

Radio advertising news, trends, strategies & stats for stations, networks, syndicators, advertisers and agencies.

# Radio AdBiz™

From the Publishers of Radio Business Report Inc., 17 Years  
Volume 4, Issue 1 January 2000

## 1999: Year of the Dot-Coms?

by Karen Maxcy

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The first look at March from **George Nadel Rivin** of Miller, Kaplan, Arase & Co. shows yet another month of demand for radio inventory running ahead of last year's heavy demand. What a way to start a new century!—JM



Radio

# AdBiz™

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Never mind that the tech-heavy Nasdaq took a beating the first few sessions of the new millennium. The index had already seen record highs all of 1999, especially the last few weeks of the old millennium—it had after all seen an increase of 85% in 1999 alone. The year the Internet stocks kept soaring also saw these same companies sinking huge amounts of money into advertising.

According to Competitive Media Reporting (CMR) findings, between January to September 1999, dot-com companies spent \$1.3B on advertising. This is a 291.3% increase from the year ago figure when the dot-coms spent \$349M. Of the money spent, national spot radio got the fifth largest portion with \$154.6M. This amount is up 464.3% from a year ago. The percentage increase was among the highest of all other media. Network radio got \$43.1M of total spending in that period; this was a 151.2% increase from the previous year.

**January-September dot-com spending by media 1999 vs. 1998**

Rank	Change	Measured Media	Jan-Sep 1999	Jan-Sep 1998
1	362.4%	Network Television	\$278,275,800	\$60,184,500
2	190.0%	Magazines	\$265,085,100	\$91,401,600
3	366.1%	Cable TV	\$202,627,000	\$43,471,900
4	278.4%	Spot TV	\$166,928,300	\$44,120,000
5	464.3%	National Spot Radio	\$154,621,400	\$27,400,800
6	259.0%	National Newspapers	\$148,659,900	\$41,404,000
7	296.0%	Newspapers	\$69,392,200	\$17,522,500
8	151.2%	Network radio	\$43,137,500	\$17,172,200
9	520.3%	Outdoor	\$24,640,300	\$3,972,400
10	1,101.1%	Sunday Magazine	\$ 6,978,300	\$581,000
11	199.1%	Syndication	\$ 5,715,200	\$1,910,700

Source: Competitive Media Reporting

**Radio big winner of dot-com spending frenzy; but dot-com not only factor**

"I think that radio enjoys a tremendous advantage with the dot-coms in that studies have shown that there is so much concurrent radio listening and surfing the web that takes place that really has driven that spending toward radio," says **George Nadel Rivin**, Partner in charge of Broadcast Service, Miller, Kaplan & Arase. Although radio in general is not getting top share of the dot-com dollars, the medium is getting a larger portion of it with time. According to the firm's numbers, in September 1999, 47% of Internet spending went to radio; in August, it was 45.2% and in June, it was 36.3%. So, radio is definitely getting a larger proportion of that money.

In a study released in December by Interep, the rep firm found that while dot-com dollars were undoubtedly prolific, it was certainly not the only factor driving radio's double digit growth in 1999. In fact, for the first half of 1999, dot-coms formed only 5.7% of total national radio dollars. Furthermore, other strong categories in radio represented between 6-10% of total billing. Contrary to popular belief, the dot-coms were not quite the behemoth we thought them to be.

According to **Michele Skettino**, VP, Marketing Communications, Interep, "Though the excitement created by this new dot-com category is well-founded, it should not cloud the fact that radio continues to benefit from increasing revenue from traditional advertisers as well. While spending increases from other keystone categories may attract less attention, their revenue remains vital to the medium."

For example, for the period January-June 1999, the combined categories of Automotive and Restaurants increased their positions in radio by \$53M. As a group, the dot-coms spent \$77M on national radio during the same period, which was up \$50M from a year ago. The increase in spending by the two traditional categories of Automotives and Restaurants were not too far off from the total spent by dot-coms.

**Gary Fries**, President/CEO, Radio Advertising Bureau, echoes those views. "It (dot-coms) is a significant category because it grew to be a significant category faster than any other advertising category. But it has not overtaken the other traditional advertisers." He also agrees with Skettino that other categories were critical to radio's explosive growth

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last year. "I feel that radio was going to grow; it was poised going into 1999 with a continuation of a strong growth plane that we saw for the last two years before that. Dot-com is like a layer on top of that. It was basically a good insurance policy for a great year. When you put it on top of what was already a very strong and prosperous year for radio, it just worked like the frosting on a cake."

Dot-coms may have stolen the limelight in 1999 but it is not the first category in radio to see such meteoric spending increases. The Interep study suggests categories such as Telecommunications, Media and Finance are recent radio growth drivers.

### **Where big cities are, so are the dot-coms**

Large metropolitan markets may be ringing in the new year with hopes of continued growth, but the smaller markets have not even gotten a waft of dot-com dollars.

**Mike Agovino**, President, Katz Radio, tells *AdBiz* that the Internet impact is really in a small list of markets—primarily in the top 10 to top 15 markets and a few other selected markets. A study conducted by Katz identified 75 top dot-com spenders and tracked each companies' advertising expenditure. The 75 dot-coms collectively spent about \$100M on Katz-represented stations in Q4 of 1999. According to Agovino, "40% of those (accounts) are in New York; 40% in LA; about 50% of them are in Chicago and San Francisco; a third are in Philadelphia; 42% in Dallas; 60% of those are buying Boston; 50% are buying Washington; a third are buying Houston, and Detroit is only getting 15% of them." Detroit's lower share is as a result of the perception that it is an automotive town and the dot-coms focus on financials and technology.

Agovino says there is a strong correlation between the presence of a technology/financial community in a city and dot-com presence. Austin, TX, home base of Dell, and the highest online penetration of any metro in the country, got 43% of those dot-com accounts. By contrast, Memphis, which is three market metro sizes larger than Austin only got 10.6% of those accounts.

Nadel Rivin agrees with Agovino. "Top 10 markets have been the greatest beneficiaries of the dot-com spending, particularly those where there are heavy concentrations of the corporate headquarters of the dot-coms."

**Ralph Guild**, Chairman/CEO, Interep, confirms that the dot-com frenzy is still largely a big city phenomenon. "The majority of it is going to be in the top markets because that's where the investors are and the dot-com people are being supported by equity while

they are building their brands." He adds, "The dot-coms have fairly accurate ways of determining where their heavy users live and therefore, where they should be spending their money. Some dot-com companies advertise to reach potential investors, therefore, cities that are large investment banking centers have been receiving a disproportionate share of the budgets."

### **Small markets won't be left out forever**

The RAB's Fries offers hope that the smaller markets will not be left out in the cold forever. He describes the dot-com explosion in bigger cities as typical of a new business or industry in which players have to jostle for market share quickly. And the best way for that is to advertise where the most number of people are.

Agovino also notes that radio's experience with the telecommunications category is a ray of hope that dot-com dollars will start trickling down to smaller markets. In the year after the Telecom Act of 1996, the Sprints and AT&Ts were battling for market share by channeling big money into advertising in larger cities. But in ensuing years, that money has finally made it through markets 100 and 150.

Besides, Agovino brings up a good point that if the dot-coms are trying to build their web presence, it should not matter if their user is coming from New York City or Topeka, KS. "Normally when you're starting a business, you're shooting where the most customers are, and no doubt, the most customers are in the top 10 markets and people are focused on their efforts there. But as the brand building process goes on, they're going to want to market in those smaller markets and build their brand image there. So we believe we'll see the money trickle down."

Fries adds, "This is not a bricks and mortar business so 'location' changes from being location in a community of a particular outlet to location on the Internet. These people (the dot-coms) have found radio to be tremendously successful—it's fueled the growth of their business, and with that in mind, I see no reason why we won't continue to see a high level of spending from this particular category."

### **Have dot-coms driven rates out of reach for others?**

Fries had already said the traditional advertisers have not been shut out as a result of dot-com advertising. He asserts that radio is not over-priced by any means at this point in time. In fact, Fries believes "radio rates have plenty of headroom to grow." He explains, "One of

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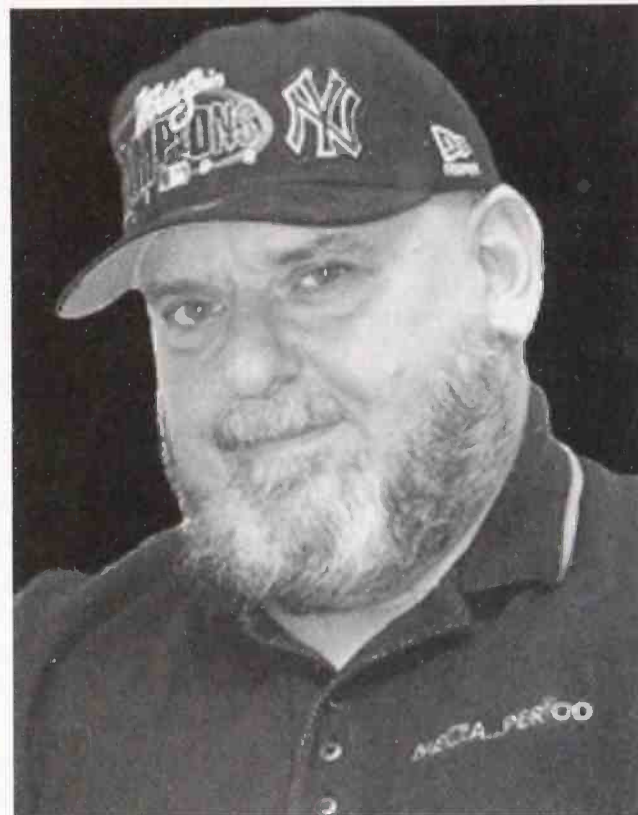
# Media...Period's Harvey Rabinowitz: Rethinking the Internet hype

by Karen Maxcy

After three and a half years in the Detroit area and Media...Period is already a media buying giant. Owner **Harvey Rabinowitz** looks back on 1999 and says the explosion in radio was largely a national phenomenon. Local markets with smaller populations did not necessarily mirror the larger market's robust activity.

With over 30 years of experience in media, Rabinowitz rose through the ranks, eventually holding the title of Senior VP, Media Director at W.B. Doner. He had held a variety of positions except that of "Owner." Since starting Media...Period, and finally being the boss, Rabinowitz says they have no official titles in the company. Perhaps it is a good idea; after all, titles may inspire, but they can also limit.

Local clients of Media...Period include Belle Tire, Capstone Mortgage, Wallside Windows and The Detroit Lions. The company also places national buys on a project basis for large agencies in Detroit. Rabinowitz considers his company to be among the top five broadcast spenders in Detroit.



**What did you think about '99?**

'99 was a good year for radio in general; good year for advertising in general. Some categories flourished, some categories went away. That happens every year; something comes up and something goes away. The explosive stuff for 1999 was the dot-com category for radio because of its affordability and frequency. Radio builds frequency because you are really just spitting out a name so that people can remember.

**Do you consider 1999 to be the most memorable and robust year yet?**

I don't think so. Not locally. New York, Chicago and LA from what I understand were very, very tight for a combination of reasons. A lot of other markets were not tight and were very pliable as a buyer.

**What is the reason for tightness in these larger markets?**

I think it is really two-pronged. The mega mergers and the dot-com businesses concen-

trating in a couple of markets at the spot level.

**What would you say is the single factor that most influenced radio's hot demand last year?**

It would be the Internet.

**Did you place a lot of buys for the dot-com businesses last year?**

Just a few; not much.

**Do you think the dot-coms will continue to be a growing source of revenue?**

I don't think it will be a growing source. I think it's going to be a flame; a burning source. It will get very hot but then it'll fizzle out.

**Do you anticipate it trickling down to the smaller markets?**

I think ultimately it will, but my personal belief is that there will be a lot of drop-outs. With all the hype about Internet shopping—they didn't pass the test and the test is only half done. So far, they're not passing. Right now, I am trying

to buy a car or lease a car. I'm talking to local dealers and going over the Internet and so far, I can do better by myself just talking to the local dealer than all this hype I'm hearing about buying a new car over the Internet. Everytime I try to do something on the Internet, I say, "why bother?" Unless I want to buy somebody's collection or something I can't get anywhere.

**Do you see a lot more mega mergers to come?**

What it is is bigger fish swallowing bigger fish. There isn't all that more to go. I'm sure somebody else will come up with some other cockeyed idea. But I don't know if that will impact all the way down.

**What did you think about the Prism Fund?**

I think it's great; it's a tax write-off. We welcome diversity and all of that. But the bottom line is that the big boys probably still have some control over this.

## “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 *RBR*.

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

## EXCL sold to Entravision in last mega-deal of the 20th Century

Station trading ended 1999 in fine fashion, with yet another mega-deal. Entravision, until now primarily a TV company, announced a deal 12/22/99 to buy Latin Communications Group (LCG) for \$250M. LCG’s biggest asset, by far, is the EXCL Communications radio group. *RBR* estimates that it accounts for around \$210M of the price tag.

Entravision already owns six radio stations, all in markets where it also owns TV stations: Palm Springs, CA, El Centro, CA and El Paso, TX. All except KAMP-AM & KWST-FM El Centro have Spanish formats. All of Entravision’s 16 TV stations are Univision network affiliates.

The only market overlaps with EXCL’s 17 radio stations are in Washington, DC, where EXCL owns WACA-AM and Entravision owns a low-power TV station, Denver, where EXCL owns KMXA-AM & KJMN-FM and Entravision owns KCEC-TV (Ch. 50), and Monterey-Salinas, CA, where EXCL owns KVRG-AM & FM & KLOK-FM and Entravision owns KSMS-TV (Ch. 67).

In addition to the radio group, the LCG acquisition will give Entravision its first newspaper, New York City’s *el diario*.

Noting that “Spanish language advertising in the US continues to grow at approximately three times the rate of the general market,” Entravision CEO **Walter Ulloa** said the LCG acquisition will allow his company “to aggressively expand in the important radio segment as a complement to our strength in television.” He also indicated that EXCL’s management team, headed by **Athena Marks**, will remain in place.—JM

## Spectrum auction attracting others

*RBR* first reported last month 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-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 *RBR*.

He is lobbying the issue in front of the NAB board meeting this week 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 in January, 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 *RBR*. “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 *RBR*. “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 because we have done this deal.”—CM

### Dick trades ads for stock

Dick Broadcasting is just the latest to join a trend among broadcasters—trading on-air promotion and advertising for an equity stake in an Internet company. Dick is swapping \$1M worth of advertising on its 14 stations for 1M shares of iCommerce Group Inc. (O:ICGI).

The ads will publicize iCommerce’s e-commerce sites, including [www.ScreenFlix.com](http://www.ScreenFlix.com) (which sells videos) and [www.MusicInStock.com](http://www.MusicInStock.com) (a CD retailer). Also, Dick will place banner ads and click-through links on its station web sites.

iCommerce is a penny stock company which went public 16 months ago. It has traded as high as \$2.188, but its stock price has recently been hanging just under \$1 per share.—JM

### Premiere ends streaming relationship with Yahoo! Broadcast

Just a week after Yahoo! Broadcast made headlines that it was (and then wasn’t) dropping the RealAudio streaming brand from its site of 400+ affiliate stations and nets, Yahoo! got the news that Premiere would not be renewing its contract (it ended 12/31) to stream **Rush, Art Bell, Dr. Laura, Dr. Dean Edell, Phil Hendrie** and **Blair Garner** on the site. Instead, Premiere is now hosting its own program streams with RealAudio and Windows Media. A variety of service providers are now being used to balance the loads on the servers, including LA-based “ClickHear.”

As with many nets and broadcasters have indicated over the last year or so, outside hosting services aren’t as necessary to get a signal streaming on the net as they were when the multi-year contracts were signed with then Audionet and Broadcast.com.

“We’ve had a long-term, great relationship with Broadcast.com. Obviously, our Internet strategy is achieving a new level, if you will, that involves us streaming our programs in conjunction with Clear Channel,” Premiere VP Interactive Services **Brian Glicklich** tells *RBR*. “They’ve put a lot of stations and properties and networks on the Internet at a time when there wasn’t a revenue channel that made it look like it made sense. So there are a lot of broadcasters who had their first dibbs into audio streaming on the Internet courtesy of Broadcast.com. I think they’ve recognized for a long time that developing new content is one of the cores of their business, and they’ve [already] made moves in that direction.”—CM

### A fashionable Fall begins

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

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

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

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

# Rick Dees: Still strutting his stuff 23 years after "Disco Duck"



Rick Dees loves radio. Beginning his career well before graduating from the University of North Carolina, he first became nationally known with his song parody, "Disco Duck" at WHBQ Memphis in 1977 (more parodies followed). In '82, he leapfrogged his on-air career to CHR legend KIIS-FM in LA with his now-famous morning drive slot.

With 350 affiliates in 23 countries, Dees has seen tremendous success with the "Rick Dees Weekly Top 40." Now syndicated by Premiere (*RBR* 10/18/99, p. 3), Dees is likely to see even more success with his morning drive show added to Premiere's roster just today (*RBR* 1/10, p. 4).

Boasting a star on the Hollywood Walk of Fame and 10 consecutive "Number One Radio Personality of America" *Billboard* Awards, Dees continues building his career while keeping his roots firmly planted in radio. The short list of TV and movie appearances include: "La Bamba"; "Jetsons: The Movie"; host of "Solid Gold"; roles on "Roseanne" and "Cheers" and guest host roles on Fox's "The Late Show," "American Bandstand" and The Grammy Awards.

We asked Rick about his career, what's next and about his son Kevin who's already capitalized on the next wave—the first "I-Jock" on the KIISFMi website.

***You have done mornings on KIIS-FM in LA since 1982. What do you like most about it and why are you still doing it?***

It's just the most fun of anything that I have ever done. Each day is a different show. Every day is a different set of audience and energy. It is a chance to meet a lot of famous people and reflect the times. And to be in the thick of more or less the eye of the storm is the biggest thrill of my life.

***What does it take to build a successful radio show such as yours?***

I think it is hundreds and hundreds of things. The timing at the end of a joke, the presentation of a sponsor's message, the telling of a story, the staff, the people with whom you share your moments on the air and all, it is just one thing after another. It's a lot of telephone interaction. If you take each one and try to polish it up as much as possible, then it adds up to the whole.

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#### ***So they made you a good offer?***

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NetStar is a co-venture with Clear Channel and I. We have the syndicated morning show—we are just kicking that off. We are going to be syndicating other shows. We have an in-house ad agency that we are probably going to put together; an in-house publishing enterprise; a record company called NetStar Records. That is a fairly full plate right there. 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.

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#### ***What about the movie stuff? Is that something that you want to move into eventually or do you really want to keep radio as your main focus?***

Radio is my main thrust. Those are just little hobbies that if something comes up from time to time. I'm trained as an actor, but no, actually I'm trained as a bad actor. I went to the University of North Carolina and majored in Radio-TV-Motion Pictures-Acting. Therefore, it is fun to do things like that, but if you could see what it takes for **Tom Hanks** or **Denzel Washington** or **Jack Nicholson** to pull off a role, it is a joke to ever try to get into competition with anybody who is an actor on that level. I am more of a fan of actors. I would rather interview an actor than to be one.

#### ***So radio is going to be your mainstay?***

Sure, I love being a performer on radio and doing comedy, but radio is it. I just absolutely love it.

## “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 *RBR*.

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

## EXCL sold to Entravision in last mega-deal of the 20th Century

Station trading ended 1999 in fine fashion, with yet another mega-deal. Entravision, until now primarily a TV company, announced a deal 12/22/99 to buy Latin Communications Group (LCG) for \$250M. LCG’s biggest asset, by far, is the EXCL Communications radio group. *RBR* estimates that it accounts for around \$210M of the price tag.

Entravision already owns six radio stations, all in markets where it also owns TV stations: Palm Springs, CA, El Centro, CA and El Paso, TX. All except KAMP-AM & KWST-FM El Centro have Spanish formats. All of Entravision’s 16 TV stations are Univision network affiliates.

The only market overlaps with EXCL’s 17 radio stations are in Washington, DC, where EXCL owns WACA-AM and Entravision owns a low-power TV station, Denver, where EXCL owns KMXA-AM & KJMN-FM and Entravision owns KCEC-TV (Ch. 50), and Monterey-Salinas, CA, where EXCL owns KVRG-AM & FM & KLOK-FM and Entravision owns KSMS-TV (Ch. 67).

In addition to the radio group, the LCG acquisition will give Entravision its first newspaper, New York City’s *el diario*.

Noting that “Spanish language advertising in the US continues to grow at approximately three times the rate of the general market,” Entravision CEO **Walter Ulloa** said the LCG acquisition will allow his company “to aggressively expand in the important radio segment as a complement to our strength in television.” He also indicated that EXCL’s management team, headed by **Athena Marks**, will remain in place.—JM

## Spectrum auction attracting others

*RBR* first reported last month 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-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 *RBR*.

He is lobbying the issue in front of the NAB board meeting this week 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 in January, 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 *RBR*. “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 *RBR*. “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 because we have done this deal.”—CM

### Dick trades ads for stock

Dick Broadcasting is just the latest to join a trend among broadcasters—trading on-air promotion and advertising for an equity stake in an Internet company. Dick is swapping \$1M worth of advertising on its 14 stations for 1M shares of iCommerce Group Inc. (O:ICGI).

The ads will publicize iCommerce’s e-commerce sites, including [www.ScreenFlix.com](http://www.ScreenFlix.com) (which sells videos) and [www.MusicInStock.com](http://www.MusicInStock.com) (a CD retailer). Also, Dick will place banner ads and click-through links on its station web sites.

iCommerce is a penny stock company which went public 16 months ago. It has traded as high as \$2.188, but its stock price has recently been hanging just under \$1 per share.—JM

### Premiere ends streaming relationship with Yahoo! Broadcast

Just a week after Yahoo! Broadcast made headlines that it was (and then wasn’t) dropping the RealAudio streaming brand from its site of 400+ affiliate stations and nets, Yahoo! got the news that Premiere would not be renewing its contract (it ended 12/31) to stream **Rush, Art Bell, Dr. Laura, Dr. Dean Edell, Phil Hendrie** and **Blair Garner** on the site. Instead, Premiere is now hosting its own program streams with RealAudio and Windows Media. A variety of service providers are now being used to balance the loads on the servers, including LA-based “ClickHear.”

As with many nets and broadcasters have indicated over the last year or so, outside hosting services aren’t as necessary to get a signal streaming on the net as they were when the multi-year contracts were signed with then Audionet and Broadcast.com.

“We’ve had a long-term, great relationship with Broadcast.com. Obviously, our Internet strategy is achieving a new level, if you will, that involves us streaming our programs in conjunction with Clear Channel,” Premiere VP Interactive Services **Brian Glicklich** tells *RBR*. “They’ve put a lot of stations and properties and networks on the Internet at a time when there wasn’t a revenue channel that made it look like it made sense. So there are a lot of broadcasters who had their first dibbs into audio streaming on the Internet courtesy of Broadcast.com. I think they’ve recognized for a long time that developing new content is one of the cores of their business, and they’ve [already] made moves in that direction.”—CM

## A fashionable Fall begins

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

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

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

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

# Rick Dees: Still strutting his stuff 23 years after "Disco Duck"



Rick Dees loves radio. Beginning his career well before graduating from the University of North Carolina, he first became nationally known with his song parody, "Disco Duck" at WHBQ Memphis in 1977 (more parodies followed). In '82, he leapfrogged his on-air career to CHR legend KIIS-FM in LA with his now-famous morning drive slot.

With 350 affiliates in 23 countries, Dees has seen tremendous success with the "Rick Dees Weekly Top 40." Now syndicated by Premiere (*RBR* 10/18/99, p. 3), Dees is likely to see even more success with his morning drive show added to Premiere's roster just today (*RBR* 1/10, p. 4).

Boasting a star on the Hollywood Walk of Fame and 10 consecutive "Number One Radio Personality of America" *Billboard* Awards, Dees continues building his career while keeping his roots firmly planted in radio. The short list of TV and movie appearances include: "La Bamba"; "Jetsons: The Movie"; host of "Solid Gold"; roles on "Roseanne" and "Cheers" and guest host roles on Fox's "The Late Show," "American Bandstand" and The Grammy Awards.

We asked Rick about his career, what's next and about his son Kevin who's already capitalized on the next wave—the first "I-Jock" on the KIISFMi website.

***You have done mornings on KIIS-FM in LA since 1982. What do you like most about it and why are you still doing it?***

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I've been real lucky with those comedy albums and songs. To tell you the truth, when the inspiration hits us, we'll go into the studio and knock something out, because let's face it, there are so many talented players around. They know that I have no talent, so they just cover me up with a lot of great music. I'll come up with the concept for a parody song or comedy. That's just a hobby. I certainly don't expect to be thought of as somebody who is going to be in the Rock 'n Roll Hall of Fame. My whole niche has been comedy, parody albums and I've been fortunate—we've sold a few.

#### **What about the movie stuff? Is that something that you want to move into eventually or do you really want to keep radio as your main focus?**

Radio is my main thrust. Those are just little hobbies that if something comes up from time to time. I'm trained as an actor, but no, actually I'm trained as a bad actor. I went to the University of North Carolina and majored in Radio-TV-Motion Pictures-Acting. Therefore, it is fun to do things like that, but if you could see what it takes for **Tom Hanks** or **Denzel Washington** or **Jack Nicholson** to pull off a role, it is a joke to ever try to get into competition with anybody who is an actor on that level. I am more of a fan of actors. I would rather interview an actor than to be one.

#### **So radio is going to be your mainstay?**

Sure, I love being a performer on radio and doing comedy, but radio is it. I just absolutely love it.

**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
<b>Broadcast total</b>	<b>\$ 39.4</b>	<b>\$ 43.7</b>	<b>\$ 50.4</b>	<b>\$ 54.6</b>	<b>\$ 59.7</b>	<b>\$ 67.6</b>	<b>\$ 72.3</b>	<b>\$ 78.8</b>	<b>\$ 84.4</b>	<b>\$ 93.4</b>
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
<b>Cable total</b>	<b>\$ 29.4</b>	<b>\$ 33.3</b>	<b>\$ 37.0</b>	<b>\$ 42.0</b>	<b>\$ 48.8</b>	<b>\$ 56.7</b>	<b>\$ 66.1</b>	<b>\$ 75.7</b>	<b>\$ 86.4</b>	<b>\$ 99.7</b>

**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 Shuler**

**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%
<b>Radio</b>	<b>11.3%</b>	<b>7.7%</b>	<b>8.2%</b>	<b>10.0%</b>	<b>11.7%</b>	<b>9.8%</b>	<b>12.1%</b>	<b>13.7%</b>	<b>8.4%</b>	<b>7.7%</b>	<b>6.7%</b>	<b>9.7%</b>
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%
<b>Total</b>	<b>7.4%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>8.3%</b>	<b>7.9%</b>	<b>7.6%</b>	<b>7.8%</b>	<b>9.1%</b>	<b>7.1%</b>	<b>7.1%</b>	<b>6.6%</b>	<b>7.5%</b>

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

Source: Veronis, Suhler & Associates, Wilkofsky Gruen Associates

continued from AB 4

the things that have held us back is that we've been undervalued and I've seen no evidence that advertisers had to pull out. I think we've seen some of the typical whining of media people when rates are up but this is not a new phenomenon at all. I have not seen any significant movement of advertisers out of the medium because of pricing at this particular point."

While it is a fair argument on Fries' part to say that radio's present rates are a correction of previously unfounded sluggishness, radio stations have tough choices to make even in these

good times. Agovino explains, "I think a lot of radio stations are wrestling going into 2000 about what exactly their pricing strategy should be with regard to not just dot-com advertisers, but all their advertisers. There are a lot of advertisers out there that have been on the air 52 weeks a year, seven days a week for more than a few years and those people don't expect to come out in 2000 and pay a 25 or 35% increase for what they had the year prior just because the dot-com category has opened up to radio broadcasters." The balancing act for stations would be to cultivate the dot-com category without alienating the advertisers who have supported radio all these years

before dot-com was the buzz word. But as Agovino illustrates, "Nobody wants to be the station that's up only 15% in a market that's up 30-40% and lose market share."

These issues are fleeting concerns because so far, no one really expects dot-com advertising to go away. Nadel Rivin says that all the hype about dot-coms really strengthens radio in the eyes of other advertisers and potential advertisers. "They see an emerging industry that is embracing radio and I think that's helped demand for radio time," Nadel Rivin explains.

At Interep, their research has found that the

continued on AB14

## July 1999-December 1999

Rank	Advertiser	Estimated	New York	Los Angeles	Chicago	San Francisco	Philadelphia	Detroit	Dallas	Boston	Washington	Houston
1	IBM CORPORATION	\$7,737,710		Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
2	COOLSAVINGS.COM	\$4,999,100	Yes	Yes		Yes	Yes	Yes	Yes	Yes		
3	MICROSOFT	\$4,453,064	Yes	Yes	Yes		Yes		Yes	Yes	Yes	
4	INTEL	\$4,327,180		Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	NET.BANK	\$3,846,710	Yes		Yes	Yes	Yes		Yes	Yes	Yes	
6	SMARTERKIDS.COM	\$3,620,330				Yes			Yes	Yes	Yes	
7	FLASHNET	\$3,589,718	Yes		Yes		Yes	Yes		Yes		Yes
8	REALNAMES.COM	\$3,236,590	Yes	Yes						Yes	Yes	
9	SEND.COM	\$2,790,270	Yes	Yes	Yes	Yes	Yes		Yes		Yes	
10	VARSITYBOOKS.COM	\$2,559,586	Yes	Yes		Yes	Yes		Yes	Yes	Yes	
11	VITAMINS.COM INC	\$2,525,808	Yes	Yes	Yes				Yes	Yes		
12	VALUE AMERICA	\$2,299,460	Yes	Yes	Yes	Yes	Yes		Yes	Yes		Yes
13	GIFTCERTIFICATES.COM	\$2,085,540		Yes	Yes	Yes			Yes	Yes	Yes	
14	DATEK ONLINE HOLDING	\$2,002,750				Yes	Yes			Yes	Yes	
15	PAYTRUST.COM	\$1,881,996	Yes			Yes				Yes	Yes	
16	IVILLAGE	\$1,836,122				Yes	Yes		Yes	Yes		
17	WINE.COM	\$1,619,480	Yes	Yes	Yes	Yes				Yes		
18	LIFEMINDERS.COM	\$1,588,110		Yes						Yes		
19	OFFICEDEPOT.COM	\$1,574,880			Yes	Yes			Yes		Yes	Yes
20	MONDERA.COM	\$1,553,740							Yes			
21	SEPHORA.COM INC	\$1,545,340				Yes	Yes		Yes	Yes	Yes	
22	PLANET RX	\$1,465,050		Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
23	REALESTATE.COM	\$1,438,800					Yes		Yes		Yes	
24	POWERTEL	\$1,437,610										
25	SELFCARE.COM	\$1,381,270			Yes				Yes	Yes	Yes	
	Top 25 Total	\$67,396,214			Yes				Yes	Yes	Yes	

Source: Katz Radio

men  
are from  
**MARS**  
women  
are from  
**VENUS**

You've read the books,  
you've seen the tapes...  
**now hear the radio show!**

Based on the best-selling book *Men Are From Mars, Women Are From Venus*  
Live Monday-Friday 9am-noon | Delivered via satellite: Satcom C5, Transponder 23

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Ollie Holmes  
800.572.4624 x772  
OTC: NSBD  
www.nbgradio.com  
www.seekradio.com

dot-com advertising boom is not supported by just a few big companies—or worse, a handful of one-hit-wonder start-ups. Instead, the number of brands advertising on radio has grown steadily over the last two years. In the period between January-December 1998, 47 dot-com brands advertised on national spot and network radio. In the same period in 1999, the number had risen to 192. Skettino says, "Dot-coms are now affecting the competitive balance for a wide range of advertising categories. In the coming years, we may begin to view dot-coms as simply additional competitors within given categories. We may also begin to see greater overlap between traditional advertisers and the online portion of their business. Whichever way you slice up the data though, increased competition requires more advertising to differentiate your product."

So no one is expecting a few dot-com giants to exit radio and leave a huge revenue gap for stations to cry over. More brands are getting into radio and dot-coms are not dominating the marketplace to the exclusion of everyone else. Agovino concludes, "This category (dot-coms) is here to stay as a major category because online retailing is here to stay and retail has been radio's biggest category forever. We believe we're in a good position as a medium to take advantage of that."

### Share of Internet/E-commerce Expenditures for the Six Months Ended June 30, 1999

Market	Radio's % of Total Media
Los Angeles	53.1%
New York	27.4%
San Francisco	52.6%
Dallas	48.9%
Philadelphia	45.1%
Houston	38.1%
Atlanta	53.0%
San Diego	45.3%
Minneapolis	33.1%
Phoenix	18.3%
Cleveland	28.2%
Pittsburgh	59.4%
Sacramento	46.5%
13 Market Composite	41.3%

Source: Radio Advertising Bureau

## Media Index

### Dot-com lifts radio's September share

By Jack Messmer

If you needed any more proof that the Internet is a hot category for radio, we have it in the September Total Media Index. In the 15 markets measured by Miller, Kaplan, Arase & Company's Media Market X-Ray, radio claimed just under half of the ad spending by dot-com companies.

Television, always a strong category, was especially strong for radio, which claimed over 52% of spending in September. Entertainment-Other/Lottery was also even a bit stronger than usual.

In all, radio's share of ad spending grew to 17.19% from 17.09% a year ago. That's not a tremendously bigger slice of the pie, but then the pie was substantially larger, which made it a good month for all media.

### RBR/Miller Kaplan Total Media Index

September 1999 (Expenditures In 000)

Category	Radio	TV	Newspaper	Total Media	Radio % of Total
Automotive	38,482	172,591	189,064	400,137	9.62%
Restaurants	11,075	59,155	4,326	74,556	14.85%
Department Stores	9,585	22,172	84,778	116,535	8.22%
Foods	8,052	39,998	1,793	49,843	16.15%
Communications/Cellular	17,840	30,854	45,117	93,811	19.02%
Furniture	11,742	21,688	32,727	66,157	17.75%
Financial Services	17,829	25,778	42,703	86,310	20.66%
Movies/Theater/Concerts	7,529	23,502	23,431	54,462	13.82%
Grocery Stores	8,035	12,856	16,531	37,422	21.47%
Appliances & Electronics	3,159	12,604	31,861	47,624	6.63%
Hotel/Resorts/Tours	3,610	7,730	29,385	40,725	8.86%
Drug Stores/Products	5,439	11,253	9,141	25,833	21.05%
Computers/Office Equipment	6,637	7,514	20,999	35,150	18.88%
Specialty Retail	12,603	24,651	34,978	72,232	17.45%
Health Care	9,573	20,561	13,581	43,715	21.90%
Auto Parts/Service	4,744	6,785	5,437	16,966	27.96%
Music Stores/CDs/Videos	3,058	8,546	2,427	14,031	21.79%
Transportation	3,681	5,565	13,496	22,742	16.19%
Entertainment-Other/Lottery	7,588	7,685	4,944	20,217	37.53%
Home Improvement	5,625	12,157	12,157	29,939	18.79%
Professional Services	8,266	9,978	10,659	28,903	28.60%
Beverages	12,713	17,354	3,063	33,130	38.37%
Television	19,845	4,517	13,592	37,954	52.29%
Personal Fitness & Weight Ctrs.	952	5,559	1,598	8,109	11.74%
Publications	4,060	4,493	29,927	38,480	10.55%
Internet/E-Commerce	24,025	16,893	10,238	51,156	46.96%
<b>TOTAL</b>	<b>265,747</b>	<b>592,439</b>	<b>687,953</b>	<b>1,546,139</b>	<b>17.19%</b>

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



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**Michael Reagan**

**Phil Hendrie**

**Dr. Dean Edell**

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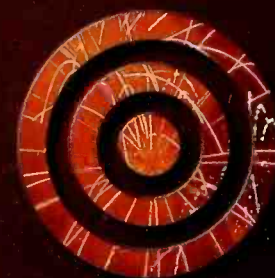
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