*RBR* 11/15/99, p.3), AMFM Inc. (N:AFM) officially announced (1/4) its first all computer/Internet Talk station, “CNET Radio” will debut in San Francisco on KNEW-AM mid-month. Online/TV tech net CNET (O:CNET) will produce the technology-focused programming from morning drive to the end of afternoon drive (live from 5:30A-7P), in exchange for both revenue sharing from ads and cross-promotion on AMFM Inc.’s other SF market stations: KYLD-FM, KISQ-FM, KMEL-FM, KKSF-FM, KIOI-FM and KABL-AM. That particular model may be the shape of things to come with up to “30 other AMs that we could follow it up with,” according to AMFMi CEO and AMFM Inc. Radio President Jimmy de Castro.

Brian Cooley, former KMEL-FM GM, is CNET’s director of programming, will handle programming for the CNET Radio operation, as de Castro mentioned in the November story. AMFM is handling the business operation—sales, marketing, traffic, back office functions through KIOI-FM/KNEW-AM VP/GM Brent Osborne.

“Our lives are affected everyday by new technologies and the Internet economy. [CNET Radio] is not intended at all for anything other than mass-consumption—how does it affect the election, how does it affect the way you bank and shop and how is it woven into the news that we deal with everyday?” Osborne tells *MBR*.

Morning and afternoon drive will be more news oriented and midday will be more feature-oriented. Osborne says the remaining hours of programming are still being looked at: “We are looking at a variety of programming from a variety of sources. We obviously still have the CNET simulcast available as a backup, but there has been tremendous interest from technology companies to purchase blocks of programming and the other side is to see what’s available on a syndication basis. I got a call yesterday (1/4) from a company called Cypress that apparently is being distributed by ABC.”

What other stations will be targeted next for the format? Says Osborne: “There are stations that have expressed interest. The thought process with de Castro was pretty emphatic from the beginning. We are going to make sure than San Francisco is really cookin’ before we roll it out. We’re looking to target markets that are more readily identified with high-tech involvement, so as you look around the country, there are a handful of those that CNET has an interest in going to. One of the challenges, obviously, is as you roll it, we have to gear up for a network operation. As soon as we get out of our time zone, then we’ve got challenges in staffing, and how do we throw morning drive on in the next time zone. So those are the things we’re working on at this particular time, even while we’re trying to make sure this programming is absolutely right.”

Abernat to launch 24/7 Computer/Internet format

Speaking of an all Internet/computer format, “All Computer Radio,” a new 24/7 net devoted to the world of cyberspace, is set to launch 4/1 (12/27) with Abernat Radio Networks and BRC Broadcasting Corp.

“We’ve been in the development phase for a long

time and feel that this could give radio a needed shot-in-the-arm, since there haven’t been many successful new formats that have gotten off the ground in the last couple of years,” says Abernat VP Lowell Homburger.

Osborne is contacting Homburger to see if any relationship could be struck for programming.—CM

**Spectrum auction
attracting others**

MBR’s sister publication, *RBR*, first reported last year that new radio spectrum may be coming as the FCC plans to reallocate TV channels 60-69 for new commercial broadcast services (*RBR* 11/29, p. 3), but now other industries may be giving radio a run for its money as they give the new spectrum the once over as well.

Bidding for the new spectrum is slated to begin in late Spring, and companies such as Microsoft Corp. and Cisco Systems are expected

to be on the list of bidders.

“This is beachfront property in spectrum,” Buck Logan, a lawyer representing FreeSpace Communications, recently told Dow Jones. The company wants to buy some of the spectrum to start a wireless national Internet Network.—TS

**San Diego newest
market for Unica**

Joaquin Blaya’s Radio Unica (O:UNCA) began an LMA of KURS-AM San Diego on New Year’s Day and has an option to buy the station from Quetzal Bilingual Communications Inc. after August for \$10M.

Arbitron ranks San Diego as the nation’s 8th largest Hispanic radio metro, with 358.5K Hispanics 12+. Overall, Radio Unica says the San Diego area is the 10th largest Hispanic market, with 705K Hispanics—about 2.3% of the US Hispanic population.

With KURS and the recent addition of KFRE-

WASHINGTON SCORECARD

by Tiffany Stevens

Low-power FM

The Commission finally set a date for LPFM reply comments after numerous extensions. That date has come and gone without so much as a peep from the Commission as to what’s going to happen next with the proposal to shoehorn in thousands of new 100 and 1,000 watt stations into an already congested band. FCC Chairman Bill Kennard says it’s his remedy to industry consolidation but Congress apparently doesn’t believe it: several House members introduced legislation on the matter, threatening to void any low-power radio licenses.

Complain: FCC and Kennard
Praise: Congress



FCC Merger Reviews

The recent wave of industry mega-mergers struck a Congressional nerve which forced a Senate panel to warn the FCC that the need for new legislation may be now. But the FCC boss has made known that he does not support changing his agency’s practice of reviewing the deals. Sen. John McCain (R-AZ), who has already written legislation to streamline federal review of Telecom mergers, has ordered a congressional study of the merger wave while Sen. Byron Dorgan (D-ND) has urged members of the Commerce Committee to reopen the 1996 Telecom Act.

Praise: Congress



EEO Rules

The FCC was expected to take a look at new EEO rules before the end of 1999, but missed that deadline when the agency scrapped the rules from its last meeting of the year. According to an FCC official, the rules were simply not ready in time but are expected to pop up on a meeting agenda early in 2000.

Complain: FCC



Newspaper Crossownership Ban

The rule that bars radio or television stations from owning daily newspapers in the same market also failed to make an appearance on an FCC meeting agenda in 1999. And Congress is growing impatient with the Commission’s inaction: Reps. Mike Oxley (R-OH) and Cliff Stearns (R-FL) have introduced separate bills that would repeal the newspaper-broadcast crossownership ban. The FCC is, in fact, in violation of 1996 Telecom Act for failing to re-evaluate the rule as the Act mandates that all broadcast ownership rules must be reviewed on a biennial basis to determine whether they are necessary in the public interest.

Complain: FCC
Praise: Congress



Random Lotteries

Now that the new broadcast ownership and attribution rules are officially on the books, the Commission has decided to use random lotteries as the deciding factor in cases where multiple applications are received for dual ownerships in the same market. CBS (N:CBS) and Viacom (N:VIA) had argued that the winner should be whichever company announced the deal first.

Praise: FCC



AM Fresno, CA, Radio Unica says it now has stations in 12 of the top 20 US Hispanic markets.—JM

O'Shaughnessy lobbies for NAB public policy institute

"To confront, study, analyze and counter the growing criticism of programming, the decline in public support for freedom of the press, and the perception that broadcasting will not be a major player in the digital age" is Whitney Radio President and NAB Director **Bill O'Shaughnessy's** goal in establishing an NAB EVP position that would run an NAB in-house Institute for public policy. "I think beyond all the strategic and tactical issues—the question of caps or no caps, etc—the far greater issue is for NAB to remain relevant and in the game," O'Shaughnessy tells *MBR*.

He is lobbying the issue in front of the NAB board meeting in Palm Springs.—CM

Cox fills out Honolulu

Cox Radio (N:CXR) has a \$17.8M deal to buy **Howard Anderson's** KCCN-AM & FM & KINE-FM Honolulu. Since that would but Cox one over the FM limit in the island market, it's spinning KGMZ-FM to Honolulu Broadcasting for \$6.6M, but will continue to sell the spot inventory through a JSA.—JM

Premiere/NetStar launching Dees Morning show

Beginning 1-10, the long-running KIIS-FM LA Morning Show with **Rick Dees** is launching for nationwide syndication. NetStar Communications [not **Steve Youlios'** and **Alan Fuller's** old NetStar], a collaborative effort of Dees and Clear Channel/Premiere will not only launch Dees' program, but "We have the syndicated morning show, the rights to everything I've ever done, an in-house ad agency that we are probably going to put together, an in-house publishing enterprise and a record company called Net Star Records," Dees tells *MBR*. "All of those entities we could then ratchet up to a point of an IPO here in pretty short order. That could be one, two, three, five years, whatever. We are just taking it one a day at a time."

Premiere COO/President **Kraig Kitchin** will add NetStar to his already full plate of responsibilities. "Kraig Kitchin is really a genius when it comes to putting a plan together. So [he] has been charged with putting the business plan together," says Dees.

"The Rick Dees Morning Show will really be marketed as a Premiere Radio Networks product," Kitchin tells *MBR*. "Amongst others, Rick is the longest running, most successful morning show in LA history. To be honored, after so many requests, with the opportunity of distributing his morning show for national syndication is one of Premiere's greatest achievements."

Dees says Net Star has other programming in the works: "We are working on putting together an agreement with [Dees' co-host] **Ellen Kaye** to do a show. We have been talking to several sports and network sports personalities [for] sports shows. There are some areas, like the ad area where we build websites, market websites and put advertising on websites. There is also a TV show called Dees TV. It has just all exploded in the last month be-

Radio regains share in August

by Jack Messmer

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.

MBR/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.

Radio enters the new millennium on an upbeat note

By Jack Messmer

Media revenue forecasters are unanimous in predicting a strong start to the new century (whether you want to begin with 2000 or, as the purists insist, 2001). All of the gurus featured in our annual survey agree that radio's recent string of strong growth years will continue in 2000. That's not surprising, given that it's an election and Olympics year, so the more important forecasts may be those from Veronis, Suhler and Associates and Standard & Poor's which look to 2001 and beyond. (Unfortunately, Universal McCann forecasts only one year out.)

Both VS&A's team of investment bankers and analysts, led by Francis L'Esperance, and S&P analyst William Donald expect radio's string of double-digit percentage gains to continue this year. Universal McCann's

Bob Coen is more conservative, expecting only 8% growth. As recently as last month, Coen was still projecting 1999 to come in at only 10%, although RAB figures showed growth of 14% through October and the RBR/Miller Kaplan Market Sell-Out Percentage Report has consistently showed demand increasing.

After all of the Y2K hoopla, elections and Olympics have passed, S&P's Donald is projecting radio growth to slow only slightly to 11.4% in 2001, with double-digit gains continuing through 2004 (the last year in his forecast). VS&A is projecting that the double-digit string will end with this year, but that growth will still be strong, 8.4%, in 2001, with compound annual growth averaging 9.7% for the five year period through 2003.



Bob Coen



Francis L'Esperance

Bob Coen's Advertising Forecast

Ad spending	1999 forecast as of 12/98	1999 forecast revised 6/99	1999 indication as of 12/99	2000 forecast as of 12/99
National				
Big 4 TV nets	4.0%	7.0%	7.0%	9.0%
Spot TV	4.0%	4.0%	2.5%	8.0%
Cable TV	12.0%	15.0%	20.0%	15.0%
Syndication TV	7.0%	8.0%	8.0%	8.0%
Radio (net & spot)	7.5%	9.0%	10.0%	8.0%
Magazines	5.5%	6.5%	5.5%	7.5%
Newspapers	6.5%	6.5%	10.0%	8.0%
Direct mail	6.0%	4.0%	5.0%	7.0%
Yellow pages	7.0%	7.0%	7.0%	8.0%
Other national media	6.0%	8.3%	6.7%	8.0%
Total National	6.0%	6.4%	7.2%	9.1%
Local				
Newspapers	4.5%	5.0%	4.5%	6.0%
TV	5.0%	5.0%	3.5%	8.5%
Radio	6.0%	9.0%	13.0%	9.0%
Yellow pages	4.0%	5.0%	5.4%	6.0%
Other local media	5.0%	5.7%	8.2%	8.0%
Total Local	5.0%	5.7%	6.1%	7.1%
Grand Total	5.5%	6.1%	6.8%	8.3%

Source: Universal McCann (formerly McCann-Erickson Worldwide) "Insider's Report," 12/98, 6/99 & 12/99

The "Guru of the Year" award

RBR's crown for forecasting accuracy in 1999 goes to **William Donald**, the broadcasting analyst for Standard & Poor's. He predicted a year ago (RBR 1/11/99, p. 10) that radio revenues would rise 13% in 1999 to \$17B and stuck with that radio forecast when he revised his TV figures upward (RBR 8/30/99, p. 4). As the year ended, Donald corrected himself only slightly, estimating that radio would end 1999 with a 13.5% gain. His forecasts through 2004 are below.



S&P revenue trends and forecasts*

(Billions of dollars)

Category	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Broadcast TV ad sales	\$ 27.9	\$ 31.3	\$ 36.9	\$ 39.2	\$ 42.3	\$ 48.0	\$ 50.5	\$ 54.6	\$ 57.7	\$ 63.6
Radio ad sales	\$ 11.5	\$ 12.4	\$ 13.5	\$ 15.4	\$ 17.5	\$ 19.6	\$ 21.8	\$ 24.2	\$ 26.7	\$ 29.8
Broadcast total	\$ 39.4	\$ 43.7	\$ 50.4	\$ 54.6	\$ 59.7	\$ 67.6	\$ 72.3	\$ 78.8	\$ 84.4	\$ 93.4
Cable subscriptions	\$ 15.2	\$ 17.0	\$ 18.4	\$ 20.3	\$ 22.5	\$ 24.7	\$ 27.8	\$ 30.5	\$ 34.1	\$ 37.4
Cable ad sales	\$ 5.1	\$ 6.4	\$ 7.5	\$ 9.1	\$ 12.1	\$ 15.3	\$ 18.9	\$ 22.5	\$ 25.5	\$ 31.1
Other cable revenues	\$ 9.1	\$ 9.9	\$ 11.1	\$ 12.6	\$ 14.2	\$ 16.7	\$ 19.4	\$ 22.7	\$ 26.8	\$ 31.2
Cable total	\$ 29.4	\$ 33.3	\$ 37.0	\$ 42.0	\$ 48.8	\$ 56.7	\$ 66.1	\$ 75.7	\$ 86.4	\$ 99.7

Ad revenue year on year % growth

Category	1996	1997	1998	1999	2000	2001	2002	2003	2004
TV	12.1%	18.0%	6.2%	7.9%	13.6%	5.2%	8.1%	5.7%	10.3%
Radio	8.2%	8.7%	14.2%	13.5%	11.9%	11.4%	10.8%	10.6%	11.6%
Cable	25.5%	17.2%	21.3%	33.0%	26.4%	23.5%	19.0%	13.3%	22.0%

*1999 estimate as of 12/99, 2000-2004 forecasts by S&P

Source: Standard & Poor's, historical data from RAB, TVB, A.C. Nielsen, Cablevision, Broadcasting & Cable

Veronis Suhler forecast

Actual % growth 1994-1998, forecast % growth 1999-2003

(five year figures are compound annual growth)

Industry	1994	1995	1996	1997	1998	1994-1998	1999	2000	2001	2002	2003	1999-2003
Television	11.2%	4.7%	10.5%	2.1%	6.6%	7.0%	3.7%	10.8%	1.4%	6.7%	4.0%	5.3%
Radio	11.3%	7.7%	8.2%	10.0%	11.7%	9.8%	12.1%	13.7%	8.4%	7.7%	6.7%	9.7%
Subscription video	4.5%	15.0%	13.6%	13.1%	12.1%	11.6%	13.7%	11.5%	11.3%	10.5%	9.8%	11.3%
Entertainment*	9.4%	3.8%	6.5%	4.5%	9.7%	6.8%	6.5%	9.3%	7.6%	5.9%	6.0%	7.1%
Newspapers	6.4%	5.3%	5.1%	7.1%	5.7%	5.9%	5.6%	7.5%	5.8%	5.7%	5.2%	6.0%
Consumer books	7.7%	3.0%	3.2%	0.6%	5.6%	4.0%	6.2%	6.3%	6.2%	5.7%	5.3%	5.9%
Consumer magazines	5.9%	4.6%	4.2%	6.7%	4.8%	5.2%	6.3%	8.1%	2.7%	5.3%	5.0%	5.5%
Internet**	19.4%	82.1%	64.0%	78.3%	46.5%	56.3%	40.7%	27.8%	19.5%	16.2%	15.7%	23.6%
Biz-to-biz communication	9.7%	9.2%	9.2%	10.7%	5.5%	8.8%	3.7%	8.0%	7.7%	6.0%	5.8%	6.2%
Prof./educ. publishing	4.7%	6.0%	11.9%	7.6%	6.3%	7.3%	5.9%	6.5%	6.6%	6.5%	6.1%	6.3%
Biz info. Services	6.0%	6.7%	7.9%	7.5%	7.0%	7.0%	7.6%	8.3%	7.5%	7.2%	6.9%	7.5%
Yellow pages	3.2%	4.2%	6.0%	5.3%	5.0%	4.7%	5.8%	5.6%	5.4%	5.5%	5.4%	5.6%
Outdoor	8.0%	8.2%	7.3%	8.8%	9.1%	8.3%	7.9%	8.7%	7.9%	7.3%	7.4%	7.9%
Consumer promotion	6.6%	5.3%	1.1%	4.2%	4.0%	4.2%	4.7%	4.9%	4.9%	4.6%	4.5%	4.7%
Biz-to-biz promotion	5.3%	7.9%	5.5%	22.7%	7.5%	9.6%	10.0%	11.8%	8.6%	7.5%	6.8%	8.9%
Direct mail	8.7%	10.9%	5.0%	6.9%	7.4%	7.8%	6.5%	5.5%	6.5%	6.5%	6.9%	6.4%
Event sponsorships	14.9%	10.6%	15.4%	9.4%	14.5%	12.9%	11.8%	15.8%	8.0%	10.5%	8.6%	10.9%
Total	7.4%	7.0%	7.5%	8.3%	7.9%	7.6%	7.8%	9.1%	7.1%	7.1%	6.6%	7.5%

*Entertainment includes movies, home video, recorded music and computer games **Formerly called consumer online

Source: Veronis, Suhler & Associates, Wilkofsky Gruen Associates

Each month we ask a few general managers from around the country to share with us, and you, their views of the industry. This month we quizzed: McGraw Group's Brian Elliott of WBRB-FM, WVUC-FM, WBUC-AM Morgantown-Clarksburg, WV; Communications Corp.'s Mike Grimsley of KMDL-FM, KFTE-FM, KTDY-FM, KRXZ-FM, KPEL-AM Lafayette, LA; and Root Communications' Theresa Miller of WWXM-FM, WGTR-FM, WWSK-FM, WDZD-FM Myrtle Beach, SC.

1

Is your first quarter looking to be as strong as fourth or third quarter of last year (1999), or is it going to do the typical first quarter slowdown?

Brian Elliott:

I would love to say that we've found the answer to the first quarter "slowdown" problem, but the truth is...we haven't. Living in a region of West Virginia that is subject to severe weather conditions during the months of January, February and sometimes March, we see a significant decline in consumer mobility, which, ultimately, leads to a decline in purchases. This year, as in most, we'll be relying on steady national and regional business to lay a good foundation for first quarter and counting on creativity to pull in extra dollars.

Mike Grimsley:

Definitely not. We are pacing well ahead of last year which puts us in line with third and fourth quarters. Our third and fourth quarters in 1999 were up and down. Each quarter had a real strong start and then died.

Theresa Miller:

Every year radio is taking a larger share of the revenues because radio is the only advertising medium that goes everywhere the consumer goes. First quarter looks very strong as of the first of December. It is partially due to market growth and a strong economy, but it is also due to our continuous work on developing new strategies to convert more advertising dollars to radio.

2

What categories are driving first quarter growth, or what categories are you seeing drop off?

Brian Elliott:

Automotive, Restaurants, Cellular and Grocery will drive the bulk of our first quarter business. Through various local promotions, we will also pick up billing from miscellaneous retail establishments. We see a significant decline in Home Improvement, Concerts, Entertainment and Furniture.

Mike Grimsley:

Automobile business is good; furniture business is good. We are seeing a little dot-com business. Department store and restaurant business are down.

Theresa Miller:

Bridal is a huge category that is driving first quarter business in the Myrtle Beach market. New housing developments and time-share companies are two areas that are driving first quarter growth. NTR is another category that is driving first quarter by introducing new food products to consumers like Kellogg's Sesame Street Beans. There are so many opportunities to tap into right now that it's mind boggling.



Theresa Miller

3

How did you get into radio and why did you stay?

Brian Elliott:

My family has been in the radio business since I was 10 years old. I grew up hearing about radio every day after school and at the dinner table. It's a very consuming business. I dabbled throughout college with an overnight shift on summer break and upon graduation went full-time into sales (I knew where the money was). After a few years with the family I went to work for some great folks in Wilkes-Barre/Scranton, PA—market #61 at the time.



Brian Elliott

Now I find myself operating as general manager of three stations in a five-station cluster. Why do I stay? Because radio is the most exciting game I've ever played in my life.

Mike Grimsley:

When I was 17, my next door neighbor was the chief engineer for a radio station. He got me the job of gofer/janitor. Shortly thereafter the general manager offered me a sales job. After my first sale I was hooked!



Mike Grimsley

Theresa Miller:

I always loved radio even before I got into it, but loved it even more when I realized I could help people increase their bottom line through creative commercial campaigns. I met my husband (Harold Miller) at WZLD-FM Columbia, SC in 1982 (he was a popular air personality known as Catdaddy). In 13 years we built 13 stations in South Carolina and won hundreds of awards. In 1997 we sold the group to Root Communications. Harold is now VP and I am manager of the Myrtle Beach market. Why do I stay? Because I love it! I love the changes in the industry as well as the many opportunities that lie ahead.

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From serendipitous discovery to full service Hispanic agency

by Karen Maxcy

In the final Agency Perspective of the millennium, *AdBiz* talks to **Mary Young**, Senior Associate at Larson NW Hispanic Media for her take on being a part of one of the biggest stories in radio this year—the Hispanic explosion. While many of us are just waking up to the potential of marketing to this segment, Young's boss, **Roy Larson**, stumbled on the vast untapped opportunities of the population when he noticed, in his old home base of Yakima, Washington, that one in three persons walking down the street were Hispanic. And yet there were no radio stations targeting this huge minority group. Even drumming up any market research on Hispanics was tough because there was none. Hence, the birth of the Larson Report in 1987. In 1994, the company incorporated and started out as a rep firm while continuing to do research. In the last two years, due to overwhelming demand, it has become a full service advertising agency. The agency still provides the annual report free of charge and buys for varied clients in the northwest. Those clients, who retain their general market agencies, include Western Union, Sears, Pizza Hut, Coca Cola, McDonalds and Burger King. Young tells *Adbiz* why these companies are sold on using a specialty agency and reiterates the current buzz that Hispanics are more culturally tied to their radio than their general market or Anglo counterparts.





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What is the difference between buying general market advertising and specialty Hispanic advertising? Buying radio advertising for the Hispanic culture is quite different than buying for the general market; from scheduling the time—Hispanic listener habits differ from those of their Anglo counterparts—to the content of the commercials. What appeals to Joe Smith as far as humor, tastes and values, is typically going to be very different than what may appeal to Jose Gonzalez. So much so that a commercial we find funny could be insulting to someone of Latin descent. That is why creating campaigns that are specifically designed to appeal to what is important to the Hispanic consumer's life is critical to a successful campaign.

Why would you recommend an advertiser target the Hispanic community on radio, or any other media?

The biggest reason is there are billions of dollars being spent by the Hispanic community but very few people actually advertise to the market and say, "We want your business." It is still relatively untapped. Where you and I may have 100 car dealers in our area trying to get us to buy a car from them, a Spanish speaking consumer may have only a handful. The advertiser dollar goes much farther in reaching potential customers than it would in general market. Also, if you are in a period of stagnant growth, targeting a new market can drastically alter your bottom line. This by far has to be one of the most rewarding parts of my job. Being able to literally see the results. Recently, we did a campaign for a local jewelry store which was having a one day sale. When I walked through the door into the packed showroom and saw that a good 50% of the customers were Hispanic, it took my breath away. It was incredible.

What are the advantages to choosing a specialty agency versus a general market agency?

It is our primary goal to know what works and what doesn't work with the Hispanic community because we deal with the issues every single day. It is not just when one of our clients mentions that they would like to look into targeting the Hispanic market. We know from experience what particular media works best for their type of product, what format each individual station has and what key station promotions they are known for. For example, a general market agency may not know that Mexican Independence Day is in September. It is one of the most important holidays of the year and the advertiser can use their advertising to salute the important day, tie it to station events, run specials pertinent to the occasion and things like that.

Everywhere we turn these days we are hearing about the Hispanic market—from the music to its population growth—have you seen a lot of change in the northwest?

Very much so. I began specializing in the Hispanic market at a local Spanish radio station in 1994 and the difference then and now is astronomical. Back then, we had to educate everyone about the potential of the untapped Hispanic market. We had to work very hard to get businesses to understand and give it a try. Today, they call us first. It is very rewarding to see these major changes in attitude. The realization that there is major amounts of money being spent by Hispanic consumers with very few businesses asking for their share of it. It does take willingness and effort to deal with a customer who, oftentimes, may not speak English. But the rewards are gaining a customer who will come to you above all others and will tell their friends and family about the service you provided to them. It is a very loyal culture and you will have created a customer for life. This is very powerful in these times where everything is disposable and we have a multitude of options before us. Don't get me wrong, there still isn't a complete acceptance to the idea that there is a separate

where, gives it a lot of weight in the Hispanic market. Next, radio gives us the opportunity to fine tune who exactly we are trying to reach—the Mexicans, Cubans or South Americans. Not all the dialects are the same and you will not have the same impact trying to bring customers to a new Mexican *tienda* if you use a Cuban voice announcer. We try to use neutral Spanish accents if we are in a market with a heavily mixed population. The majority if the northwest population is of Mexican descent so we can focus on what's important to reach them.

Is the high demand for Spanish radio because the population doesn't speak English?

Yes and no. The most obvious answer is that there would not be a proliferation of Spanish radio if the market was not there demanding it. Why they are demanding it is another thing. First, there are many immigrants who are recent arrivals to the U.S. and are still struggling to get a grasp of the English language. These people need Spanish media. Then there is the population that has been here five, 10, maybe 20 years, who listen to Spanish radio as a cultural choice. They are at least partially bilingual. They could listen to English radio, and many do, but they tend to want to retain

Culturally, music is very important and the average Hispanic radio listener spends more time with radio than the average Anglo listener. So that factor, added to the valuable aspect of radio being able to go anywhere, gives it a lot of weight in the Hispanic market.

money source in the Hispanic market and that it needs to be addressed.

Larson NW Hispanic Media works with all different types of media, how much of your business is placed on radio?

We place approximately 50% of our clients' business on Spanish language radio for a number of different reasons. As far as broadcast media available in the northwest, radio options exceed any television choices. We are primarily stuck with the highly restrictive cable networks in some of our markets and no television options in others. That leaves radio as the leader in offering the advertiser the flexibility to design a campaign that reaches who they want to reach, where they want to reach them and when they want their message to reach them. Culturally, music is very important and the average Hispanic radio listener spends more time with radio than an average Anglo listener. So that factor, added to the valuable aspect of radio being able to go any-

their culture. At this time in history more than any other, the Hispanic community is not trying to assimilate 100% into American culture. They do not want to stop being Mexican, Puerto Rican or Chilean. They want to own their own home, drive new Fords, see their kids grow up and go to college, and send money home to their relatives. But they have no intention of giving up their culture and language in the process. According to the 1999 Larson Report, 70% of the Hispanic market in the northwest speak Spanish at home, while 22.9% of the market use both English and Spanish at home. If Spanish is their native language, it is the language they will naturally think in, make decisions in and most importantly, it is the language that is most likely to reach their emotions. Because they feel in Spanish! So the conclusion to this is the Hispanic market is the fastest growing minority in the country and people are still listening years later. Spanish radio listenership just continues to grow at a rapid pace.

Don Imus: Telling it like it is



After five years of syndication, Westwood One's (O:WON) morning driver Don Imus is still unconcerned with media etiquette or offending politicians. Now on 83 affiliates and 3M listeners strong, Imus has subtly crafted a means to turn politics into entertainment everyone can understand and enjoy, while still being substantive. His lack of PC and the ability to get away with it is a rare quality, evidenced by the fact that most of his political guests keep coming back for more. He's also been building "The Imus Ranch" for kids with cancer and siblings of SIDS victims with his brother Fred and wife Deirdre (see sidebar, page 16).

Straight-shooting, hard-hitting and humorous—these are the qualities that keep Imus fans coming back for more of the radio show and MSNBC-TV simulcast. Amidst a career still peaking and expanding (yes, he's been on the cover of *Newsweek*), the master of irreverent radio (and some of his good friends) give *MBR* the bottom line on a number of issues, while we look at how "Imus in the Morning" works so well.

The psychology of being Imus

How does he get away with it? Don Imus says whatever he wants, totally unafraid of consequences that never seem to come...and all without using lesbians like his "good buddy" Howard Stern. "Don Imus is all id and no superego. Which means he has no control over the kind of murkier, ickier part of life. So he has a first impression about somebody—whether a brilliant insight or just flat-out skill, it will just come out," friend and CNN Senior Analyst Jeff Greenfield tells *MBR*. "The other part is he really likes the fact that people give it back to him in spades. And that's [another] thing that redeems him."

And his guests keep coming back for more. Shouldn't some of his on-air grillings and on-the-spot embarrassments keep people away? No, because Imus in the Morning has become somewhat of a political rite of passage. "This is kind of a forum for politicians to prove that they're human beings," according to Greenfield. "Politicians know that, by and large, they're regarded fairly or not as pompous stuffed shirts. So to go on Imus proves that you can laugh at yourself and speak a kind of ordinary language rather than Washington language."

And rites of passage have their benefits. "They obviously get a response from being on. I mean that has to be what it is. I know in a lot of cases, for example, Greenfield has been on *Nightline* for years. He's now on CNN. When we first started booking him, he got, just by his own admission, more attention for being on this program one time than he'd had on *Nightline* for years," explains Imus. "I don't think just because there are more people, but I think it's who listens and the environment. He's able to be a lot more personable on this program than he would be on *Nightline*. And so there are more people to relate to."

And, of course you've got to be able to take what you dish out. Greenfield elaborates: "When he says about himself, 'I'm an alcoholic, I'm a drug addict, I'm one drink away from off the wagon forever,' it's very hard to get angry at him when he kind of makes fun of you or somebody else—it's very much like the world I grew up in in New York where people used recess and before school and after school to throw the most amazing insults at each other. And it was all understood that

was part of growing up. It was the equivalent of a fist fight, except that you didn't use your fist."

Better come prepared

Part of the reason Imus gets the respect of his guests is his brain. He's one of the most well-informed and knowledgeable people in the biz. Explains Paul Begala, MSNBC's "Equal Time" co-host and frequent Imus guest: "To go on as a guest...it's a real challenge—he reads everything, he watches everything, so he's fanatically well-informed. And yet, right after one of these substantive questions about China's acceptance into the WTO, he'll wheel around and say, 'What do you think Naomi Wolf is really doing for that \$15K a month?' How do you answer this, what do you say?"

"What makes it bracing for those of us who do it is you know it's live, it's in the morning, you better have a cup of coffee, you better have looked at the newspaper, because if you're not on your toes, he will just massacre you," says Greenfield.

"While most people know him for his sense of humor—I've always been impressed with his knowledge on the issues. You never quite know where Imus comes down on an issue—and that's the sign of a good interviewer," says guest and Senator Chris Dodd (D-CT).

The right mix

Imus has built a real cast of characters over the years (some of which are conjured up by celebrity impersonators): brother Fred Imus, producer Bernard McGuirk and newsman Charles McCord. What is it that makes this formula work so well? "It wasn't anything that was premeditated. There was no grand plan that we had. We talk about stuff and write essays about stuff that we're interested in. The goal is to just make it interesting and amusing if we can," says I-Man. "We book people just based on stuff we're interested in. We don't have a lot of show business guests, because we are not that interested in it. We have an inordinate mix of Country artists because we like them."

Issues-centered guests and regular callers include President Bill Clinton (not anymore as you'll read), Dan Rather, Sen. John McCain (R-AZ), Greenfield, Bob Dole, Dodd, Alfonse D'Amato and others. Imus names his favorites: "I would say Tim Russert, Greenfield, Bob Schieffer is great (you wouldn't think so, you know), Rather is good, Brokaw is good, Doris Kearns-Goodwin [presidential historian and author] is great, Cokie Roberts was good. Any

of the people who are on more than once or twice, we obviously like or we wouldn't have them on. They're interesting and can be provocative. Chris Dodd is great, people like that."

How did it all start, this one-thing-led-to-another critical mass of political and show biz guests? "I think the first politician who did it was Lowell Weicher, who is a kind of free-spirited guy, who was governor of Connecticut when Imus had his weekend place up there. I think Anna Quindlen was the first serious journalist he had on, and I think I followed shortly thereafter, I think it was 1990," says Greenfield. "He had Joe Lieberman (D-CT) on. Joe never was known nationally as a guy with a sense of humor, and it turns out he has a very droll sense of humor. So people like Bill Bradley, Chris Dodd, Lieberman began to show there was a tremendous asset to being on the show. You could humanize yourself. You could appear to a public that really couldn't care less about the Sunday gab shows and the *New York Times* OpEd page and appeal to them in a format that, generally speaking, politicians had never thought to use. So I think the more politicians saw that, particularly after Clinton's 1992 appearance just before the NY primary where he batted it around with Imus and really did himself some good. It really has become a rite of passage."

Rite of passage or not, Imus is known to have really pulled the rug out from under some guests (of course, he later calls and apologizes) who quickly found out he's not a back-scratching, kissy-faced host. "I don't even know if I look at it that way. I think one of the problems, not to criticize some of the people who do this, is there is a very incestuous relationship between the big-time media and the big-time politicians," Imus says. "They all go to the same cocktail parties and they are all friends. They're interchangeable, as evidenced by some of them who ultimately run for office. They cross back and forth. So, I think there is an unwritten law between all of them that there are certain areas that they just don't get into or they don't — with each other. I don't have that arrangement with them because I don't go to parties and I don't owe anybody anything."

The dinner from Hell

In 1996, Imus hosted a now-infamous correspondents' dinner in '96 with President Clinton in attendance. Numerous pins could be heard dropping, next to the jaws of most of the guests. Lucky to be alive, Imus lived to tell the tale: "They had asked me to do it and I didn't want to do it. Mel [Karmazin] and I

talked about it and he didn't want me to do it. But other people did and my wife did. The material that we wrote, and when I say 'we,' I mean I wrote part of it, Charles wrote part of it, Rob [Bartlett—a writer for the show] wrote part of it and Bernard. We all worked on it together. We just wrote what we thought was funny. I didn't have an agenda going down there and I didn't think the material was controversial. In retrospect, obviously I was naive and not very realistic about it. It is one thing to say horrible stuff about people on the radio, or even on television, but it's quite another if you are in the — room with them and they are sitting three feet away from you. The tension in that room was just un— believable. In addition to that, I mean everybody was there. From Mike Wallace to...and I could see them all. They couldn't keep themselves from laughing, but the President was just glaring at me. And that — buck-toothed, crooked wife of his was all bent out of shape."

The gory details: "I think I had written a joke about Peter Jennings and an intern. Now that I think back, it was coincidentally 10 days after that speech that the President resumed his relationship with Monica Lewinsky. He had to be thinking that if I'm doing intern jokes (not that they are about him but are about Peter Jennings), then he has to be waiting for the bullet. He's got to figure out how would I know that. You are talking about him — ing around and he is — ing around. So, no wonder he was angry—he was mortified. I'm surprised the Secret Service (who by the way, I was sitting backstage shooting the — with before I went on), I mean it's a wonder they didn't — shoot me! Except they knew what the deal was."

Loyalty

While Imus has been in New York radio—WNBC/WFAN for almost 30 years, except two years in Cleveland—his biggest break came from CBS (N:CBS) Chairman Mel Karmazin, who believed his show could make it outside of the Big Apple. "It was his idea to syndicate my program. Nobody did think it would work. It works to a good degree in some areas and others it doesn't. It's a no-brainer to syndicate Stern or somebody like that, because that's kind of a mass-appeal program—not difficult to get ratings. But this is a much tougher sell," stresses Imus. "But he obviously thought it would work and to a great extent it has. He is a very trustworthy guy. If he tells you something, you can believe him. I think that's why he's successful."



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"Imus values and cares about loyalty—both taking and giving. It meant a lot to him that after that Correspondents' dinner there were a couple of us that said, 'of course I'll do your show,'" remembers Greenfield. "And in return what he does if you call him for a favor, he says 'yeah, what is it, I'll do it.' Absolutely, without even asking what it was. Yes, but Don, but don't you want to hear what it is first? 'No—I'll do it, what is it?' He has a tremendous sense of sticking with people that he thinks have stuck with him."

Back to Karmazin, to whom Imus' loyalty perhaps runs the deepest. Even when the better job offers came rolling in when he became a hit, Don wasn't too interested. "Money wasn't the issue. The issue was, at that point, I wouldn't have been syndicated if it weren't for Mel. He had been enormously loyal to me, but I also admired, frankly, the loyalty he demonstrated at the start. I always advised people if the only reason you are making a move is for money, it's always the wrong reason. If I had made a move, that would have been the only reason. And there were so many other reasons not to. It would have been disgraceful for me to go to work for somebody else and not work for him—I mean it would have been disgraceful. I just wouldn't have done it. I think actually my reputation would have suffered even with the audience. The audience is not stupid and when you make an issue out of your loyalty to somebody, you've got to back it up. I'm not underpaid, by the way."

The Imus Ranch

Imus' soft side is well-manifested in his favorite charity, "The Imus Ranch" for kids with cancer and siblings of SIDS victims.

"I had gotten involved with this charity in New York—the Tomorrow's Children Fund—they had come to the radio station [WNBC/WFAN] and asked (this is about 10 or 12 years ago) if they would raise the money for them. Tomorrow's Children Fund is an organization of parents whose children have cancer and they wanted to involve themselves, trying to make the treatment for their children a little more pleasant for them and have created an atmosphere that was more conducive to healing the children. And there has been all this research done about how various kinds of recreation and therapies contribute to the healing of cancer as much as the medicine does."

Imus on politics

At best, Don Imus is jaded with the political process today. As much as he tries, he knows all the straightforward rhetoric and banter he can muster up every morning can't alter the machinery in place. Nevertheless, he tells it like it is: "Political campaigns don't have the potential for being as interesting or entertaining, particularly entertaining, as they once were because it's mostly television, they're mostly prepackaged. There are very few spontaneous events. There are few, if any, opportunities to get them to — up so that you can make fun of them. Even the debates are so scripted now, so to get them on the program and get them to step on their — is difficult. I do think that people like Al Gore and Hillary Clinton and some of these other people—I'm not taking sides because I don't really care—I think they are going to be shocked at how sick we are of them. Dan Quayle too. I mean we are sick of him. We are sick of Pat Buchanan. We are sick of Al Gore. We are sick of all of them."

Even fresh faces in Campaign 2000 bring doubt. However, there's hope in new talent: "I think that is the attractiveness of John McCain and Bill Bradley. They may be as corrupt as all the rest of them. [However], McCain has demonstrated that he is an extraordinary human being. We don't know what kind of president he'd make, but he's

been a good senator. I just think in terms of—it sounds corny—but The President of the United States really should set an ethical and moral tone. I think he is somebody that the country wants. He may not be savvy politically and certainly he, nor Bill Bradley, are not the consummate campaigner or politician that Bill Clinton is, but I do think the country wants somebody—even George W. Bush—who is willing to not — around on their wife and to set some kind of moral example for the nation."

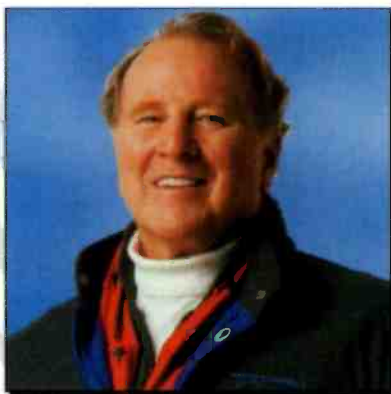
The bottom line

How long will Imus keep doing what he's doing? Is he still having fun? "Yes we are still having fun. It's a great job. I don't look at it as a job. I think I will do it as long as we continue to make money and as long as the stock continues to go up. I know it sounds like a lame answer, but I really feel that the bottom line is the bottom line. It is fun, but it has always been fun. It was fun when I was making \$80 a week. It is just as much fun now so the money doesn't have anything to do with it. I don't want to continue to do it if we're not successful. And I don't mean in terms of ratings because we are never going to be number one anywhere—that's not the point. I think if at a point where we are no longer relevant, then I wouldn't do it anymore. But I'm not looking to not do it."

The first radiothon, a one-day affair, raised over \$1M. "And so Fred lives out in Santa Fe and we were thinking about buying a ranch anyway. We were raised on a ranch. We were out there looking around and I was talking to Paul Newman at his Hole-in-the-Wall Gang Camp. One thing led to another and we thought, 'Well, why not build a cattle ranch for kids? Teach them about that and put them to work, as opposed to creating a camp.' So we went out and found some property and bought it. One morning, we sold 810 acres and raised \$4 million in about three hours. Since then, we've—my brother and my wife—raised a little over \$15M."

The 3,000-acre ranch is almost finished, except for the main ranch house, expected to be done by next summer. "That is actually where the kids are going to stay when they're out there. We built an old-time western town, not a corny Knott's Berry Farm deal, but really a world-class facility."

Imus is one of the most influential people in the country. A big part of the reason why is because he is an intelligent, thoughtful master communicator
—Dan Rather



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TALK RADIO SPLITS AND GROWS —WHAT'S HAPPENING TO ALL THAT BLAB?

There are more phones in households than ever before, and now we're seeing them in cars and coat pockets. Who hasn't noticed the grocery shopper yapping into the cell phone right in the middle of the produce section? Of course it's an added benefit to have a portable phone at your finger tips as a safety measure. But it's also an added pleasure when the radio station that's playing over the loudspeakers announces that caller number nine wins \$1,000 and you're as far away from a pay phone as possible.

Radio listeners, whether at home, at work or on the run, are becoming more active due to greater phone access. And radio programming, especially the Talk shows, are reaping the benefits.

"Logistically it's easier to get on the phone," says Dr. Jan McBarron, co-host of the nationally syndicated Talk show "Duke & The Doctor". "Everyone's got cell phones, car phones, cordless phones. When we first started out, our show had two phone lines open. Now we're at the point where we have six phone lines open at a time to accommodate all of the calls."

According to McBarron, that means Talk shows, including her own health show, are fielding calls from a more varied audience than just a few years ago. "The audience demographic for Talk shows has expanded. In the beginning we heard mainly from women. Now we are getting calls from more men and younger people. When I was a teenager I don't think that I would have called a Talk show. They're not afraid to talk now."

Why were listeners afraid to dial before? "Audiences weren't as well informed as they are today," she answers. "With breaking news such as St. John's Wort and the use of botanicals popping into mainstream media articles, people are becoming more interested and tuning into talk shows such as mine for additional information."

Being informed also means that Talk show hosts are hearing "more sophisticated questions" from their callers, McBarron explains. "Four years ago I would get questions about arthritis, cholesterol and blood pressure. Those were the three staples. Now people are calling my show and asking about Gilbert's Syndrome and Chronic Fatigue Syndrome. I would not have gotten these questions a few years ago," she says. "The era of just listening is over."

Health issues are not the only draw for listeners to talk shows. "There are several new Talk techniques coming into style," explains Kent Burkhart, Director of American View Radio Network. "There is one Portland, OR station that is dedicated to men only, much like the magazine *Gentlemen's Quarterly* or the Lifetime Network on cable television which is for women. This station is playing all the Sports shows and hitting the male audience."

"At one time, people thought of Talk radio as basically political talk," says Michael Harrison, editor of *Talkers magazine*, a trade publication that serves the talk industry. "While Talk radio is still strong in politics, that's not what it is all about today. Talk radio reflects changes in society—sports, relationships and lifestyles. For example, there is a fellow named Gabriel Wisdom out of San Diego—a Harvard graduate who is also a veteran of the underground Rock days—who now does a nationally syndicated financial show that is as hip as some of the early progressive Rock shows but is absolutely on the money finan-

cially. Talk is truly entering a period of diversification."

Hello FM!

Diversification is evident more on the FM dial rather than the AM, explains Harrison. "In the past 10 years we've seen the invasion of Talk on the FM dial. In the late half of the 90s Talk shows started to pick up the same type of diversification that we saw in music throughout the 70s—the breaking down of formats by specific genres geared to certain markets."

Steve Sinicropi, GM of WKRK-FM Detroit—a station that recently switched formats from Rock to Talk—believes FM is the ideal place for Talk shows. "A lot of AM radio is too old for younger listeners and a lot of FM radio is the same songs over and over," he says. "I mean, how many times can you hear that same Lynyrd Skynyrd record?"

FM Talk is targeted to a younger audience, says Sinicropi, it's more hard hitting and lifestyle oriented than its AM counterpart. And advertisers are falling for the format as it's reaching the younger demos.

"You can see the success that our company, Infinity Broadcasting, has had with other FM talk stations—WJFK-FM Washington, DC; KLSX-FM Los Angeles; and WCKG-FM Chicago. We're carrying shows that target men 25-54. Weekends we have a cigar show and we've got live sports programming with 'Parker & The Man'. And then we have a lot of technology shows. This is the audience that advertisers want to target—younger adults in their 20s, 30s and 40s."

In five years, at least one Talk radio station on the FM dial, or even two, is going to be in any given market, predicts one talk radio syndicator. "When you look at some of the talk programming on FM, such as Howard Stern's show, you can see how well it works," says American View Radio Network's Burkhart, adding, "We have every indication and every barometer that it works just as well on FM as it does on AM, if not better."

But another Talk radio expert says it is not time to dig the grave just yet for AM Talk shows. "Yes, we know about FM Talk, but I think AM radio stations are going to compete against them so they're going to give the FM stations a run for their money because they cannot afford to lose their listeners," states Tom Star, Pres. of Talk America, a national syndicator.

In order to compete against the FM powerhouses, many AM Talk stations are taking their lead from the big guys. "We see that younger listeners are tuning into the FM shows because they have the younger host. But if an AM station can put on a similar host, there's no reason why a younger person cannot tune into AM," explains Ken Christiensen, GM of KFI-AM Los Angeles. "The key to success on any dial is programming and the host. Here at KFI we have Bill Handle, Rush Limbaugh, Dr. Laura, Clark Howard and Phil Hendrie. They each stimulate listeners in a different way."

Other AM stations have been cashing in on the big names hosts as well. For instance, Art Bell. "The paranormals are big on AM," says Star. "[Bell] is on more than 400 radio stations across the country. We have someone who is younger than Bell and is starting to make some waves as well: Sean David Morton. Why? Because people are looking to get something different than what the normal radio programs offer."

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Programming & Positioning

Most importantly, AM program directors are more willing to approve a Talk show than an FM PD, adds McBarron, whose show airs on both AM and FM stations. "Traditionally FM is music so it does not lend itself to Talk radio very well, but there always is the possibility to hear Talk shows on FM."

Good-bye localism

"When I turn on the radio and I can't tell whether I'm in Orlando or Washington, I think we've gone too far," FCC Commissioner Gloria Tristani once complained about the radio industry. While it is true that a majority of Talk shows are losing their localism, listeners really do not seem to mind.

"People in general are the same," says McBarron who fields calls from all over the country during her one-hour morning show. "They have the same concerns and appreciations. Our listeners, in fact, enjoy hearing from people outside of their backyard. It gives another perspective."

According to Christiensen, KFI-AM has promised to keep a balance of local and national talk shows by airing Rush Limbaugh (national), Dr. Laura (national), Bill Handle (local) and Phil Hendrie (which is still a local show but is now being syndicated). "It seemed early on that localism was a programming concern," he says, "but I think it's proved that entertainment and informative hosts are what listeners really want no matter where they are broadcasting from."

WKRK is also remaining "sensitive to localism," stresses Sinicropi. "We have a number of shows done right here in our own studios—Ed Tyll and Deminsky & Doyle. It's tough to get a talent as good as Howard Stern locally in every market. I think when you use a powerful, national personality like Stern, it is a good idea to also put on some local guys. Then they can go out and press the flesh with the public on a regular basis."

As much as localism is important, syndicated shows will definitely continue to be a pattern in the industry where Howard Stern and Don Imus were the first to break the molds, adds Burkhart. "Stern is loved from all over. Localism is not going to matter in the future as the Internet will be an alternative."

Nationally syndicated Talk shows themselves are becoming interested in the Internet, not by simulcasting but by talking about them, such as "The Kim Komando Show" which offers advice on computer equipment and software and answers Internet questions. Similar shows—"Computer Daze" and "Log-on USA"—are also becoming popular. Says Star, head of Talk America, "These shows are becoming an appeal to consumers even though they're not local programming. Listeners want to learn more about how to use their computers and they don't care if the speaker is next door or across the country. It's all the same info."

Talking advertisers

As much as Talk radio's format has changed over the years and will continue to transform, one thing will remain a constant: the advertisers. For the most part, Talk radio has the most active and attentive audiences that the advertisers want to target.

"It's true," says Star. "They pay more attention to what commercials are saying rather than during ads that are played between musical segments. When it's just music, people are more inclined to switch stations during commercials. But listeners of Talk shows stay because they want to hear what is going to be talked about next. That's something that advertisers take into consideration when deciding which format to advertise with."

Star also admits that advertisers are looking for Talk shows that are more than an hour long: "It's easier to sell. At one time, radio stations were playing one hour of this and then one hour of that. But Talk

shows are now broadcasting two and three hours daily. Fragmentation is on the way out and advertisers want to be able to run more than one commercial a show."

Advertisers on Talk shows are looking for results, too. The rating of a show may not be as high as expected, explains Burkhart, but the targeted audience is an exact match for the product.

"Our advertisers tell us that they like the responsiveness of the format," says KFI's Christiensen. "When you're listening to a Talk show host and respond to what he or she has to say, then we're setting the stage for the same responsiveness to happen with the advertisers during the break."

WKRK's Sinicropi agrees, adding that his station uses creativity to make the commercials stand out. "We do live reads and the advertisers tell us again and again how effective the station is. I don't think that commercials on an FM Talk station are perceived as an interruption as they are on music stations. We also use the personalities to do commercials. It makes the ads that much more compelling and actionable."

Dot-com commercials, one of the fastest growing categories in the industry, are popping up in Talk formats as well and are "growing all the time," says Sinicropi. "It's a great category for us. Talk reaches the type of market that dot-coms are looking for—they can get a quick response from our listeners." Are Talk shows becoming dependent on this new category for additional revenue? "Not at all," he says. "We are getting a meaningful amount of the ads but it certainly is not going to change the way we do business. People have been talking on the radio—that's how it started out—and we're going to continue to talk with or without the dot-coms."

News-Talk-Sports

The News/Talk/Sports format cluster is #1 (out of 15) in terms of total listeners. This is entirely due to its very strong showing in the top 50 Arbitron markets. From Market 51 on down, Country is king, but the sound of pedal steel does not fare at all well in the big cities, where it finishes a distant #5. Country's strength in the smaller markets is not nearly enough to overcome the huge population advantage held by News-Talk-Sports in its area of primary strength.

News-Talk-Sports does very well in the Midwest, Northeast and Pacific regions, where it is also the #1 format. Southwest/Rockies and the South are its weakest regions, where it comes in #3 and #4 respectively.

The N-T-S listener base definitely skews old. It is the most listened-to format group by individuals in the 35-64 demo. Subtract 10 years from the demo and the format cluster slips to #2. Among the younger set it is almost a non-factor, coming in a distant #9.—DS

Rank	Market size	Stns	Listeners	Pct.	Chng	Index
1	Markets 1-267	691	21,423,945	15.4	+0.1	100
1	Markets 1-50	212	16,706,600	17.2	-0.1	112
3	Markets 51-100	156	2,354,428	11.5	+0.5	75
3	Markets 101-150	114	1,087,080	11.1	—	72
4	Markets 151-200	108	744,561	11.1	+1.0	72
3	Markets 201-267	101	531,276	10.0	+0.2	65
Rank	Region	Stns	Listeners	Pct.	Chng	Index
1	Northeast	67	4,009,214	18.5	-0.6	120
2	Mid-Atlantic	115	3,287,097	14.6	-0.3	95
4	South	168	2,659,846	10.5	+0.6	68
1	Midwest	148	4,463,872	18.7	+0.5	121
3	Southwest-Rockies	102	2,562,416	12.5	—	81
1	Pacific	91	4,441,500	17.5	+0.2	114
Rank	Demo	Stns	Listeners	Pct.	Chng	Index
9	18-34	541	2,733,943	6.5	+0.1	42
2	25-54	667	9,570,618	12.6	+0.3	82
1	35-64	678	10,956,409	17.2	+0.2	112

Sources: Arbitron, RBR Information Services Group

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- "STRANGE UNIVERSE"** SEAN DAVID MORTON
M-F 9 PM - 1 AM
- "REALCOPS"** JIM Mc KAY
SAT. 6-8 PM
- "TRIXXI"** RAVIN' RADIO
M-F 7-9 PM
- "AMERICA GOOD MORNINGS"** PHIL PALEOLOGOS
M-F 5-9 AM
- "THE BURNS SHOW"** GENE BURNS
M-F 12-2 PM
- "JUDIWORLD"** JUDI PAPPARELLI
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"On Line" with David Stein
"The Gene Burns Show" with Marc Mandel
"The Gabe Mirkin Show"
"Talk America"
"Health Watch" with The Feijos
"Strictly Books" with Dan Vojir
"Computer Daze" with Guy Kemp
"JudiWorld" with Judy Paparelli
"Paul's Garden Club" with Paul Parent
"Money Talk" with Bob Hardcastle
"Magic Garden" with Mort White
"Travel Smart" with Jacquelyn Wolfer
"Antiques and Collectibles" with Dennis Sheppard and Rich DeRosa
"Let's Talk Business" with Mitch Schlimer
"Health Talk" with Mike Lamb, Matt Murray and Shannon Hoffman

"Tool Talk" with the Tafts
"The Produce Pair" with Dan Avakain and Mark Ferro
"The Money Pit" with Mary Barretta and Tom Crightler
"Real Cops" with Detective Jim McCay
"Green Wave Radio" with Chandler Voorhis and Carcy Crane
"Back Stage" with Connie Ross and Gary Campbell
"Ring Talk" with Pedro Fernandez
"Smitty's Ringside Seat" with Jim Smith
"The Joe Mazza Show"
"Log-on USA" with Jaclyn Easton
"The Felder Report" with Raoul Felder
"Share Your Thoughts"
"Total Health"
"It's Your Money" with Bill Bailey
"Gun Talk" with Tom Gresham
"Auto World" with Bob Long
"Online Shopping Report"
"Spirit of the Sport" with John Quintance
"Psychiatry Rounds" with Dr. Joseph Deltito

"The Jackie Mason Show"
"Herbs and Health" with Dr. Logan Chamberlain
"The Harry Brown Show"

Talk America II

"The Small Business Breakfast Show" with Jim Blasingame
"Duke and the Doctor" with Dr. Jan McBarron and Duke Liberatore
"Senior Focus" with Dale Calahan and Carole Marks
"The Right Side" with Armstrong Williams

"For the People" with Chuck Harder
"The Pat Choate Program"
"Trixxi"
"Strange Universe" with Sean David Morton
"The Ira Fistell Show"
"The Fishing Zone" with Steven Sloan
"Talkers Countdown" with *Talkers Magazine* editor Michael Harrison
"PC Talk" with Lloyd Kruckenburg and John Dowling
"Animal Coaching" with Maureen Hall
"Dining Around" with Gene Burns
"Talk America"
"Nothing but the Truth" with Mills Crenshaw
"Strictly Books" with Dan Vojir
"Doctor, Doctor" with Dr. Allan Somersall
"Net Profits" with Steph Van Vlack
"The Edge of Reality" with Ken Dashow
"The Next Dimension—Out of This World Talk Radio" with Pate Purcell
"Paul's Garden" with Paul Parent
"The Ruth and Ed Shaw Show"
"Computer Daze" with Guy Kemp
"All About Collector Cars" with Bob Hall
"On the Brink" with Michael Haga
"Sports Las Vegas Style from The Imperial Palace" with Billy Fitzgerald
"Ring Talk" with Pedro Fernandez
"Sports Talk 2000" with Marty Lurie and Rob Veno

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"The Carey Brothers"
"On the House"
"The Antique and Collectibles Show"
"Real Estate USA"

RK Radio Network

"The Ruth Koscielak Show"

NBG Radio Networks

"Men are From Mars, Women are From Venus" with Michael Nigerian
"Internet Insider"

Abernat Radio Networks

"The Jerry Klein Show"
"The Dr. David DeRose Show"
"The Dr. Richard Tan Show"
"The Jerry Aiello Show"
"The Monty Montana Show"

ProStar Entertainment

"The Movie Show On Radio"

Westar

Kim Komando

Westwood One

G. Gordon Liddy
Howard Stern
"Imus in the Morning"
"The Tom Leykis Show"
"The Bruce Williams Show"
"The Jim Bohannon Show"
"The Don & Mike Show"
"Larry King Live"

"First Light" with Dirk Van Bohannon
"America in the Morning" with Jim Bohannon
"On The Garden Line" with Jerry Baker
"Ask The Handyman with Glenn Haeghe"
"David Essel—Alive"

Talk Radio Network

"The Bob Dornan Show"
"The Lowell Ponte Show"
"The Barry Farber Show"
"The Roger Fredinburg Show"
"Engelman Overnight"
"Hidden Treasures" with John Humphries
"Auto Talk" with Alan and David
"The Microsoft Money Central Radio Show" with Ginger Applegarth
The Lucienne Goldberg Show
"American Crime Line" with Ed Nowicki
"Microsoft Expedia" with John Fisher and Mike West
Lowell Ponte Saturday
"Net Talk Live!" with Giovanna
"TRN Saturday Night" with Jim Watkins
Roy Masters Sunday
Bob Just Sunday
"Your Second Opinion" with Dr. Brian
"World Wide Web"
"Strange Universe" with David Rubin
"Roger Fredinburg Sunday"
"Advice Line" with Roy Masters

Talk Radio Network II

"Sightings" with Jeff Rense
"Minyard & Minyard"
"The Michael Savage Show"

Premiere Radio Networks

"The Group Room" with Selma Schimmel
"Coast to Coast AM" and "Dreamland" with Art Bell
"The Rush Limbaugh Show"
"The Dr. Laura Schlessinger Show"
"The Michael Reagan Show"
"The Dr. Dean Edell Show"

American View

"The Ken Hamblin Show"

Salem Radio Network

"The Janet Parshall Show"
"The Michael Medved Show"
"The David Gold Show"
"The Tim Kimmel Show"

ZBS Radio

"Dave Alan: The Night Hawk"
"Dead Doctors Don't Lie"

AMFM Radio Networks

"The Bob & Tom Show"

American Urban Radio Networks

"The Bev Smith Show"

ABC Radio Networks

"Money Talk" with Bob Brinker
"The Mitch Albom Show"
"The Mark Davis Show"
"The Matt Drudge Show"
"The Howie Carr Show"

Jones Radio Network/ MediaAmerica/Cox

"The Neil Boortz Show"
"The Clark Howard Show"
"The Rona Raskin Show"
"The Dennis Prager Show"
"The Motley Fool"
"Handel on The Law"
"The McLaughlin Radio Hour"

USA Radio Networks

"Point of View" with Marlin Maddoux
"DayBreak USA"
"USA @ Nite" with Chris Meyers
"Your Health Matters" with Doug Kauffman
"Sunday SportsTalk USA" with David Ross (half Sports-oriented)

WOR Radio Networks

"The Bob Grant Show"
"The Dr. Joy Brown Show"
"The Joan Rivers Show"
"The Joey Reynolds Show"
"The Dr. Ronald Hoffman Show"
Warren Eckstein: "Pets"
Ralph Snodsmith: "Garden Hotline"
Phil Lempert: "Shopping Smart"
Valerie D'elia: "The Travel Show"
Ron Ananian: "The Car Doctor"
"The Dolans"

Radio America

"Common Sense Radio" with Ollie North
"The BQ View" with Blanquita Cullum
"The Doug Stephan Show"
"Expert Radio" with Steve Hardiman
"The Stan Major Show"
"The Dery Brownfield Show"
"Nolan at Night"
"What's the Story?" with Fred Barnes
"This Week from Washington" with Stefan Halper
"Report Card" with Dennis Doyle and Jeanne Allen
"Talking Politics" with Frank Donatelli and Michael Lewan
"The Biz Connection" with Lou Cattaruzza
"Freedom Line" with Mike Hambrick
"Faith and Freedom" with Michael Cromartie and Michael Novak
"Front and Center" with Gene Pell
"Financial Focus" with Ron Carson and Todd Feltz
"Rabbi's Roundtable" with Rabbi Daniel Lapin
"Batting the Left and the Right" with Alan Nathan
"Generation Now" with Rhyann Jones
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Upped & Tapped

New melody for Meloy at AMFM DC: In addition to her role as SVP/GM for Oldies WBIG-FM, **Catherine Meloy** has been named SVP/Sales for the entire AMFM Washington, DC station cluster. In addition, **Jim Zagami** was named VP/Director of Sales, and **Jim Weiskopf** was upped to Director of AM Sales and Operations.



Catherine Meloy

Jim Weiskopf



Pick of the 'LIT-ter: **Mike Del Rosso** has been named Program Director for WLIT-FM Chicago. He exits a similar post at KESZ-FM Phoenix.

Changes come to Capital City Country: WMZQ-FM Washington announced a new trio of execs. Market EVP **Bennett Zier** will add hands-on GM duties for the stations, while **Jeffrey Wyatt** becomes Operations Manager and **Mark Lapidus** becomes Director of Marketing.



Jeffrey Wyatt

Mark Lapidus



Throwing in the Towel: WXKS AM-FM Boston has a new VP/GSM in the person of **Maryellen Towle**, who was promoted from within AMFM's Boston station cluster.

Bringing more pride to Seattle cluster: Entercom has appointed **David Pridemore** Director of Sales for its station cluster in Seattle, essentially upping his responsibilities from four stations to eight (plus one more in a JSA). Also, **Phil Manning** migrates North from Los Angeles as Station Manager for KNDD.

A Boyd in hand is worth two in the bush? This Boyd, **Don Boyd** to be exact, will have two bushes, er, clusters to deal with as he becomes Regional General Manager for Root Communications with responsibility for stations in Fort Walton Beach and Auburn AL-West Point GA.

Catholic Family Radio hires a Biting man: CRR's recently-installed Pres./CEO **Gary McCausland** has named his second-in-command: **John Biting** will assume the title of COO as well as the responsibilities that go with it.

BuySellBid.com had reached into the ranks of radio veterans to assure that its radio station clients will be properly served. **Mike Tyler** and **Nancy Dutcher** have each been brought on as General Sales Manager, reporting to EVP/Radio Division **Skip Tash**.



Mike Tyler

Nancy Dutcher



Noble Savidge? WW1's Metro Networks Shadow Broadcast Services has appointed a pair of General Managers. **Joe DiDonato** will run the show in Boston, and **John Savidge** will grab the reins in Phoenix.

Blue Chip acquires the wisdom of Solomon: **Paul Soloman**, to be exact, who joins the company as General Counsel.

Landy lands at Jammin' 105: New York's Rhythmic Oldies outlet WTJM-FM has a new VP/GM. **Rona Landy** will take over for the recently-promoted **Kathy Stinehour**.

The Maureen, the merrier? Westwood One has bolstered its sales staff with the appointment of **Maureen Murphy** to the position of VP/Sales Planning/Traffic. She will be based in New York.

Citadel holds a Fuller house: Two executives of acquired companies have joined to Citadel Board of Directors. They are **Robert G. Liggett** and **Robert F. Fuller**.

From partner to departer: Four top execs have elected to exit the company as AMFM reorganizes its management structure. **Dick Kelley**, **John Madison**, **George Toulas** and **Charles Warfield** will be on the loose officially as of January 2, 2000 (there is absolutely no evidence whatsoever to support the claim that they were not Y2K compliant).

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University of Nevada, Las Vegas and Television News Center World Television Journalism Conference. Tropicana Hotel and Resorts, Las Vegas, NV Contact: Herb Brubaker (310) 340-6160

18-19

Wisconsin Broadcasters Convention. Madison, WI (608) 255-2600

20-22

South Carolina Broadcasters Convention. Columbia, SC (803) 777-6783

February

3-4

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

5-8

National Religious Broadcasters 57th Annual Convention and Exposition. Marriott Hotel, Anaheim, CA (703) 330-7000

11-12

Oklahoma Association of Broadcasters Annual Convention. Westin Hotel, Oklahoma City, OK (405) 848-0771

12-15

NAB State Leadership Conference. Washington, DC (202)775-3527

16-19

RAB 2000. Denver, CO Contact: Gail Steffens (800) 917-4269

21-22

NAB Radio Group Executive Fly-In. Arlington, VA (202) 775-3527

March

1-4

CRS 2000 - Country Radio Show. Nashville, TN (615) 327-4487

1-3

AAAA Media Conference & Trade Show. Disney Contemporary Resort, Orlando, FL. Contact: Karn Proctor: (212) 850-0730

27-28

The Citizenship Education Fund "Minority Broadcast Advocacy: Turning the Tides for Minority Entrepreneurship" Conference. The International Trade Center, Washington, DC. (202) 544-6708

27

Broadcasters' Foundation Golden Mic Award. The Plaza, New York, NY. Contact: Gordon Hastings (203) 862-8577

30

National Association of Black Owned Broadcasters (NABOB) 16th Annual Communications Awards Dinner. Marriot Wardman Park Hotel, Washington, DC (202) 463-8970

April

7-10

Broadcast Education Association 45th Annual Convention. Las Vegas, NV (202) 429-5354

8

Broadcasters' Foundation Golf Tournament at NAB 2000. Las Vegas, NV (203) 862-8577

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NAB 2000 Las Vegas Convention Center, Las Vegas, NV (800) 342-2460

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Broadcasters' Foundation American Broadcast Pioneer Awards. Las Vegas, NV (202) 862-8577

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INTERNET RATINGS REVEAL HOW LITTLE WE KNOW

by Kurt Hanson

Last month's release of Arbitron's InfoStream webcast ratings contained a major revelation of how much all of us in the radio business have yet to learn about the Internet and its potential effects on our industry.

During the last few months of 1999, I must have heard a dozen speakers and must have read two dozen articles, referring to the Arbitron/Edison research studies, telling me that "20% of Americans listen to radio via the Internet." And at various conferences I heard several speakers say words to the effect of, "Nobody knows how much more you should charge your advertisers for your Internet audience, but there's no question it's worth at least 10% more." (And, sure enough, no one questioned it.)



Kurt Hanson

Then the InfoStream ratings came out. The press generally printed the press release unquestioningly: "Over a million hours of Internet radio listening!" and "It's a significant indicator that an important new form of media is emerging!"

But something didn't feel right...

The night after the ratings were published, I was lying in bed, unable to sleep, and I starting to have the feeling that something about the numbers didn't feel right. By 2AM I had a pot of coffee brewed and a calculator in hand. And here's what I worked out:

1,300,000 hours of webcast listening, divided by 31 days in October, equals 41,935 hours of webcast listening per day, divided by 18 hours per "broadcast day" (6A-12M), equals 2,330 listeners to webcasts at avg. moment, divided by 240 webcasts being measured, equals 9.7 listeners per webcast.

Damn! Those speakers on panels who had said that spots on a webcast added 10 per-

cent more value? They were off by just a couple of words: They apparently had meant to say that the spots had added 10 more listeners!

Why didn't we catch this sooner?

Obviously, there's a totally different story here than the one originally reported. The better headline would have been, "Typical webcast's AQH is less than 10 listeners." In fact, I have recently learned that there were apparently dozens of webcasts with an AQH of less than one listener.

What was confusing about the numbers Arbitron released, for all of us, is that Arbitron was quoting different types of estimates than we're used to. For example, several articles I read described KFAN/Johnson City, TX, as "the most-listened-to webcast in America, with 83,900 listeners." Traditionally, in our industry, "the most-listened-to station" is the one with the highest AQH audience size. But the 89,000-listener figure everyone quoted was actually, if you look carefully, a "monthly cume" figure—a new statistic that Arbitron has never produced before.

And in fact, the most-commonly-used statistic—AQH persons—is nowhere to be found in the release of numbers at all! (I would speculate that the reason for the absence of an AQH figure in the release of InfoStream results is pretty obvious: "9.7 listeners" is not a figure that any of the players involved in the study would have wanted publicized.)

Arbitron/Edison study is consistently misquoted

Why did we all think that Internet radio was so much more important today than it apparently is? I think part of the answer is in those Arbitron/Edison studies and how they

got quoted...and re-quoted...and eventually misquoted.

Those studies found that, most recently, about 20% of Americans said they had listened to Internet radio. But somehow we all took that sentence and turned it into "20% of Americans listen to Internet radio." Note the change in tense! There's a huge difference between "having done" something and "doing" something. (It may be true that 20% of Americans have eaten sushi for dinner at least once, but it's not true that 20% of Americans eat sushi for dinner.)

In our enthusiasm for the "new thing" of the Internet, I believe that a lot of people in radio (including but not limited to consultants, journalists, panelists and vendors) turned a past-tense verb into a current-tense verb.

The long-run impact of the Internet is unclear

In the long run, the Internet will almost certainly have some impact on how Americans use radio—perhaps a significant one—but I think we don't know yet whether the effects will be good or bad for today's radio broadcasters.

It's possible that as people get faster modems and easier-to-use audio players, listening to webcasts may grow exponentially over the next couple of years. (Even if webcast listening only helps stations achieve a 5% increase in AQH audience size, that could be worth big money to broadcasters.) And the ability to add a visual element to your advertisers' spots could add real value to the advertising you sell.

On the other hand, maybe broadcast radio is in big trouble. Perhaps what we're seeing here is evidence that consumers are going to prefer to listen to a "pure Internet play" (like NetRadio or Sonicnet or Spinner) over a retransmission of a broadcast signal—just like they seem to prefer the pure Internet play of an Amazon over, say, a Borders.com.

Right now, there are three key things for us to do: (1) Keep our minds clear and our eyes open. (2) Try some experiments. (3) Watch the Internet world very carefully—both for threats and opportunities.

Kurt Hanson is the publisher and editor of "RAIN: Radio And Internet Newsletter," a free, web-based daily newsletter that covers issues affecting radio and the Internet, which can be found at www.kurthanson.com. He is also the founder and Chairman of Strategic Media Research, based in Chicago.

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