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JULY 2007

Sports media and the multiplatform pitch

Traug Keller

OneonOne with the SVP/ESPN
Radio and ESPN Deportes

Noel Wax

Creating value in
Sports Radio

Ray Katz

Omnicom's Optimum
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Annual Memberships

SMART MEDIA \$89
RBR Epaper \$108
TVBR Epaper \$108
MBR Epaper \$69



Cover Art Credit:

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Baseball on the radio is as powerful a media vehicle as exists in the increasingly competitive world of advertising. The landscape for marketing and marketing opportunities has expanded to a never before seen level. Sponsorships are not based on market cost per points, gross ratings points, or corporate strategies. Selling baseball and sports is about passion. It's about heart.

Cover Art (top to bottom): Traug Keller, SVP/ESPN Radio and ESPN Deportes; Noel Wax, Director of Sales/GSM for CBS Radio Sports - New York Yankees, Mets, Giants, Nets and Devils; Ray Katz, U.S. Director of Sports Marketing, Optimum Sports/ OMD.



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Indecency update: FCC decision struck down by Appeals Court

The US Court of Appeals for the Second Circuit in New York has branded the FCC's claim that it can fine broadcast licensees for "fleeting expletives" with the dreaded "arbitrary and capricious" label, giving a victory to Fox Television Stations in particular and to broadcasters and the First Amendment in general. The FCC's finding against Fox is vacated and the rule is remanded to the Commission for a do-over. To recap, the FCC under **Michael Powell** reversed a finding of its own Enforcement Bureau regarding fleeting f-bombs uttered by rock star **Bono** during an awards program on NBC. EB said the incident was not actionable. Powell said that from now on, if the fleeting utterance included an f-bomb, it was actionable. Fox had been nailed (without a fine) for similar incidents involving remarks from **Cher** and **Nicole Richie**. Fox argued that the FCC has provided no reasoned explanation for pulling a 180 degree turn on its enforcement of fleeting unplanned expletives. The Second Circuit agreed, faulting the FCC "...for failing to articulate a reasoned basis for its change in policy." Judge **Rosemary Pooler** wrote that "...the FCC's new policy regarding 'fleeting expletives' represents a significant departure from positions previously taken by the agency and relied on by the broadcast industry."

So fleeting expletives join the ever-growing list of FCC actions sent back for further consideration. Now we'll watch to see if, how and when the FCC revisits the fleeting expletive issue.

FCC Chairman **Kevin Martin** expressed his astonishment that the FCC decision to hold broadcasters accountable for fleeting expletives uttered over the airwaves was struck down by the Second Circuit Court of. He said that it was the court, not the FCC, that is "divorced from reality." One key player, Senate Commerce Committee Chairman **Daniel Inouye** (D-HI), suggested that a visit to a higher court was in order. Martin reacted strongly, saying, "I completely disagree with the Court's ruling and am disappointed for American families. I find it hard to believe that the New York court would tell American families that 's**t' and 'f**k' are fine to say on broadcast television during the hours when children are most likely to be in the audience."

Meanwhile, the FCC rules, in obedience to the Broadcast Decency Enforcement Act signed into law by President **George W. Bush** on 6/15/06, have now been officially changed, and what used to be a 32.5K top drawer fine that could be levied on any broadcast outlet found to have engaged in "obscene, indecent or profane" programming has now been extended to 325K. 325K happens to be the old ceiling "for any continuing violation." The new price tag for a continuing violation, should you be so inclined to commit such a thing, is now 3M.

SmartMedia observation: On-air slip-ups have traditionally been treated as: on-air slip-ups, not worthy of a major punitive action. If a broadcaster airs this kind of material with the intent to pander or titillate, then they still are fair game for the FCC. One of the problems, as we understand the ruling, is that the FCC went ahead and impulsively changed the rules without providing any opportunity for public input. Perhaps a Notice of Proposed Rulemaking will result in a new fleeting expletive rule that will survive court challenge. Or, maybe other indecency rules will be struck down due to the vagueness of the definition, the apparent randomness of enforcement, and now, the harshness of the possible penalty. Or maybe the FCC will move on to the Supreme Court. Stay tuned. ■

Lots of station inventory on the market

Heavy private equity interest in broadcasting stations has brought more inventory onto the market—lots more. Nexstar put its entire television group up for sale, then a few days later LIN Television did the same. Lincoln Financial Group decided to hand out the for sale sign for Lincoln Financial Media, the former Jefferson-Pilot Communications, consisting of both radio and TV stations. And, most recently, News Corporation said it was taking bids on nine of its Fox O&O stations in markets #17-47.

That's a lot of new inventory. Meanwhile, Clear Channel has not quite finished its sell-off of 448 radio stations in 88 markets—and will have to sell some more in larger markets if shareholders approve a going-private buyout the eliminates grandfathering of some over-size clusters. Citadel has just begun the process of tightening up its radio portfolio after acquiring the ABC Radio group. And Univision's new owners have indicated that they expect to sell about a half-billion in assets, consisting of its record label operation and non-core radio stations. These current sales come on the heels of Clear Channel selling its entire TV group, The New York Times Company doing likewise and CBS Radio divesting a number of its smaller markets.

What this has not done is depress prices. Private equity is backing the principal bidders on every big deal. Multiples remain in double digits for anything in a decent market. It is an interesting cycle, with the new private equity players bidding fiercely, while the publicly traded companies are generally have to stay on the sidelines—except, of course, for those who are in the action on the sell side. ■

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Creating value in Sports Radio

From the age of five until I was 15 I wouldn't go to sleep at night without hearing the sweet sounds of **Vin Scully** calling the Los Angeles Dodgers baseball games. My childhood heroes were **Steve Garvey, Davey Lopes, Bill Russell, Ron Cey, Steve Yeager, Tommy Lasorda, Reggie Smith** and whoever else donned the Dodger uniform. I couldn't believe how incredibly cool it was that every time a Dodger hit a home run, Unocal 76 gas station would donate \$50 to the Boys and Girls Clubs of Southern California. If the gas tank in my parents car was nearing empty and I saw the orange ball that signified a Union 76 gas station, I implored my mother to stop there for gas. When I was in the supermarket, I would get nasty if my mom chose the breakfast meats of a brand name any other than Farmer John. After all, Vin Scully would talk about these products during the Dodger games. I was too young to really understand how it worked, but for some reason, it worked on me as a child and still works on this grown up man today.

Today, in fact, I have labeled that phenomenon. I call it "the point of differentiation theory". If all things are considered close to equal; price, quality, convenience and service, people will make the choice of one product over another because a product or service has tapped in to a person's passions and loyalties. There is not better place to do this than by tapping in to the deep and irreplaceable passions of a sports fan. We are the people that will spend hundreds of dollars to take our family to a ball game, hundreds of dollars on team jerseys, hats, foam fingers and other pricey merchandise options. It is the reason why we will pull in to Union 76 over another gas station, open a checking account at one bank over another, stop in to one fast food chain over another.

In the 30-plus years since I started listening to baseball on the radio, the game has changed a bit. The players have gotten bigger and stronger, the salaries are much larger, the players have become celebrities, and free agency has forced frequent roster changes. But, when over seven million people annually go through the turnstiles to watch baseball in New York, you know there exists an enormous market to deliver your message. It took a significant amount of time to realize I could actually make a career of this and feel totally fulfilled.

Baseball on the radio is as powerful a media vehicle as exists in the increasingly competitive world of advertising. The landscape for marketing opportunities has expanded to a never before seen level. You can buy nearly anything you can dream up. The bootstrap on a jockey, product placement on a hit TV show....baseball on the radio has a unique ability to pull generations together and break through to a listener in a unique way. That way is hidden in knowing exactly who you are reaching....a fan.

Five years ago I had the opportunity to come to the center of the media world, New York. Being a baseball on radio junkie, I knew there were only three places that would draw me away from my home state of California. Sure the west coast has the advantage of 100% drive time games, but New York, Boston and Chicago have the teams, the brands and history that would deliver success to any client who ventured to sample the power of baseball on the radio. It is a very simple model to follow; come up with a great idea that ties in with the broadcast; "Keys to the Game" for a car dealer, "Call to the Bullpen" for a wireless company, "Game Time Temperature" for an air conditioning company. You add to that a strong media schedule customized for the clients needs. Maybe it's a live :10 announcement in the game which is heard on the entire network of stations or a :30 announcement voiced by one of the players or announcers. You finish the program off with a strong merchandise program that allows a client to recruit or retain top talent. It can be used to set up a sales contest where a company can give its top sales person from the month a pair of seats in the luxury box.

After spending eight years selling and managing sports radio in San Francisco I made the move to New York. While the market was bigger, more intense and more demanding, selling baseball on the radio was as consistent as I expected. They are a few keys to understand to what makes success in this business. You have to be willing to call clients. Deals are too big to just involve one level of the buying process. You have to tap in to all boundaries of influence which usually include many people at the advertising agency and many others at the client.

The conversation usually starts with the client and once a good idea is conceived to address their needs, the program works its way to the advertising agency for an analysis and negotiation.

In the play-by-play world on radio, we are not as affected by the same barometers as a regular radio station. We are not as affected by avail business, many decision makers do not want to be bothered by a media option that to date does not have a standard evaluation process. If we are doing our job, we are not talking about costs per point, but rather what the program is going to do to positively affect our clients business.

The key difference in this business from when I started nearly 15 years ago is the access to information. When I began, I used the phone book, the book of lists, newspapers, other radio stations and team sponsors to generate my leads. Today, all of that is available on line. When I have a group of interns, I think how easy they have it that at the click of a button, all this information and research is available to us. Every once in a while I will call for a "tech free day" where upon my staff shuts their computers down and are forced to use the phone, get out and see clients, communicate in a world that has lost some ▶



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SELLING SPORTS

of its one to one touch.

I have been fortunate enough to learn from some of the greatest play by play radio minds in the business. **Julie Kahn**, who now heads up the Entercom Radio Group in Boston, **Sam Nein**, who is now a radio executive in Orlando, Bob Sargent, who is the Director of Broadcasting for the San Francisco Giants, **John Whelehan** and **Rich Zirkle**, who now runs his own advertising agency in San Francisco and **David Bramnick**, who is a radio executive in San Francisco were a few of the people that influenced my career in the early days to understand where and how money in this business is to be made. The one thing all these "mentors" have in common is an undying passion for what they do and an ability to express that passion in a simple, understandable way. It just so happens that common passion is for radio. I look for that in everyone I hire, with and work for. That passion can translate to an ability to come up with creative ideas and understanding how to make the connection between our audiences of rabid passionate fans with our clients' products.

Before any of my sellers put an idea on paper it is critical that they believe what they are presenting is something that will work for a client. That is a combination of understanding what a client is trying to accomplish, knowing the audience that is listening and knowing what will move them to respond. Play by play sports on the radio is available to everyone. If you represent a team like the New York Yankees or New York Mets, the hard part of what we do starts with the team owners. I often tell the story of **Donald Trump**. Donald Trump does a sensational job of marketing the Trump brand. He wants it to be known around the world that his real estate is some of the most beautiful and most expensive on the world. If his property is not the most expensive per square foot, he will raise his prices. If you buy a condo in one of his building, anyone in the know, understands that you have just purchased some of the most expensive real estate in the world. When you go to a cocktail party, you don't brag to your friends about buying the most expensive real estate in the world, you talk about buying a place in Trump Plaza. Your audience knows what you did and is usually quite impressed. They think "wow, this person has really made it big time. They must be doing very well for themselves."

The same holds true for a partnership with the New York Yankees. They have the highest payroll. They have the most expensive food and tickets. They have the most outspoken owner in the league. When we sell a sponsorship of the New York Yankees broadcast to a client, we sell all of this with it. We want the CEO of our client's company to talk about it at the cocktail party and have his friends and associates think, "wow, this company must really be doing well. They are involved with the New York Yankees". One of our clients, **Gerry Matthews**, from the Greater Gotham Mini Dealers tells me, "Icons hang out with Icons". He can see Mini hanging out with the Yankees. Sure, there is more that needs to go into a successful play-by-play radio campaign, but this is where it all begins. I have coined a term for this. It is "borrowed imagery". Borrowed imagery in its simplest form is the value a client places on the association with a brand that is very well respected and developed. It is something that helps shorten the time it takes to develop a brand to maturation and respect. It is the reason a client or fan is willing to pay more for their association with the New York Mets and Yankees than they are for a team of lesser notoriety.

One of the greatest challenges I face as the Director of Sales for CBS Radio Sports is working with my staff on the value of

what we sell. I don't feel comfortable having any of my sellers or managers leave the office without a firm belief in the value of what we sell. If they don't believe in it, there is no way they will be able to convince our clients and prospects that what they are buying is worth what we are asking. Sure there are negotiations, but the value must be there. Recently, I hosted an all staff meeting where I performed an exercise to see exactly what my staff thinks the value of our product is. With 20 people in the room I asked everyone to write down how much they thought a half season baseball play-by-play sponsorship was worth. The elements of the sponsorship were the same. It included a :30 announcement in 81 Mets and 81 Yankees games, a feature in every game and a merchandise plan that included tickets and luxury suites. I collected everyone's notes and read the answers aloud to the group. The range will astound you. The highest number was \$550,000. The lowest was \$75,000. Having read this article and understanding a bit about how my mind works, you can imagine what I did next. I sought out the person that wrote \$550,000 on their paper. Gave them a big pat on the back and said "I want you to take a more active role in helping me train this team on value". I then found the person who wrote \$75,000 and set up a daily training session on how baseball on the radio works and why it is worth more than he believes. That is a work in progress. I'll update you in the next article.

After 15 years in this business, it is time to give back a little bit. I love nothing more than having a young, aggressive, eager sports fan in front of me that just wants the chance to be involved with the Yankees or Mets. I tell him or her in that first meeting that I am not looking for the person that is just happy to put the uniform on, but the person that wants to win championships and is not satisfied until we do. I look for a passion and drive that will help our clients see how great sports on the radio are and can express how powerful it can be for their business.

I only ask of my staff what I ask of myself. Every year, I want to be the number one billing team in the country. I want to renew our clients at an 85-90% clip which means it is working for them. I want to service our clients and over deliver so that it is a fairly easy decision to come back year after year. I want to come up with a few new ideas that either have not been done before or that we do better than anyone has before.

Today, I hope that I am not that much different than the kid that would lie in bed with my dad listening to every inning of every game, except for the five-six games a year I actually went to the stadium and was convinced they won every time I was there. I still have the same wonder and passion for a game that is so beautiful and so simple at the same time. I still wish I could play shortstop for a major league baseball team. For now, the next best thing is helping to provide a free place for every baseball fan to enjoy their favorite team whether they are listening while sitting on their grandfather's lap, hanging out in the back yard barbecuing or lounging on a towel at the beach. There are a few things we all have in common.....we love the sports, we love our team and we are just waiting for the next **Kirk Gibson**, **Aaron Boone** or **Bobby Thompson** moment and we sure as heck don't want to miss it. ■

Noel is Director of Sales/GSM for CBS Radio Sports - New York Yankees, Mets, Giants, Nets and Devils. He can be reached at NWax@wcbs880.com or 212-975-2204.

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Baseball on the radio: a tangible product

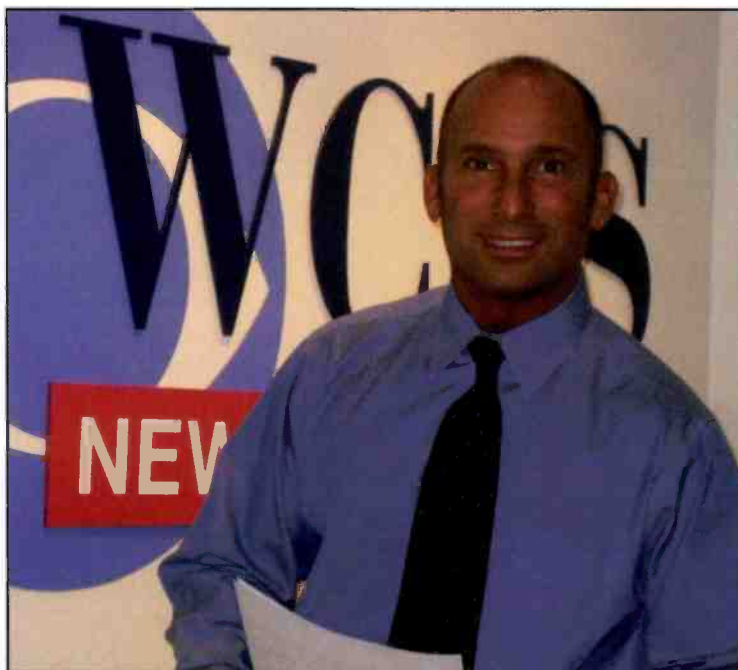
Baseball on the radio is the consummate double-play; they were made for each other. **Vin Scully, Ernie Harwell, Mel Allen, and Jack Buck** are just a few of the legendary sportscasters over the years that have painted vivid pictures through the spring and summer months. They tell the story and they sell the products. Baseball on the radio is a portable buffet available in the home, the office, behind the steering wheel, inside, outside...anywhere. As the game deliberately whirrs on, colorful sportscasters fill the breaks in the action with memorable anecdotes from the past and possibilities of the present. Baseball on the radio is a constant companion.

For an advertiser, baseball on the radio is much more than a string of 162 spots from Opening Day in April to the final out in early October. Baseball sponsorships are not based on market cost per points, gross rating points, or corporate strategies. Selling baseball and sports is about passion. It's about heart. Walk down any street and you will see a fan proudly wearing a cap supporting their team. Sports fans, especially baseball fans, are like pet owners...extremely passionate and fiercely loyal to their team. Win or lose, baseball fans have an allegiance to their team and the only way they can truly follow their team throughout the season is on the radio; it is there day in and day out. When you represent a baseball club or a sports franchise through your radio station you have a very strong asset to sell. You automatically have a blue chip property that is widely known in the community and generally piques the interest of potential advertisers; it becomes a tangible product in an intangible business.

Over the years I have been fortunate enough to represent some distinguished sports franchises: the San Francisco Giants, the Oakland A's, the Golden State Warriors and currently the New York Yankees; arguably the most recognized and respected sports brand in the world. Selling baseball on the radio is a much different process than traditional selling. You leave the world of ratings, cost per points and cost per thousands behind for the chance to bring large-scale innovative ideas directly to clients; the opportunities are unlimited. Prospects actually return your calls; they all want to hear what you have to offer! I recall several years ago contacting

a law firm in the San Francisco Bay Area for the Legal Disclaimer Feature in the Oakland A's broadcast. They liked the natural legal connection as well as the association with the ball club and recognized the value of being a part of Major League Baseball. They had never been approached by a radio station for advertising in the past and looked at this as a pioneering way to market the firm so they decided to become a sponsor. During the season they witnessed great feedback from their partners as the campaign showcased the law firm in the competitive Bay Area while demonstrating their civic pride. They were so pleased with the relationship that they committed to the sponsorship for the next 3 seasons.

When selling baseball sponsorships you need a distinctive strategy. The way I secured the law firm was by taking a simple creative approach; basically linking the law firm with a legal feature in the broadcast. Being creative with baseball's vernacular can lead to many unique client associations and sponsorship opportunities: The Pitching Change sponsored by Oil Changers, Diamond Notes sponsored by Zales Jewelers, The Keys to the Game sponsored by Chevrolet, The Injury Report sponsored by Tylenol, and the 7th Inning Stretch sponsored by a local Orthopedic Medical Center are just a few examples. A cool, custom, and creative campaign can be crafted utilizing play-by-play media, website/online elements, promotions, merchandising, and hospitality.



When you sell baseball or sports on the radio you become an extension of the team and you can offer much more than a conventional advertising schedule to a client. As a sports marketing representative you are somewhat insulated from many of the challenges that face traditional radio sellers; you have a tangible product that people are extremely passionate about. It all starts by being creative and sharing a great idea with a prospect and letting it unfold from there. One idea can lead to another and before you realize it, you have worked collectively on a comprehensive marketing campaign that addresses the specific needs of the account... and when that happens, it's like hitting one clear out of the ballpark! ■

David is Senior Account Manager for WCBS/New York Yankees Radio Network. He can be reached at dscherman@wcbss880.com or 212-975-4662.

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Multi-platform sports marketing

Much has been written recently regarding the increasing challenges marketers face in trying to reach today's time-pressed, mobile, and multi-tasking consumers. These consumers are consuming more media than ever.

In the world of sports marketing, the number of sports available through media platforms, the mediums used for consumption, and the convergence between sports media and sports properties are ever increasing.

Sports marketing, across all categories and brands, has seen a proliferation of media mix, strategies, and tactics which are more divergent than ever.

The purpose of this article on multi-platform sports marketing is to elaborate on four major themes;

- 1- Why an increasing percentage of marketing budgets are allocated towards sports
- 2- Changes in the sports business landscape in a "four screen world"
- 3- How marketers should best approach multi-platform sports marketing
- 4- How sports marketers are progressing with respect to measuring Return on Investment

An increasing percentage of marketing budgets

Investment in sports for most companies continues to increase as a percentage of total marketing budgets. Leading brands must develop effective multi-platform sports marketing programs as they face an ever-increasing challenge to engage their consumer.

Sports are currently consumed by a broad range of fans on television, on the internet, on mobile devices and even on iPods. CEO's and CMO's are held accountable for directing sports investments to drive results through achievement of business objectives, rather than catering to personal passions.

The sports fan is bombarded with thousands of marketing stimuli daily. With technological advancements and proliferation of media platforms, consumers have more options than ever to obtain information and entertainment. Sports are platform agnostic, interactive, and touch on the deep-rooted passion of fans for teams and players for whom they have strong affinity. Sports offer an environment where brand integration is organic.

Because of time sensitivity around the final outcome, and subsequent debates, sports are viewed live more than any other program type besides news. The endless statistics and opinions related to sports prediction, and "Monday morning quarterbacking" delivers perfect content for all new and emerging interactive media forms. In response, sports such as the NFL and Major League Baseball have evolved from being sports leagues into media companies.

Changes in the sports marketing landscape

Multi-platform sports marketing efforts require thorough understanding of all media and properties because these main fan touch points are increasingly complex.

The media pipeline is ever-evolving, such that video, graphics, audio and mobile communication may be utilized. These vehicles offer a range of communication scale ranging from "one to many" (networks), "one to few" (websites and niche cable networks) and "one to one". Some examples are content uploads, podcasts and blogs. An effective sports marketing platform requires proficiency in using teams, leagues and properties leveraged by activating these marketing assets on-air, on-line and on-site.

Convergence has made it critical for any sports marketer or agency to understand both properties and media assets. Media companies have created properties (such as ESPN/X Games) and control property rights (FOX/BCS, and CBS/NCAA). Properties have been establishing media companies (NFL Network), and in many cases are vertically integrated, owning their own media assets (Pro Bowlers Association, LPGA Tour)

As convergence continues, sports media buying evolves beyond "spots and dots." The media activates sponsorships, and uses on-air features, as well as extension of these features on-line, to optimize brand impact. This is true both for vertically integrated properties, where 360-degree coverage may be secured from one organization as well as for rights fee driven properties.

Properties which have traditionally commanded rights fees (i.e.: NFL, NBA, or MLB) offer a range of points of entry for sponsors and ambushers, who must be strategically intercepted. In contrast, vertically integrated properties must buy their television time, but offer the sponsor full integration across a sport with respect to venue, on-air and online presence, players and teams.

Winning at multi-platform sports marketing in a four screen world

As a result of this convergence, a multi-platform strategy best serves the sports marketer where sponsorship and media buying are coordinated by one entity, with equal consideration.

This more complex marketing environment has driven the emergence of companies such as Optimum Sports, a division of the Omnicom media group, to provide channel and medium neutral consulting for clients.

As the quintessential hybrid of marketing and media capability, Optimum Sports exemplifies an organization which leverages the insight of a media firm's full arsenal of industry experts with full integration with experts in properties including on-site, use of rights property assets and other IP, and hospitality and tickets.

Services which exemplify a true 21st century sports strategy agency would include Media Strategy and Buying, Content Distribution, CRM and Activation Strategy, Property Consultation, Rights Negotiation, and finally, Research and Analytics. Clients benefit from this holistic approach immensely.

Return on investment...the "Holy Grail"?

Return on Investment (ROI) is often referred to as the "Holy Grail" of sponsorship, and recently there has been significant progress in understanding how multi-platform sports marketing may be evaluated across media and sponsorship assets.

ROI may be seen as a combination of hard asset value, on-screen exposure, direct sales, and movement in whatever brand metrics are identified as key measures by brand management.

There are various approaches to asset valuation, but this is generally step one in evaluating a multi-platform sports opportunity. Standards and values have become fairly uniform as industry professionals have crossed career paths and proliferated throughout the sports marketing industry. Whether the value of a Gross Rating Point, an in stadium impression on a scoreboard, or a hospitality package these assets can be reasonably ►





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.....

measured by many sports marketers.

The value of on-screen exposure is harder to measure. One company which has evolved this measurement into a management tool is Image Impact. Their interactive brandbase.tv application allows users to view each exposure within a broadcast. It measures the specific "DNA" and value of each logo exposure while considering the size, isolation vs. clutter, and duration on the screen of the exposure.

Direct sales are generally measurable as well. For example, a bank may track how many leads or customers were generated on-site, on-line or on-air with a unique response vehicle such as a phone number or web address.

The impact of multi-platform sports marketing efforts on brand metrics are harder to pin down and can truly be measured only through custom research or existing polls such as the TNS/ESPN Sports Poll. Custom research would entail cross-tabbing of brand measures, with fan avidity and association of a sponsor with a sport or sports. Depending on brand objectives, the overarching challenge is to find the link of media and sponsorship efforts to increasing awareness, brand consideration, purchase intent, revenue or profit.

An example of a successful multi-platform sports marketing program

One notable example of a recent successful multi-platform sports marketing effort is the 2006 launch of Dial for Men Body Wash by Dial Corporation. The campaign was driven by a multi-platform presence on ESPN, kicked off around the Daytona 500.

The program consisted of a weekly "Dialed In" feature on SportsCenter and an extension which drove viewers online. The hosts of SportsCenter debated a hot sports topic and asked viewers to go online to cast their vote, voicing their opinion on the topic of that week. When they got to ESPN.com the following day, they saw the results of the Dial for Men online poll.

Dial for Men also hosted a "Dialed In" sweepstakes on ESPN.com with help from ESPN "The Magazine" which built awareness for the "Dialed In" poll and sweepstakes leading to over 75,000 entries.

The final piece of the multi-platform puzzle turned out to be perhaps the most valuable equity building and promotion vehicle. Every Tuesday morning during the AM Drive radio program, "Mike and Mike in the Morning" and continuing throughout the day, millions of listeners were reminded to get "Dialed In" on ESPN Radio. Listeners were reminded to tune into the Tuesday evening broadcast on television to get "Dialed In." **Mike Golic**, who epitomizes the "regular guy", performed all media executions via live read.

On one particular day during the program flight, **Mike Greenberg** declared, "this is our best sponsor ever," alluding to Dial for Men's "Taking Back Your Manhood Means Taking Back the Shower" tag line. At the end of the day, and much thanks to this multi-platform program, sales of Dial for Men exceeded projections by a double-digit percentage.

Longer term implications

In response to all of these changes in the sports industry, the next generation of sports marketers will need a range of skill sets to succeed. Agencies will have to increase the range of their capabilities as well through organic growth and creative partnering and joint venturing.

Only one thing is certain. Fans will continue to consume a broader range of sports in increasingly diverse ways. In order to address this constant evolution, the sports marketer will have to embrace these changes and effectively communicate multi-faceted custom solutions to their clients if they want to achieve results. ■

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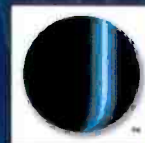


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Larry Gifford: Quick to score in LA sports scene

Just a few months after taking over as Program Director of KSPN-AM "710 ESPN" Los Angeles, **Larry Gifford** was voted Sports Radio Program Director of the Year by his peers at Rick Scott & Associates' Sports Radio Conference. That showed just how much of an impact he'd made in his short time in the LA market. It was something of an unusual move, in that Gifford went to programming the local station from heading programming for the ESPN Radio Network.

"I've gone from network to local twice now. I was at Fox Sports Radio for a while, went to a local station [WBNS-AM "1460 The Fan" Columbus, OH] to become a program director. Then I went to ESPN Radio Network to be a program director and then I left there to become the program director at KSPN in Los Angeles," Gifford noted.

"A couple of things really resonate with me. The thing that I really enjoyed at the network level was the talent you work with. I got to coach Mike & Mike in the Morning and Herd [**Colin Cowherd**] and **Dan Patrick** and really help evolve those shows. Then I really enjoyed the daily hands on making those shows better, finding out what makes them tick and really taking those shows to the next level. The one thing that I missed at the network level was the feeling of a radio station. There is something magic about coming to a station where you have a team of people working together, climbing uphill, trying to get to the top of the heap and it's like being on the front lines. At the network level, while the ratings are important, you don't live and die by them—at the local level you do," Gifford told SmartMedia.

To move those ratings up in the nation's top-revenue radio market, Gifford quickly made changes after arriving at KSPN. The biggest change, he said, was embracing the ESPN brand name and network instead of resisting it. "I changed the logo, the name of the station, the positioner and the sound of the station, just the whole image of what we do. That's had the most impact the quickest and now we have to gear up for the next big wave of what's next and a lot of that is digging deep and being better and preparing harder than the next guy and doing things bigger. You know in LA you've got to do everything big, it's Hollywood so people expect a show, so whatever we do, wherever we go, whatever we're on, we've got to really entertain the crowds," he said.

Like us, you've probably heard that LA is a lousy sports town. Gifford doesn't buy it. "If you take a look at the raw numbers, the Dodgers/Angels series outdraws Yankees/Mets.

On a given weekend you'll have the Coliseum filled and UCLA will have a full stadium and the Chargers will have a full stadium and then you've got the basketball teams playing, people are going to sporting events in this town and people do care about sports—and there is a passion for it—but what people have missed the boat on is that 50% of the people in Los Angeles aren't from here. So everybody has tried to go local, local, local, local, when in fact you need a good mix of local and national to be successful here because people still want to know about the Steelers, the Bears, the Giants and the Raiders. They want to know about their team. You can drive around LA and on a given Sunday there is the Packers' bar and the Steelers' bar and the Bengals' bar, so there are people from all over the country. You have to serve a lot of different masters and having that network experience and knowing how to really develop and hone the top stories of the day and put them through a local filter matters. We can serve everybody, rather than just trying to super-serve a smaller portion of the people that are interested in just the LA teams," he explained.

Still, play-by-play of the local teams is an important element. "We are the home of the Los Angeles Angels-Anaheim. This past year we were the home of the Los Angeles Clippers and we are the flagship station for USC football and basketball. Also, through the network we

get the NBA finals, the Major League Baseball All Star Game and World Series, the BCS Championship Games and the Sunday Night Game of the Week for baseball," Gifford noted.

But, we wondered, doesn't play-by-play sometimes interrupt the flow of attracting an audience for your Sports/Talk shows?

"It can be a plus and a minus. We got the rights to the Angels four or five years ago now, but I wasn't here at that time, the station hadn't really made the Arbitron ratings yet and that really propelled us into the ratings. Since then I believe that we have grown past that audience, but we needed that additional cume. In Los Angeles, unlike the East Coast, where play-by-play, especially for baseball, lands in the evenings, either at seven or 10 at night, depending if you're [playing] on the East Coast or the West Coast—here it could be four in the afternoon, it could be nine in the morning, so it can interrupt morning drive, afternoon drive, which can be a detriment. Like any good talk station, if **Rush Limbaugh** is not there everyday it's hard to build that audience," Gifford explained. "So if my afternoon drive show is hit and ▶▶





1/15/07 Voice of the Broadcasting Industry
Volume 24, Issue 109, Jan Carnegie, Editor & Publisher
TV News
Free speech 1, FCC 0
in split decision
The U.S. Court of Appeals for the Second Circuit in New York has been asked to

Business Report
Internet Media Business Report
What local media websites can do
2007 survey
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miss—you tune in one day and they're there and the next day it's an Angels game—it's hard to build that listener loyalty. So it's both. I see USC as a huge benefit for the station because there are a limited number of games, they're on Saturdays, they're big events, a community event," he said.

Gifford began his radio career as on-air talent, hoping to be a Talk host but finding more success as a news anchor and then transitioning to sports. But he says he now has no desire to go back behind a microphone.

"I was on the air for a good 10-12 years and I had a good run. The biggest problem I had as a talent is I never got coaching. I think I could have been good had somebody taught me how to do it. I use that sort of as my guide as I'm going through my career and I try to give as much feedback to as many people as possible and try to respond to as many people that contact me as possible—good or bad, I try to give them at least one thing they can work on. A lot of times people don't like to hear it, but ultimately I know I would have appreciated at least a letter or a phone call back when I sent out a gazillion tapes. When my program director heard something he didn't like, I wished he would have spoken up rather than just sort of let me go," Gifford recalled.

So, we asked him to give our readers some advice. "Well I think the important thing with talent is they have to be personalities. They need to have strong opinions, but they also have to be able to support what they are saying. I find too often talents who haven't been coached and trained will just throw grenades without any basis. I really teach my hosts how to look at a topic, develop it, put a unique spin on it, find the interesting angle, find the way to approach the story that nobody else is using and then figure out what's the payoff," he advised. "Our job is to take people on a ride. If you would watch a 'Friends' episode on TV and they were building a story line—and at the end it just sort of fizzled out and there was no punch or payoff, you probably wouldn't watch it again. But they always had those punch lines at the end or somehow the story came to a conclusion. That's the biggest problem—nobody knows how to get to the payoff of what they are talking about," he said. So, whether the personality is truly objective or a somewhat biased "homer," it's important to be genuine and be able to back up what you say. "People know if you're faking it, so if you don't believe what you're saying it's not going to resonate. The biggest thing is to do your research, believe what you believe and figure out creative entertaining ways to deliver the message," Gifford said.

No doubt, lots of people in smaller markets drool at the prospect of breaking into the LA market. So, how do you do it?

"I say if you really want to work in Los Angeles the best way to do that is to move there. Not that I'm guaranteeing you a job, but it's a lot easier to hire somebody when they are in your backyard than if you have to move them, especially for part-time—and that's the best way to get into LA radio or New York radio. My first job in LA was when I had moved from Philadelphia because my wife got a job and I was unemployed for six months. But because I was in LA I got hired. Had I been across the country, no way they would have moved me across the country for part-time work. And then that part-time led into a full time with Fox," Gifford recounted. "Go where you want to be, where you want to live and find your way, knock on doors, make contacts and listen to your friends...friends will tell you what you need to hear and I think too often people try to follow their dreams, instead of following what they are good at. If you listen to your friends and your co-workers and your mentors and really take their guidance, you'll know whether you can make it or not. There are some people who have it and some people who don't, and you've got to do a self-evaluation and a gut check—are you the best that there is? To work in LA you should be, or at least have that capability." ■



KSPN PM Drive Hosts John Ireland (l) and Steve Mason (r) interviewing NFL MVP and Chargers running back LaDainian Tomlinson at the Inaugural 710 ESPN Southern California Sports Awards which raised \$16,000 for LT's Touching Lives Foundation.



710 ESPN's stage outside USC Football Games.



ABC 7's Curt Sandoval (l-r) and 710 ESPN's Steve Mason and Dan Patrick hosting USC Pre-Game outside the Coliseum prior to last year's home opener.



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One on One

Traug Keller

taking the ESPN brand ahead of the curve

By Carl Marcucci

Traug joined ESPN as SVP/ESPN Radio and ESPN Deportes in December 2004. He's responsible for all aspects of ESPN Radio including talent, staffing, national programming content, scheduling, event production and coordination with ABC Radio Networks/Citadel for ad sales and affiliation needs.

Keller is also responsible for ESPN Deportes, coordinating synergistic efforts with ESPN's domestic operations as well as enhancing and developing ESPN Deportes' relationships with affiliates. They recently added oversight of the Bass and Outdoor business of ESPN.

Keller took on the role of Bristol, CT integration for Mobile ESPN in June 2006, responsible for developing new, potentially exclusive, video content for the phone, driving more integrated promotions of Mobile ESPN on-air, and serving as Mobile ESPN's rep in evaluating and executing on all other Mobile ESPN synergy ideas.

Prior to joining ESPN, Keller was President of ABC Radio Networks, responsible for the ESPN Radio Network as well. He joined ABCRN as VP/Eastern Sales in 1994. In 1997 Traug named EVP/Ad Sales and Marketing for ABC Radio Networks, including Radio Disney, ESPN, syndicated programming and Internet sales.

Prior to joining ABC, Keller was the NY Sales Manager for the CBS Radio Networks and held several different marketing and sales positions with the NY Times Company. FYI—in case you were wondering, "Traug" is an old German family name. Here, we ask him about the great success ESPN has been enjoying.

Q. What are the biggest challenges ESPN Radio faces today and down the road?

I think the current challenge right now is taking on the stewardship of the five O&Os and getting them into the culture of ESPN. That's the immediate thing. Longer term, something that I think we've done a fairly good job with is just keeping up with the growth explosion of the various new media opportunities. Whether it's HD, podcasting or dot com. We're doing satellite, we're doing all of that, but it's making sure we're still on top of our game.

As we move down the road it's critical that we continue to satisfy our listeners as we have for 15 years on radio, and successfully expand our fan base on new platforms.

Q. How does the Citadel deal change the selling and sales support with ABC Radio Networks?

We had a separate force all along that sells in conjunction with the ABC Radio Network Team and that will continue, that partnership on the sales side. Our sales team works with the overall ESPN/ABC Integrated Sports Sales Marketing Group and then they will be working with the ABC/Citadel folks as well. We look forward to a good partnership with Citadel. The dedicated sellers for ESPN Radio are staying with us and as they interacted with the ABC Radio Networks folks that will continue.

Q. Are you looking for more O&Os?

Primarily we are in the content business and we have great relationships with our 326+ 24/7 affiliates. There are very, very few holes but where there are opportunities we will absolutely take a hard look.

Q. The whole concept of keeping those ESPN stations was because they are just great stations in big markets, right?

Absolutely and more importantly they serve as local touch points for ESPN with the everyday sports fan.

Q. How important is radio in the scheme of things to ESPN since it was one of the two small radio portions Disney elected to keep when it sold off the bulk of it?

Our Mission Statement at ESPN is to serve sports fans wherever sports are watched, listened to, debated, read about or played. Clearly radio is fulfilling that mission. The fact that ESPN-Disney kept the five owned stations certainly speaks to the importance of radio to ESPN. There is an abundance of internal research at ESPN that shows radio plays an extremely strong role in complimenting all that goes on with television.

Q. How is ESPN leading the way in digital audio?

This, is I think, the area we are the most proud. I think that we have truly been innovators. Led by **Marc Horine**, our new media business continues to lead the radio industry. We're constantly innovating and looking for new ways to connect sports fans to our content, our talent and our advertisers.

We've also launched seven new websites including all five for our O&Os, created a local podcasting network, launched a super media player, which integrates national and local podcasts and insider clips, live webcams, for Mike & Mike and Colin, wireless applications and we also launched three very successful online video games.

To give you some examples of ESPN Radio.com's growth and leadership in the digital radio industry, chew on these numbers: ESPN Radio.com—the ESPN Radio national feed in our five owned stations draw more than 240,000 monthly online radio listeners (Ando Media Web Metrics). In the past six months our fans have logged 17.6 million listening hours on ESPN Radio.com. ▶▶

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New product adds tangibility to radio spot sales

Over the past fifteen years, Power-Link Software Systems has become well known to broadcasters across the United States and Europe by providing software to interface the stations' traffic system with its automation system. Now, Power-Link president **Rick Rowland** is taking his solution-based approach to software design to the next level in launching a new generation of ad playback software for the radio broadcasting industry.

"Growing up", Rowland says, "my father always told me that one of the hardest things about selling radio ads was that you were sending out a bill at the end of the month and had nothing to show for it. This (new product) brings some tangibility to radio sales." The product is Proof of Play, an airplay confirmation system that will use the stations' "as run" information (the computer-generated commercial play data) to provide the broadcaster and the client with the ability to log into Proof of Play and hear each commercial that ran as well as see the time that it played. The potential benefits for the station are almost limitless and Rowland and programmer **Tim Law** are encouraged by the feedback they got from broadcasters at the NAB in April.

Rick Rowland grew up in radio. His father is FM radio pioneer **Marshall Rowland**; the man behind country powerhouse stations WQIK-FM in Jacksonville and WQYK-FM in Tampa, among others. Marshall Rowland is retired and out of the radio business, but Rick Rowland has retained a connection to the broadcast industry by parlaying a software patch he wrote while he was chief engineer at WGUF-FM in Naples, Florida, into a successful business with over two thousand radio stations on his client list.

"We were using the DARTS traffic system and a Digilink playback system and the two didn't communicate", Rowland explains. He wrote a software patch to make the two systems work together for schedule confirmation and reconciliation. Someone at Columbine heard about it and, in response to client pressure, asked Rowland to write something similar for them. That was the end of Rowland's career as a station engineer and the beginning of Power-Link Software Systems. Today, with a solid understanding of the needs of broadcasters and a couple of thousand satisfied clients, Rowland is launching Proof of Play with an eye to revolutionizing ad play confirmation.

The idea came to him, he says, when he heard that Verance was ceasing operations in December of 2006. Verance provided audio watermarking for advertising agencies, and with their departure, it seemed to Rowland that there was a newfound need for ad confirmation. The difference between the service Verance provided and Proof of Play is that, where Verance served the agency side of the business, Proof of Play is designed for the broadcast industry and tracks the ad from the station side.

The concept is fairly simple. Proof of Play records the client station's audio onto a Proof of Play server and, matching it with the "as run" information submitted by the station, provides a means for the station to log onto the Proof of Play server and click on a link to hear the commercial as it played over the air at a particular time. The benefits for the station are many.

By providing third party verification of ad play complete with the audio of the actual ad that played, the broadcaster can provide the client with indisputable proof that the commercial did indeed run as ordered. The Proof of Play server additionally records up to three tracks of metadata, so the time of play, station's signal strength and real time copy information from the station's automation system will be available to the broadcaster

and the client with just a few mouse clicks. The station's account executives will be able to send email to their client with a hyperlink so that the client can hear for him or herself that the correct commercial played at the time it was ordered.

Rowland is working with various traffic software companies so that links can be embedded into electronic invoices, providing a virtual "aircheck" of the client's schedule. He is also working with the AAAA to incorporate AD-ID (formerly ISCI code) information into the data recorded by Proof of Play. This would enable the user to follow a hyperlink from the Proof of Play web site to the AAAA web site, providing access to all ad information for agency produced commercials. Eventually, one of the intentions is to be able to present now only what has aired in the past, but what is upcoming.

Beyond the obvious benefit of providing advertisers with third party confirmation that the correct commercial aired at the scheduled time, the



Tim Law and Rick Rowland

Proof of Play system will save broadcasters countless employee hours wasted each month checking logs and listening to spots in master control, trying to confirm that the correct spot did indeed air as ordered. There are also implications for log reconciliation by the traffic department. Any commercial in question at the time of reconciliation can be verified from the desktop of the traffic employee.

A hierarchy of permissions is built into the system so that a user can only hear certain commercials. Proof of Play clients will have an administrative login and can determine the system of delegation for access to the information. Administrators can designate super users with access to all information who will then allocate permissions to station personnel and advertisers. Therefore, Toyota will be able to hear Toyota spots, but not Ford spots. "This is not a media monitoring service" says Rowland. "Proof of Play is a system to confirm that the correct media was played at a specific time".

"There are basically three aspects to the purchase of a commercial", Rowland explains, "the facility and their signal strength, the time of day that the commercial airs, and the contents of the commercial media. Proof of Play confirms all three elements."

Rowland has a patent application pending for Proof of Play and expects to launch the completed product in August or September. Broadcasters can visit ProofOfPlay.com for more information or to schedule a product demonstration. ■



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Re-evaluating the media mix

Here's a radical idea: let's try to make media planning decisions based on what works, rather than on what "everybody" thinks will work. In the rush to advertise via new media like social networks and mobile platforms, it seems that no one has stopped to ask whether the new way is really the right way for companies to reach their customers. Perhaps it's time to take a step back and re-evaluate what we know about new and traditional media, instead of what we only think we know. In doing so, media executives might realize that traditional media like radio should be a significant part of the media mix.

Advertising is a business of perceptions. Whatever the ultimate objective of an advertising campaign, we generally must start with communication that affects perceptions (awareness, interest, preference, etc.) of whatever it is we are advertising. We expect that change to eventually drive behavior in a way that is positive, but we all know there are a multitude of other factors that will affect the outcome. So the first and most valid gauge of the success of advertising activity is how it impacts perceptions.

Given that, I suppose it's not surprising that the primary forces that drive advertising decision-making are also based on perceptions. *Billions of dollars* of advertising media are budgeted primarily on the basis of our collective opinions of which media will be most effective. This has probably always been true, but after 30 years in this business, I would have thought we would be closer than we are to making these decisions based on empirical data that would reliably predict the return on media investment decisions.

Sure, we have lots of data, but most of it serves primarily to help choose between tactical options (which stations and shows to buy), rather than strategic media alternatives (TV, radio, interactive, print), or between marketing strategies (advertising, PR, consumer promotion, direct sales vs. retail channels, etc). The numbers give comfort to those who must approve advertising expenditures, but in my experience most of the data is used to support decisions that are already made based on intuition and consensus, rather than to drive those decisions in the first place.

In our media-saturated world, marketing and media have themselves become subjects of broad media interest. It seems everyone, inside our business and out, has an opinion about media and advertising. TV ratings are reported like sports scores in the newspapers; advertising campaigns are reviewed like movies and books; new technologies (that seem to arise on a weekly basis) are heralded breathlessly as completely changing the way people will consume information.

All this public interest results in a kind of feedback loop in which minor or isolated developments are magnified to volumes that seem to portend cataclysmic change. A handful of major advertisers forgo the annual network TV upfront market, and pretty soon the end of the upfront is a foregone conclusion. Someone notices that young men spend more time with videogames and the Internet than they do with broadcast TV, and it's assumed that in a year or two the rest of us will be following suit. When one of the major media companies fails to meet Wall Street expectations, it's interpreted as further confirmation that the medium itself is on its deathbed.

Such is the case with radio today. The prevailing belief seems to be that radio, along with broadcast television, newspapers and magazines, is a "traditional" medium on the way to oblivion, victim of inevitable conquest by New Media that will continue to grow at double- and triple-digit rates until they monopolize the time and attention of every one of us. Satellite radio, iPods and Internet radio

attack from the outside; clutter, format consultants and ownership consolidation eat away at the audience from the inside. In this environment, many media professionals are reluctant to recommend radio for fear of being seen as fossils who have not adapted to the supposed new reality of today's media environment. The *perceptions* about the media, including those held by people who are not directly involved in the media industry, are thus overly influencing decisions that rightly should be based on actual results.

This is not congruent with a philosophy of Media Neutrality, which holds that all media decisions should be made from an unbiased point of view that focuses on the results delivered for the dollars expended. In my experience, radio continues to perform well against that benchmark for many of our clients, especially those in retail and food service categories that can quickly perceive the effects when they advertise (and when they stop). At the risk of being labeled a fossil myself, I believe that radio has much to offer, including:

- **Reach:** For a "dying" medium, radio sure has a big audience. Over 70% of all persons 12+ listen to the radio each day; over 90% in the average week. Alone, or especially in combination with other media (TV, Internet, outdoor, newspaper – you name it) radio can significantly increase the overall reach of your campaign.

- **Immediacy:** "Recency theory" suggests that the most effective advertising impressions are those that occur nearest the time when the purchase decision is made. Because the largest proportion of radio listening occurs during the daytime, often while driving in the car, radio can often be the last ad exposure before the customer chooses a restaurant, retail store or other buying opportunity.

- **Brand Integration:** While the placement of products into the content of TV programming has been a hot topic in the past few years (like Ford in *American Idol* or Sears in *Extreme Home Makeovers*), it's old hat in radio. Radio personalities are masters at integrating brands and product benefits into their programs, and this kind of advertising has resulted in many of the medium's greatest success stories.

- **Cross-Media Integration:** Radio station owners are not standing still waiting for New Media to steamroll them. They realize the value of the Internet to extend reach beyond their over-the-air signals, and to strengthen the relationship they maintain with their listeners. This creates a platform for advertisers to engage their audiences in multiple ways, and in a different manner than the one-way channel of broadcast. Radio also plays well with others; very effective campaigns and promotions can be executed that combine radio with TV, out-of-home or newspapers.

- **Promotions:** Radio is a fertile source of promotional ideas, combining both on-air as well as interactive, events and other grass-roots tactics.

- **Targeting:** Program formats continue to be an effective way to segment audiences into narrower slices that share common tastes. Savvy advertisers take advantage of this by carefully choosing stations and differentiating the advertising messages they use.

- **Buyer's Market:** The Q1'07 advertising revenue data released by the Radio Advertising Bureau shows only a 1% increase over Q1'06, including a slight 1 percent decrease in March. Thanks to perceptions, radio costs are rising slower than other media, making it potentially an even greater value with better ROI potential than ever. ■

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A look at Fresno's double-barreled sports franchise

It would be difficult to make the argument for local radio any better than by telling the story of **Chris Pacheco**. He got his start selling radio ads back in 1986, at the same time he was sacking quarterbacks, tackling running backs and inscribing his name on the Dean's List for the Fresno State Bulldogs. After a one-year detour with the Los Angeles Rams, he was back on the Fresno radio scene and quickly segued into management.

Pacheco has certainly seen his fair share of deals go down. Since he started, he's worked for McClatchy, Henry, NewTex, Patterson, Osborn, American Radio Systems, Infinity, and now, finally: himself. His Fat Dawgs 7 Broadcasting LLC is the owner and operator of sports 1430 KFIG-AM after acquiring it in a \$2.5M deal back 2005. Despite getting caught up in an environmental squabble over a tower project that made national headlines in the broadcast trades, Fat Dawgs has performed well enough to justify another 2.4M outlay for a second AM station, the cap-related spin-off of KFPT-AM from **Todd Lawley's** Peak Broadcasting following Peak's acquisition of the local CBS Radio cluster.

He beat out another investment group to get KFIG. "I had long-time relationship with the GM of the station and met for breakfast a couple times and expressed my interest in fulfilling a life-long dream to be a station owner," explains Pacheco. "Another group with independent investors was in negotiation on the purchase of the station and I had to aggressively come in and sell the idea that local ownership would have a better chance to succeed and prove I had the means to move quickly with real dollars to get a deal done and get the ownership out of the deep liability issues they were facing."

Fresno is a decent-sized market. Arbitron pegged it at #66 in the Fall 2006 survey with a 12+ population estimate of 723,400. But it's not big enough to support a professional major league

team in any of the big four sports.

So how do you run a sports station in Fresno? "Old time Radio," said Pacheco. "We put money into the sales staff to get good people who could sell an already great product. And then we went back to the old idea of local radio being involved in the local community. We did our local shows anywhere they would have us. High school, college and pro athletic events, restaurants and local businesses. We built sizzle and sold that sizzle. The previous regime felt there wasn't much need for marketing. We marketed OVER THE TOP!"

Fat Dawg has created its own civic event to draw in the community. "This July, we will be hosting our second annual Central Valley ESPY awards, where we hold a huge, academy awards-like event to honor our local athletes, from high school to pros, a la the ESPN ESPYs and next season we will enter our third season of holding a huge three-hour pregame show and tailgate party for over 1,500 Bulldog fans each home football game at Fresno State." KFIG is still working on getting broadcast rights for the Bulldogs, which Pacheco sees as a key element to running a local sports-based radio enterprise.

The station's programming is locally-based sports talk, with fare from ESPN and play-by-play mixed in. Air talent is local from 7AM-7PM with the exception of ESPN's **Dan Patrick** in mid-morn-

ing, with network feeds overnight.

And while Fresno may be light on major league teams, the state of California is not, and Fresno is situated to get the pick of the athletic litter from both San Francisco and Los Angeles. Research has pointed the station to its signature teams. "The Valley is divided between loyalty to LA and to the Bay Area, due to our location, but there is a significantly larger Giants fans base than Dodgers, with the A's, Angels and Padres ▶



far behind. This is a Niners town with a strong Raiders fan base, however, the Raiders are a tough sell due to socio-economic issues which led to that decision. As for basketball, the Kings and Warriors aren't even in the same stratosphere as the Lakers." The stations also carry San Jose Sharks hockey, The Central Valley Coyotes Arena Football team and Fresno State's Olympic sports.

Stations. We said stations. KFIG has done so well that it has already acquired a little brother (the term "sister station" seems inappropriate for this male-dominant format). 790 KFPT-AM was an expendable asset for Peak Broadcasting. Pacheco got to know Peak's Todd Lawley, and in fact had put a bid on the entire cluster when CBS put it on the market. His cluster bid was light, but when KFPT came on the market, he snapped it up. Pacheco has already flipped it from liberal talk to a complementary sports format.

"We looked at our strengths, our ESPN Radio brand and our strong local programming, and decided that by adding a second sports station 'The Deuce,' as Susquehanna had done years ago in San Francisco, we could provide the clearance desired by ESPN Radio to protect that valuable brand and give us space to add a three-hour morning show on 1430, thus making it the most powerful local sports-talk vehicle, by far. We also have extra inventory to add products such as USC Football and are looking at other local and national products to add as they come available. Last but not least, we now have the inventory to carry the men's and women's sports at Fresno State which would be a long-term strategic goal.

Besides keeping ESPN happy, another important advantage provided by the station is keeping key program segments alive when play-by-play commitments barge into the normal daily schedule. "We simulcast our afternoon drive show on both stations because frequently, when the Giants are on East coast road trips, our afternoon drive would get wiped out for a week, that wasn't acceptable to us and now it doesn't happen anymore," said Pacheco. It also allows the company to take better advantage of ESPN. "We saw an opportunity, through time adjustment, to bring Mike and Mike in the Morning back to our local morning drive."

The national ESPN brand, and the state-wide dragnet on teams to follow is a key element of the Fat Dawgs' success, but in the final analysis it still comes down to three words. Local, local and local. Not to mention a highly motivated staff.

SMARTMEDIA asked if audience participation is encouraged. "Absolutely! We



Fat Dawg stresses high community visibility.

don't measure our success or failure on call amounts, since almost all research shows callers to be well down the list of things people enjoy about local talk radio. However, the way we win against XM or the internet is by giving Bob, Joe or Enrique, in their car, an opportunity to share their views on the air. We also read e-mail live on the air and have interactive polling on our web site."

The station is working on adding other elements. "We are concentrating a lot on our digital media right now, working to upgrade our website, to add video streaming, video blogging and podcasting. We think there will be new revenue potential from these sources." On the high-def front, Fat Dawg has an HD-ready transmitter but is in wait-and-see mode.

Who works there? "People with high energy, relationship builders who just want to win and aren't worried about all the picky stuff you have to deal with in corporate radio! I have to do way less reports than I used to and I require my staff to provide way less reports because I want them focused on product and results more than process. I tend to overspend, so right now, we have a staff of 10 full-timers and 15 part-timers and interns (we also have a staff of three who handle ▶▶

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our magazine division, as well). I spend way more in talent than our competitors and have three of the best local, long-time sports guys in the market. But, so far, the revenue is outpacing these costs, so I'm happy."

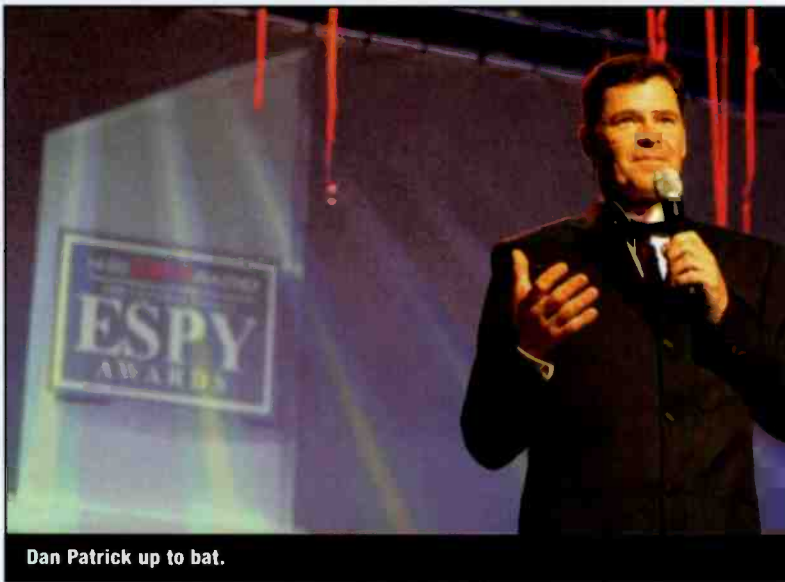
Nevertheless, Pacheco said it can be a challenge operating out of the majors. "Particularly being on the West Coast, you don't have that die-hard, my-dad-willed-me-the-season-tickets sports fans. However, men are men and some part of each day they just get sick of listening to 'Democrats suck' on the radio." Another thing that's hard to grasp for radio operators in markets with car-choked roadways is the shorter commutes and shorter drive times available to Fresno stations. It's inspired KFIG to experiment with specialty programming toward the end of afternoon drive, since most locals manage to make it home by 6PM.

When Pacheco acquired KFIG, he inherited a tower move, which gave him new insights into birds and salamanders. But insight does not translate into any sightings in this case. These critters had to be taken into account when constructing the new sticks, and ended up more than doubling the cost of the project.

Most operators who have weighed in on the topic have wondered about the lack of corpses around their own towers. Has Pacheco seen any deceased fowl? "Not one dead bird - not one. Nor has our engineer ever seen one. You would think one would fall out of the sky from simple natural causes. I will go further to say we had to pay \$117,000 to allow for the 'take' of



A tower downed.



Dan Patrick up to bat.

a California Tiger Salamander and we were required to pay a ridiculous amount of money to have a Tiger Salamander expert on site during our entire construction period. They told us there was no doubt, it was 'assumed,' that there were Tiger Salamanders on site, but after some 40 days of an expert on site no less than eight hours per day they did not find a single Tiger Salamander on the site."

"In no way did I ever intend to be unfriendly to the environment or the neighborhood. But the neighbors and the federal and state governments used extremely unfair laws to rake a small businessman over the coals and it is just not feasible for someone to take on these agencies, so we bit the bullet and spent over \$1.1M to move some radio towers that should have never been more than half of that. I'm grateful to our local city and county governments for having the sense to see through the smoke and the greed and help us get through the process without going out of business."

Expansion is in the game plan, but is not part of the immediate future.

"Right now we are concentrating exclusively on operating our two sports properties at an even higher level. We are essentially a sports marketing company and are not looking to break out of that mold, just yet. Eventually, however, we will use to optimize our position by adding complimentary and even new formats to our business, so, yes, eventually we will want to add stations to our group in a slow, reasonable growth plan." ■

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| <p>Radio Fargo-Moorhead, Inc. <i>has acquired to</i> Seven Station Radio Cluster serving Fargo, ND from Clear Channel Communications <i>for</i> \$14,000,000</p> | <p>David and Mel Winters <i>have sold</i> Two Radio Clusters serving Minnetonka, WI, Moresauville, MI and Ironwood, MI to Armada Media Corporation <i>for</i> \$8,500,000</p> | <p>Results Radio, LLC <i>has sold</i> KRPQ (FM) serving Santa Rosa, CA to Maverick Media <i>for</i> \$7,700,000</p> | <p>Results Radio, LLC <i>has sold</i> KMXX (FM) and KSRT (FM) serving Santa Rosa, CA to Lazer Broadcasting Corp. <i>for</i> \$6,850,000</p> |
| <p>Daystar Television Network <i>has sold</i> KDTP-TV serving Phoenix, AZ to NBC/GE <i>for an undisclosed amount</i></p> | <p>National Grid Wireless <i>has acquired</i> ClearShot Communications 235 Towers</p> | <p>Lakewood Church <i>has sold</i> KTBU-TV serving Houston, TX to USFR Media Group <i>for</i> \$30,000,000</p> | <p>Riviera Broadcast Group LLC <i>has raised</i> \$60,000,000 <i>in equity and debt capital</i></p> |
| <p>Denver Radio Company, LLC <i>has raised</i> \$27,500,000 <i>in term loans financing from</i> Guggenheim Corporate Funding</p> | <p>Lazer Broadcasting <i>has raised</i> \$23,000,000 <i>in term loans and revolving credit</i> <i>financing from</i> GE Capital</p> | <p>NewComm Wireless <i>has raised</i> \$60,000,000 <i>in senior financing from</i> D.B. Zwirn</p> | <p>National Grid Wireless <i>has acquired</i> Beacon Broadcasting Corporation 11 Towers</p> |
| <p>TCP Communications, LLC <i>has sold</i> 233 Towers <i>to</i> Global Tower Partners <i>for an undisclosed amount</i></p> | <p>A.L.B.S. Wireless Services II, LLC <i>has sold</i> 32 Towers to Global Tower Partners <i>for an undisclosed amount</i></p> | <p>TX-11 Acquisition, LLC <i>has sold</i> 18 towers to SBA Communications Corporation <i>for an undisclosed amount</i></p> | <p>BFT Tower Co., I&II <i>has sold</i> 10 Towers <i>to</i> Global Tower Partners <i>for an undisclosed amount</i></p> |
| <p>Pendrell Sound <i>has sold certain PCS licenses covering</i> 800,000 Pops <i>in Indiana to</i> Verizon Wireless <i>for an undisclosed amount</i></p> | <p>Summit Wireless, LLC <i>has sold certain PCS licenses covering</i> 697,000 Pops <i>in Mississippi to</i> Sprint Nextel <i>for an undisclosed amount</i></p> | <p>Summit Wireless, LLC <i>has sold certain PCS licenses covering</i> 191,000 Pops <i>in West Virginia to</i> Netelos <i>for an undisclosed amount</i></p> | <p>Endless Mountains Wireless, LLC <i>has been acquired by</i> Dobson Communications Corporation <i>for an undisclosed amount</i></p> |
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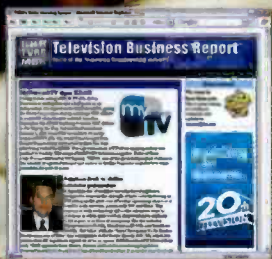
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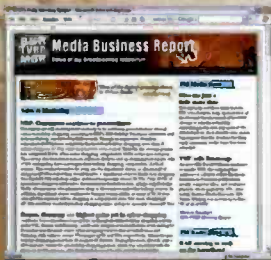
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