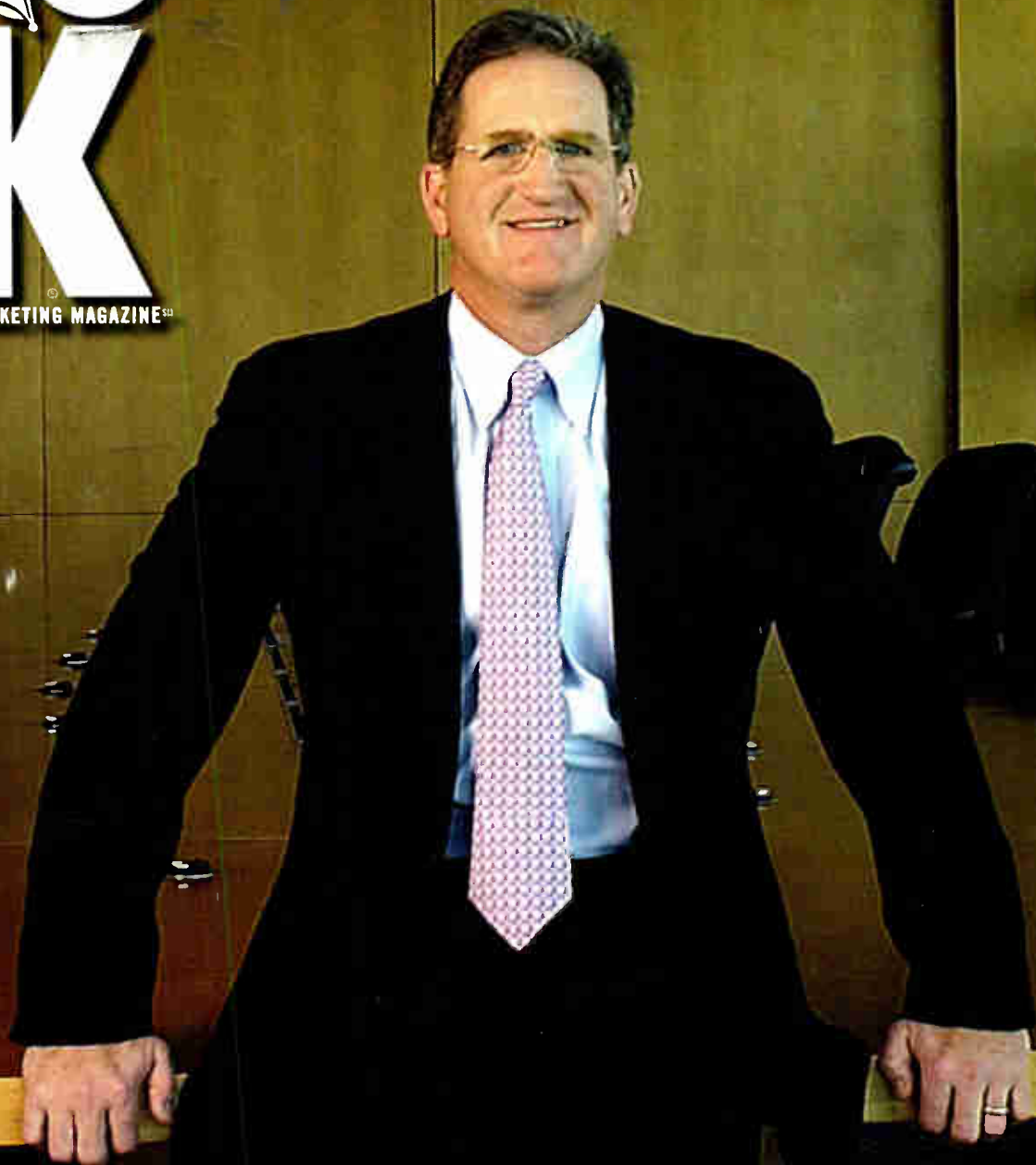


Forecast 2005 Recap • This Year's Economic Outlook

Vol. XX, No. 1 January 3, 2005 PUBLISHED BI-WEEKLY

# RADIO INK

RADIO'S PREMIER MANAGEMENT & MARKETING MAGAZINE

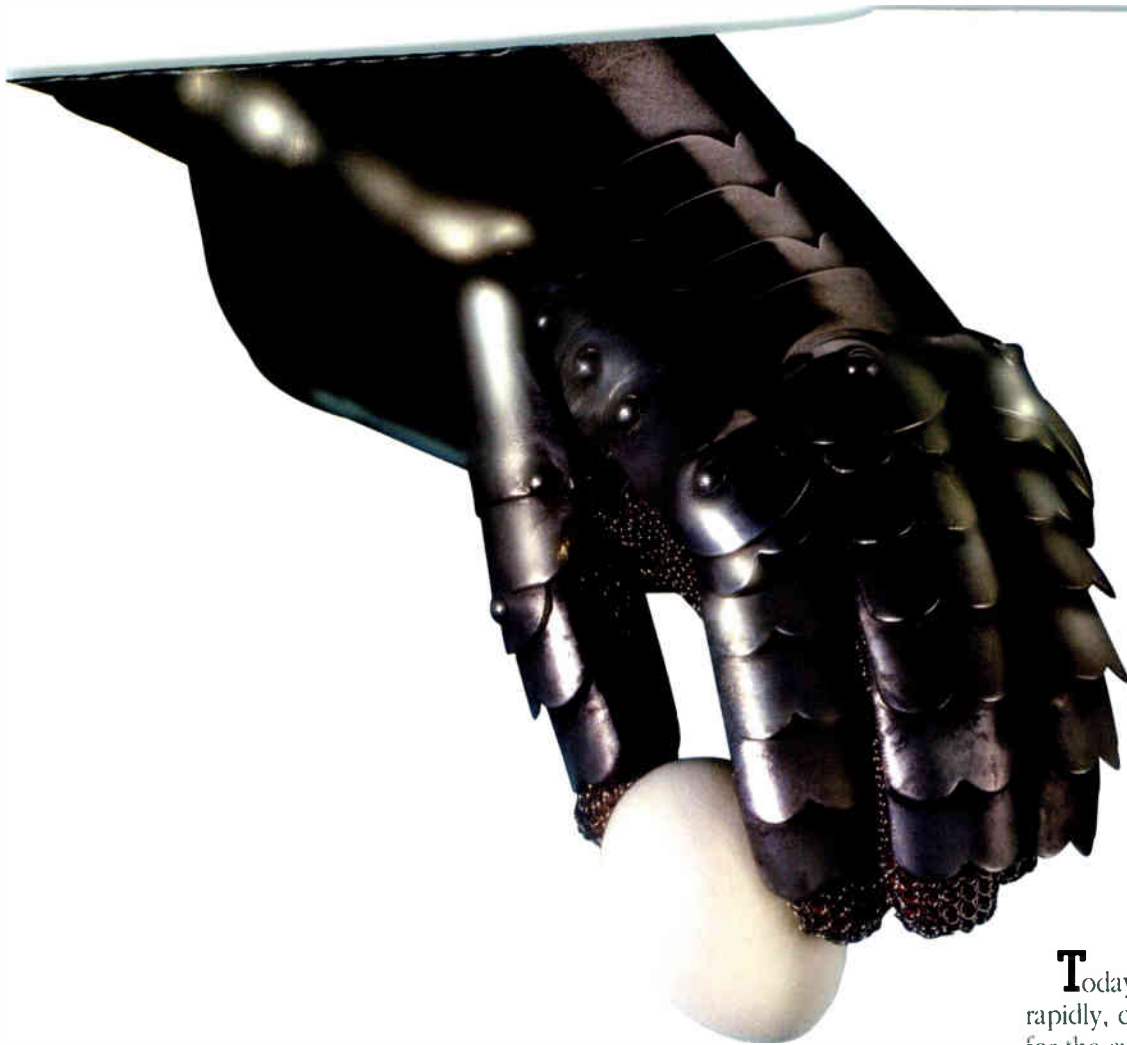


*Executive Of The Year*  
Clear Channel's John Hogan

## At The Top Of The Leader Board

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# A Leader Can Only Be As Good As His Team...

As we share Radio Ink's Executive of The Year honor, I would like to congratulate you for being great leaders on your own respective teams. I salute your dedication, commitment and your passion for success. I am extremely proud!

*- John Hogan, President & CEO, Clear Channel Radio*

Great Radio Inspires People™



World Radio History



## 26 RADIO EXECUTIVE OF THE YEAR Clear Channel's John Hogan: On TOP Of The Leader Board

Clear Channel Radio's John Hogan exemplifies "quality leadership." Beyond the obvious job of leading 1,200+ radio stations and 30,000 employees, Hogan in one year has initiated industry-wide changes in programming and sales and is pushing the change to digital audio throughout his company. He was our easy choice for Radio Executive of the Year. Cover and interview photographs by Charla Wood, Austin.

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**IDEA TICKER**

**33,932**

...the number of useable ideas in Radio Ink to date

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*Our Mission: Radio Ink's role is passionately to empower Radio management to be more successful by providing fresh, actionable, reality-based ideas, inspiration and education in a quick, easy-to-read, positive, pro-Radio environment.*

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LEADERSHIP AND LEARNING...  
ARE INDISPENSABLE TO EACH OTHER.

-John F. Kennedy

*congratulations!*  
**JOHN HOGAN**

President/CEO, Clear Channel Radio

RADIO INK'S  
**2004 EXECUTIVE OF THE YEAR**

Clear Channel University salutes your indisputable achievements throughout the years and this extremely well-deserved honor. To Clear Channel, your unwavering commitment to cultivating talent and providing ongoing education is exceptional. To the industry, your innovation, passion and vision are inspirational. And for us all, the combination of these make you a truly extraordinary leader.

John, from your colleagues and friends at Clear Channel University, congratulations.





## Right or Wrong, Hogan's Got Guts

Armchair quarterbacking: We've all done it. (Heck, some people say it's what I do best.) How many times have you thought or said, "If I were running Clear Channel, I would..."?

But you're not running Clear Channel. Even if you were, you wouldn't have the freedom to do the *blah, blah* thing you say you'd do. The problem with publicly traded companies is that they're owned by people who have no idea how to run them: stockholders. Can you imagine answering to a nervous board of directors that is being yanked by a group of investors with no real qualifications beyond inheriting a pile of money from their parents?

Today's Clear Channel was formed in much the same way as the old Soviet Union: Previously independent republics were co-opted into a growing monolith "for the greater good." Not surprisingly, CC and the USSR shared the same initial problem: the integration of dissimilar styles, methods and belief systems into a single, seamless system. The situation created hotly contested turf battles and culture wars, and there were many casualties.

When Randy Michaels sat in the CEO's hot seat, he took the bull by the

horns, and that bull pinned him to the wall. Remember when Clear Channel was drowning in a sea of controversy and negativity? Everyone in the industry, everyone in the press, even the man on the street was down on them. In the midst of that storm, John Hogan was handed the skipper's cap and instructed to sail the ship into calmer waters. I'm betting that cap felt a lot like the blindfold they give you just before they march you in front of a firing squad.

I met Hogan and liked him, though I secretly felt he wasn't taking action quickly enough. His methodical approach, however, may have been the right thing to do. Wrapping your arms around 1,000+ radio stations and 25,000 employees can't be easy if you plan to do it well. Slowly, miraculously, Hogan turned the tide of negative publicity and introduced some meaningful innovations.

How would you like to have been Hogan the day he told his board of directors that he intended to walk away from several million dollars in record-promotion contracts? As an encore, would you tell them, as he did, that you've decided to go against decades of traditional wisdom and incur the wrath of advertisers

by announcing *Less is More*?

Time will tell if Hogan will be remembered as a revolutionary genius or as a man ahead of his time. In the humble opinion of this commentator, *Less is More* was the right thing to do. If indeed it fails and Hogan loses his great wager, the Mays brothers will find another skipper to pilot their massive ship. But if *Less is More* succeeds, Hogan will have changed radio history forever. When was the last time we saw that kind of leadership?

Whether the ideas prove right or wrong, radio needs more innovators. It's extremely unlikely, though, that there will ever be another innovator who will risk so much on a more beautiful dream. And that, my friend, is why we chose John Hogan as the recipient of this year's Radio Executive of the Year Award. Congratulations, John. 📠

*Eric*

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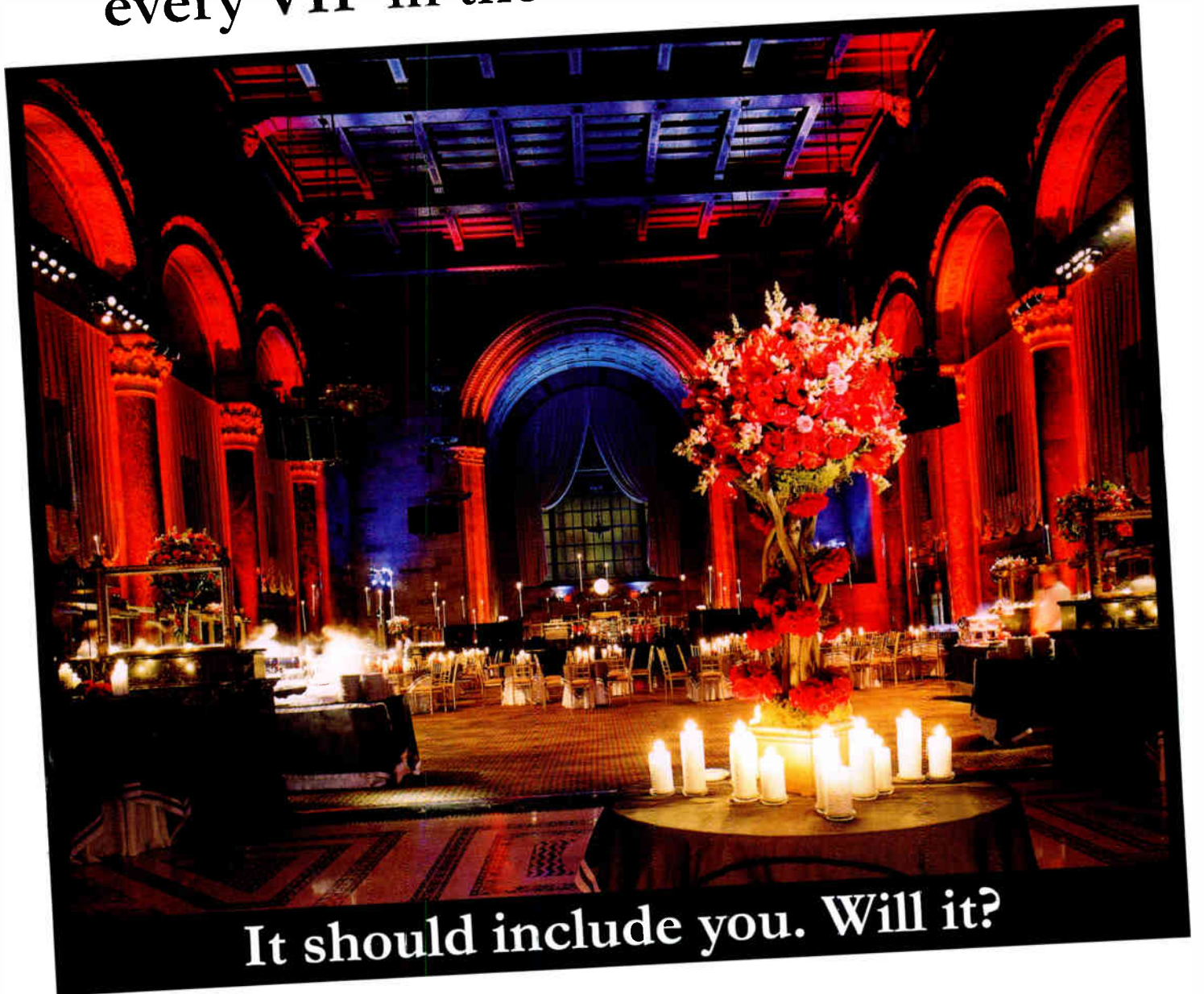
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## FACETIME



**THIS KIND OF MORNING AFTER IS TOUGH, TOO!** *Jeopardy!* champion Ken Jennings (l) is interviewed by ABC News Radio's national correspondent Jim Hickey the morning after he finally lost on the televised game show. Even so, Jennings won the most money in the history of the show.



**TOY MAGIC:** Greater Media's Magic 105.1 helped the U.S. Marine Corps Reserves launch the Toys For Tots campaign with five live broadcasts in the Detroit area. Magic's morning show people competed to collect the most toys, and promised to Jell-o wrestle each other if more than 25,000 toys were collected. A: Actor-songwriter Jeff Daniels (r) visited one of the live broadcasts and talked with Jim Harper. B: Cyndy Canty interviewed Sgt. Maj. Gilliam, a retired U.S. Marine, at one of the live broadcasts. C: Jell-o wrestling at its best: Magic's Linda Lanci and promotions staff member Karah Stirrett take out Mike Bradley.

## E-mail, Research Top Online Usage

A new Harris Poll shows that U.S. adults who are online are using the Internet more often for new and different purposes. While e-mail (66 percent), research for work or school (46 percent), checking news and weather (43 percent), and getting information about hobbies or special interests (40 percent) top the list of online activities which are used "very often" or "often," large numbers of adults are using it for many other purposes.

The next most frequent online activities are getting information about products and services (38 percent do this very often or often), web surfing to explore new and different sites (34 percent), making travel plans or reservations (26 percent), seeking information about local events and activities (22 percent), and getting information about health or diseases (21 percent).

**Most of the numbers are similar to what they were in December 2003.**

**The two largest changes are:**

- Those who go online often, or very often, to make travel plans or reservations are up 11 points, from 15 percent to 26 percent, and
- Those who go online often, or very often, to look for information about health or diseases are up six points, from 15 percent to 21 percent.

**The biggest increases in online uses "often" or "very often" since 2000 are:**

- Getting information about products and services — up 13 points, from 25 percent to 38 percent;
- Making travel plans or reservations — up 15 points, from 11 percent to 26 percent;
- Seeking information about local amusements and activities — up 11 points, from 11 percent to 22 percent;
- Doing research for work or school — up nine points, from 37 percent to 46 percent;
- Obtaining information about health or disease — up eight points, from 13 percent to 21 percent.

*These findings are the results of a nationwide telephone survey of 819 U.S. adults who are online. The study was conducted by Harris Interactive® between November 9 and 14, 2004.*

## "Janet Jackson" Was Most-Searched Term In 2004

Jackson held the number-one spot on *The Lycos 50* for only two weeks last year, but she generated more search activity in those two weeks than any other search topic. That made her the most-searched topic in the history of *The Lycos 50*, and easily the top search of 2004. In the first 24 hours following her now infamous "wardrobe malfunction," Jackson and the Super Bowl halftime show received 60 times as many searches as the Paris Hilton sex tape and 80 times as many searches as Britney Spears.

**The Lycos 50 Top 10 Search Terms for 2004 were:**

- |                   |                    |
|-------------------|--------------------|
| 1) Janet Jackson  | 6) KaZaA           |
| 2) Paris Hilton   | 7) Tattoos         |
| 3) Clay Aiken     | 8) Pamela Anderson |
| 4) Britney Spears | 9) Michelle Vieth  |
| 5) Nick Berg      | 10) Poker          |

» 10



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## REAL Study Shows Radio Works In Mixed-Media Campaigns

A media mix that includes radio can be more powerful than television-only or newspaper-only advertising campaigns. That's the conclusion of the second major study released by the **Radio Ad Effectiveness Lab**, which showed that:

- Swapping out one of two TV ads for two radio ads increased unaided brand recall by 34 percent.
- Replacing one of two newspaper exposures with two radio ads almost tripled unaided brand recall.
- When two radio ads replaced one of two TV exposures, more people chose the advertised brand as their first-choice product. The newspaper swap-out was even more striking.
- Consumers who heard two radio ads (and only one TV ad) could play back a campaign's main message just as well as those exposed to two TV ads. Trading one of two newspaper ads for two Radio exposures gave much better message playback than seeing two newspaper ads.

According to **Jim Boyle** of Wachovia Securities, the study suggests that the tilt of local ad share shift should again move steeply in radio's favor. In a research memo, Boyle explains: "Radio's share of local advertising has almost doubled, from 9 percent to 17 percent between 1955 and 2002. During this period, the opposite trend seems to have occurred for its major local rivals, newspaper and broadcast TV. Radio's race to grab even more of the local ad pie seems to have stalled over the past two years." Boyle says that, as radio once again can quantify its proven effectiveness to advertisers (which this study has begun to show), the tilted share shift should again tilt back in radio's favor.

Boyle observes that ROI has been a significant buzzword in the ad community lately, as agency execs and their clients clamor for both qualitative and quantitative measurement of their branded messages' impact. "While it is too soon to know just how influential the RAEL's results should be," he says, "early indications and agency comments show that the findings provide a much-needed and desired, specific formula for maximizing ROI solutions."

Generally speaking, advertisers need three to six months to adapt to changes in the ad landscape, Boyle continues. Once the "early adapters" enjoy success with their reallocated ad spending, the word should spread quickly. While cautioning that a study is not proof, Boyle notes that this RAEL report offers a suggested numerical formula, for which ad agency planners are hungry. "Proof should come if ad sales rise as radio is increasingly included with its big rivals, whose revenue is four times larger than radio's," he concludes.

## Radio Listening Highest Among Educated, Upper-Income Consumers

Radio retained its position as a mainstay medium over the past year – reaching demographics in locations, both in and out of home – according to the latest total radio listening estimates compiled by RADAR. Initial findings indicate that, over the course of a typical week, radio reached 95 percent of persons 18+ who live in a household with an income of \$75,000 or more. Ninety-five percent of college grads listened to radio, as compared to only 92 percent of people who did not go to college. Eighty-two percent of persons 18+ listened to radio while in their cars; 25 percent listened at work.

## Broadcast Execs To Unveil HD Radio Plans At CES

Broadcast industry leaders from Bonneville, Clear Channel, Cox, Entercom and Radio One will disclose nation-wide HD Radio conversion plans during a press conference this week (January 5) in iBiquity Digital's booth at the International Consumer Electronics Show. Broadcast industry leaders will join iBiquity Digital CEO Robert Struble to announce the acceleration of HD Radio adoption. Attending from the broadcast industry will be: David Field, president and CEO, Entercom; Neil Johnston, chief financial officer, Cox Radio; Jeff Littlejohn, senior VP/engineering, Clear Channel; Bruce Reese, president/CEO, Bonneville and chairman of the NAB Radio Board; Scott Royster, chief financial officer, Radio One; and Linda Vilardo, chief administrative officer, Radio One.

### Book Review

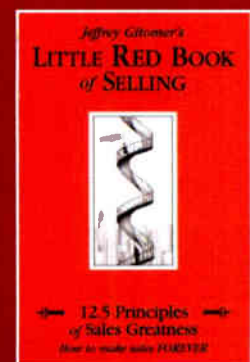
#### *The Little Red Book of Selling*

12.5 Principles of Sales Greatness

by Jeffrey Gitomer, Bard Press, \$19.95

Salespeople hate to read. That's why *The Little Red Book of Selling* is short, edgy, fun, inspirational, and to the point. It's packed with answers that help salespeople make sales. Readers will learn why sales happen and receive a philosophy of long-term success that is relationship-driven and referral-oriented. This success has nothing to do with manipulation — and everything to do with understanding buying motives and taking ethical actions. If you're expecting the same old sales techniques, you won't find them here. This is one of the more customer-focused sales books we have read recently. Available in major bookstores.

Author Jeffrey Gitomer reaches millions through his syndicated column *Sales Moves* (90 business publications, 3.5 million weekly readers), more than 115 seminars annually, as well as a weekly e-magazine *Sale Caffeine* (100,000 subscribers).



# Top 20 Radio News Stories Of 2004

## 1. Howard Stern, Mel Karmazin Go To Sirius

No big surprise here, really, as Howard Stern had made his proclivities for satellite (or is it "extra-terrestrial") radio quite clear for months. No big surprise that Mel Karmazin, who'd been looking for the right corporate gig since he resigned from Viacom in June, joined him there.



## 2. Janet Jackson Sparks Indecency Debate

Oh, what furor a little wardrobe malfunction can cause. Jackson and Justin Timberlake outraged a number of Super Bowl fans (including FCC Chairman Michael Powell) when her nipple was exposed for 9/16 of a second.

## 3. Appeals Court Overturns FCC's Media Ownership Rules

The much-ballyhooped media ownership rules passed in 2003 were summarily tossed out in June, leaving virtually every sector of the industry perplexed about what to do next.

## 4. Mel Karmazin Leaves Viacom

After agreeing to a new contract in 2003, Karmazin surprised almost everyone in June, when he announced that he would be leaving his post as president/COO of Viacom and Infinity Broadcasting, which he had built from the ground up.

## 5. Florida Hurricanes Test Radio's Mettle

Four hurricanes hit Florida last fall, and radio was there to offer extensive wall-to-wall coverage as the storms crisscrossed the state.

## 6. Air America Debuts

The fledgling liberal Talk radio network debuted in early April amidst much hoopla, which soon turned to near-hysteria as funding ran out and several stations dropped the programming. The network hung in there, however, and began posting encouraging ratings by year's-end.

## 7. Bill O'Reilly Accused Of Sexual Harassment

In a case of he-said, she-said, also known as "Loofagate," O'Reilly paid an undisclosed sum to a former producer who claimed the Talk show host made inappropriate advances and made unwanted, "suggestive" comments on the phone.

## 8. NAB's Fritts Beats Back Chairman's Efforts To Oust Him

The story broke at the NAB Convention in Las Vegas: NAB Board Chairman Phil Lombardo was trying to pressure Fritts to step aside. Fritts resisted, with widespread radio-industry support, and signed on for another two-year term.

## 9. Lowry Mays Undergoes Brain Surgery

Waking up to moderate paralysis last spring, Clear Channel Chairman Lowry Mays underwent successful brain surgery. He reportedly is recuperating well and is still involved in daily business decisions at the company.



## 10. Analysts Downgrade Radio Sector

Sluggish pacings, low revenue growth, analog malaise, and nothing much to write home about caused Wall Street to downgrade the radio sector. By year's end, the industry had lost more than 20 percent of its public value. » 12

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# Top 20 Radio News Stories Of 2004

## 11. Radio Posts 3-Percent Growth In 2004

The big news is that the industry ended in positive territory at all. For the first time in more than 20 years, radio's growth was slower than the retail sector's growth — two recessions notwithstanding.

## 12. Clear Channel Settles \$1.7 Million FCC Fine

One man's vulgarity is another man's seven-figure indecency fine. No question about which way the FCC looked at this one.

## 13. FCC Fines Infinity \$1.5 Million For Indecency

Thanks to Howard Stern, the FCC was able to supplement its budget to the tune of several million dollars last year. This fine contributed healthily to the kitty.

## 14. Satellite Stocks Soar

Last month, XM's stock was priced at 35 times sales (not earnings), while Sirius' was priced at 200 times sales. While the public has fallen in love with satellite radio, it's important to note that Amazon.com's stock was priced at 30 times sales when it tanked. Stay tuned.

## 15. Clear Channel Introduces "Less Is More"

Research showed that radio listeners believed there were too many commercials — and too many *bad* commercials — on Clear Channel stations. Division head John Hogan and his executive management team decided to do something about it.

## 16. Clear Channel Pulls Plug On Howard Stern

In the midst of last year's indecency outcry, Clear Channel dumped Howard Stern from those of its stations that carried the "shock jock." This was just one of many volleys that ended with Stern's defection to satellite radio.

## 17. New York Attorney General Eliot Spitzer Opens Inquiry Into Payola

Spitzer's pursuits can be extensive and painful, and some radio companies are bracing themselves for what dirty secrets lie in that old FedEx box on the shelf of the prize closet. Stay tuned...

## 18. Political Ad Spending Exceeds \$1.45 Billion

That's a record amount, and very little of it made its way into radio's coffers.

## 19. Miami Appeals Court Rules Against Rush Limbaugh

In the ongoing "doctor-shopping" case, a Miami Court of Appeals (in a split decision) ruled that investigators could review medical records seized from Talk show host Limbaugh's doctors. His attorney, Roy Black, appealed the decision immediately.



## 20. Radio Stations Air Nick Berg Beheading

The first of many disturbingly similar events, the beheading of Nicholas Berg drew outrage from an entire nation. So did the subsequent decision by several DJs to air the audio portion of the grisly event.



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# Guest Book

**F**or two days last month, the esteemed Harvard Club in New York was the focal point for radio's most-attended financial conference of the year. From Donald Trump to Larry Kudlow to Laura Ingraham to Alan Colmes, Radio Ink's Forecast 2005 was about as star-studded as a radio financial event can get! Speaking to an SRO crowd, dozens of analysts, group executives, agency heads, investors and economists discussed the financial and social factors that have brought our economy to where it is — and predicted where the radio industry is headed in the coming year. Attending the event this year were John Hogan, Randall Mays, David Field, Jeff Smulyan, Lew Dickey, Kraig Kitchin, Farid Suleman, John Sykes, Judy Ellis, Peter Smyth, Bruce Reese, David Kennedy, Stu Olds, Ralph Guild, George Beasley, Charles Warfield, Bill Stakelin, Eddie Fritts, Gary Fries, Al Vicente, Jim Boyle, Vic Miller, Lee Westerfield, Hank Kush, Robert Whyte, David Bank, Gregg Johnson, and many, many more.



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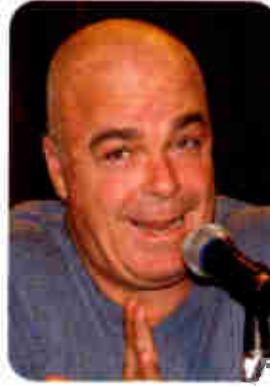
*-- Ralph Salierno, Sales Manager, AM 990, Memphis, TN*

*“When people ask me about Dave Ramsey, I think what you get, first of all, is a turn-key opportunity for promotion.”*

*-- Henry Capogna, Sales Manager, WOOD/WTKG, Grand Rapids*



# Guest Book







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» **QUICKREAD** » Most ads don't work because ad writers don't know how to sell. » If informing the prospect were all it took, the average ad would work. » If entertaining the prospect were enough, radio would rule the world. » But ad writing is about selling. » Can you imagine how radio's ads might change if writers were paid according to how the ads worked? » Hold ad writers accountable to how well the ads work, and they'll learn to write ads that sell.

# Why Most Ads Don't Work

An ad writer may be creative, entertaining and clever with words, but that doesn't mean he or she can sell. America's airwaves are stuffed with clever ads that don't sell and informative ads that don't convince. What are clients left to say but "I tried radio and it didn't work?"

Most ads don't work because ad writers don't know how to sell. Morris Hite said it well: "Advertising is salesmanship mass-produced. No one would bother to use advertising if he could talk to all his prospects face-to-face. But he can't."

If informing the prospect were all it took, the average ad would work. If entertaining the prospect were enough, radio would rule the world. But ad writing is about selling. So why does radio manage its ad writers differently from its salespeople? Writing ads that sell is harder than face-to-face selling because ad writers must sell from behind a veil, blind to the prospect's reactions, unable to make adjustments accordingly. Other than that, the skills required are the same.

If we judged salespeople the way we judge ads, we would listen as they made one-way presentations to prospects over the phone and then evaluate whether we felt the presentation was good. We would no longer hold them accountable for whether or not their clients bought any airtime, and we certainly wouldn't pay them commission.

Can you imagine how radio's ads might change if writers were paid according to how the ads worked? I can tell you exactly how ads would change, because that's how I've chosen to be paid for the past 17 years — according to how well the ads worked.

What I'm about to tell you isn't pie-in-the-sky theory. It's real-world experience.

After quitting my job as a radio GM in 1986, I began writing ads for clients across America, though not in the town where I had managed a station. I charged a small, monthly salary to be adjusted once a year by the same percentage each client's business had grown. "Grow my salary equal to



your top-line growth, or fire me," I said. "Those are your choices."

The average client now pays me more than 12 times my original salary, and most of them have been with me for more than 10 years, many for longer than 15. My CPA tells me I'm in the top 1 percent of wage earners, and all I am, really, is an ad writer.

Are you sitting down? For the past

seven years, I've charged an application fee of \$5,000 just to listen to hopeful advertisers tell me their stories. How many of your prospects pay you to listen to them explain why you should take their account? I'm telling you these things not to boast, but to make you understand what can happen when ad writers are rewarded according to how well the ads work.

This year, my scheduling assistant took it upon herself to raise the chit-chat fee to \$7,500, because she had more takers at \$5,000 than she had available days to sell. These advertisers are told up front, by the way, that we probably won't take their account, but we will try to give them whatever helpful advice we can within the eight hours they're in my office. That's right, \$7,500 is the price if the advertiser comes to me. If I travel to the advertiser, it's \$25,000 a day plus expenses, and I'm traveling far more often than I'd like.

Last month, I received \$7,500 and a visit from the owner of a furniture store with an annual ad budget of nearly \$10 million in a single major market. He said he'd read all my books but believed I could tell him things I hadn't put in them. After our day together, he said he had learned "way more" than he had expected and

that he was "blown away."

Manage your ad writers the same way you manage your other salespeople. Hold them accountable to how well the ads work, and they'll learn to write ads that sell.

At least that's what I think — but what do I know? ☺

Roy H. Williams, president of Wizard of Ads Inc., may be reached at [Roy@WizardofAds.com](mailto:Roy@WizardofAds.com).



# Giff On Sales

By Dave "Giff" Gifford

**» QUICKREAD »** In 1959-1961 Radio vs. Newspaper testing, a department store received \$10.93 in sales from radio vs. only \$5 for every dollar spent in newspaper advertising — a margin of +118.6% in favor of radio. » Conclusion: Radio advertising out-produced newspaper advertising. » But radio put the results on the shelf and lost the most powerful sales tool it has ever had to kick newspaper's butt! » The testing used only 60-second commercials. » Today in the "60s vs. 30s" debate, given that most advertisers buy radio to get results, be careful, you "Let's Go 30s" cheerleaders, that you don't win the battle and lose the war for radio all over again.

## HOW RADIO WON THE BATTLE AND LOST THE WAR!

**H**istory lesson: In May 1958, the late, legendary Kevin Sweeney, then president of the Radio Advertising Bureau, challenged America's leading department stores to a Radio vs. Newspaper test, to be decided on the R.O.I. of individual advertised items only. RAB offered to put up \$2 for every \$1 invested by the selected store, with the proviso that RAB reserved the right to select the stations, write the copy, have a voice in the selection of items advertised, and then have the unprecedented authority to publish the results.

Forty-one department stores nationwide applied for what turned out to be the largest and most comprehensive test of its kind in the history of advertising. On September 27, 1959, what became known as The Department Store Challenge began at The Higbee Company — a 12-story, 100-year-old, "middle-of-the-road," standalone downtown department store in Cleveland, Ohio, one of 14 markets most often selected at that time to test new products (for "projectable" results).

Assisted by a full-time researcher six days weekly, buyers entered the number of advertised items sold (9,866 items), plus their resultant dollar volume, which were then formulated to calculate the R.O.I. produced per advertising dollar, per advertised item. To guarantee equality of measurement, no items were advertised in both media at the same time. The test ended June 18, 1960.

The results: Radio's R.O.I. per item sold was \$8.72; newspaper's R.O.I. per item sold was \$5.04. Conclusion: Radio advertising out-produced newspaper advertising. Proof!

Maybe...not!

So shocking were the findings, the disbelieving department-store industry summarily rejected the results and insisted on extending the test for a second year beginning September 18, 1960, and ending in November 1961.

In the second year, influenced primarily via fine-tuning Radio's commercial approach (guided by a 161-page manual), for every dollar spent in radio advertising, the store received \$10.93 in sales vs. only \$5 for every dollar spent in newspaper advertising — a margin of +118.6% in favor of radio. In-con-tro-vert-ible proof!

Further, Radio outsold newspapers in every merchandise category, including fashion (highly "visual" merchandise) and regular-priced as well as marked-down merchandise. The good news for Radio? Department-store advertising dollars flooded into radio.

How, then, was it possible that radio lost the war?

Kevin Sweeney resigned as president of the RAB and, as impossible as it is to believe, the Department Store Challenge's shelf life was just that — essentially abandoned to gather dust on a shelf. Almost overnight, radio lost the most powerful sales tool this industry has ever had to kick newspaper's butt!

Now, should one particular successor of Kevin take issue with that assertion, I'd be happy to rewind for him the emotionally charged words I used to tell him off on a cold, rainy winter night in Providence, RI, circa 1962. We were standing outside the Outlet Department Store immediately after his pathetic presentation of the test findings to Dody Sinclair, then the store's president, though he later moved on to build a major broadcast company of his own. As the 28-year-old sales manager of WHIM-AM/FM at that time, I promise you my worst salesperson would have made a presentation with more enthusiasm and conviction than he exhibited.

Today, although it would be great to repeat that test as "The Chain Store Challenge," the RAB would need a budget in multiples of its current budget to make it happen, so that option is not an option.

Confession: I have an ulterior motive in sharing this story with you, and that is the fact that Radio's greatest success story was built on 60-second commercials only — no :30s! Not that there aren't some very good reasons for using :30s — there are! Nonetheless, when it comes to the recall factor, it's no contest! At the risk of confusing you with facts, here are the findings of recall research conducted by the Pretesting Company several years ago:

	Medium	:30s	:60s	Advantage
Radio		64%	87%	+35.9%
TV		71%	92%	+29.6%

The numbers above also suggest that a typical 60-second radio commercial has 22.5-percent greater recall than a typical 30-second TV commercial!

About this silly 60s vs. 30s debate: Given that most advertisers buy radio to get results, be careful, you "Let's Go 30s" cheerleaders, that you don't win the battle and lose the war for radio all over again. ☹

*Dave Gifford is president of Dave Gifford International and founder of The Graduate School For Sales Management. He may be reached at 505-989-7007 or by e-mail at giff@talkgiff.com*

# Radio Ink's Economic Forecast For 2005

The holidays (finally) are behind us, the economy (again) is showing signs of life, and there are indications that the radio industry (at last) might be poised for modest growth this year. Here's what our three economists at last month's Forecast 2005 conference in New York had to say about — and predict for — all things financial in 2005.

## Watch The Deficit, The Dollar And Inflation In 2005

By Vahan Janjigian

I have three primary concerns as we head into 2005: the deficit, the weak dollar and inflation. Right now, our trade deficit is running somewhere above \$51 billion per month, with about \$15 billion of that due to trade with China and another \$15 billion due to petroleum imports. I don't see the China trade figure improving unless the Chinese revalue their currency, which the administration is currently pressuring them to do. Nor do I see our importing less oil, at least not in the near term. Over the longer term, as far as oil is concerned, we have to start using oil much more efficiently, or we'll have to develop alternative technologies. But those are long-term solutions.

The dollar has already weakened about 20 percent against the Euro over the past two years. If China revalues its currency, it will weaken the dollar further. A lower dollar would help improve the deficit, because it makes U.S. goods cheaper abroad and foreign goods more expensive here. But a weaker dollar is also inflationary, because we are a net importer, and we will continue importing. As

foreign goods become more expensive, that will feed inflation in the U.S.

As the dollar weakens, inflation will increase, and there will be pressure on U.S. interest rates to increase because we are a net importer, which means that we still need foreigners to finance our deficit. They will do so only if the rate of return is attractive enough. As a result, I expect pressure on interest rates to go up.

Related to inflation is the fact that oil prices are very high. Even though they've fallen from their high of about \$55 a barrel, they're still about 30 percent higher than they were a year ago. It's very difficult for me to believe that these oil prices eventually won't be inflationary, especially in the U.S., which relies heavily on the trucking industry and diesel fuel to move things around.



### Predictions for 2005:

- GDP growth will come in somewhere between 3-3.5 percent. I also expect the dollar to continue to weaken in the short term, but by the end of the year, the dollar will strengthen, partly because of an increase in interest rates. Additionally, I expect to see the dollar finish the year at about \$1.25 against the Euro.
- Oil prices should actually decrease, to somewhere between \$35 and \$40 a barrel. OPEC is now talking about a floor of about \$40 a barrel, but I don't really believe that will hold up.
- The jobs market will keep improving; I expect to see the unemployment rate somewhere around 5 percent by the end of the year.
- The Fed will keep raising interest rates. The Fed funds rate will probably be somewhere around 2.5-3 percent by June; and this time, long-term interest rates are likely to go up, partly because of pressure on the dollar. We could see a 10-year note somewhere between 5 and 5.5 percent by June.
- We will see more tax reform. But this time, instead of seeing reform in the form of lower tax rates, the focus will be on simplification.
- We could see the S&P 500 increase by 15 percent next year. Right now, most prognosticators are calling for 5 to 10 percent, so this is more on the bullish side.
- Sirius and XM stocks will fall. They are both excellent companies, and there is no question that they will see subscriber growth, revenue growth and eventual profitability. However, I wouldn't touch the stocks right now, especially since the big run-up we've seen recently. Sirius is selling at 200 times sales (not earnings), and XM is selling at 35 times sales. When Amazon.com's stock collapsed, it was selling at 30 times sales.

*Vahan Janjigian is vice president and executive director of Forbes Investors Advisory Institute.*

# Expect Real Economic Growth This Year

By David Sowerby

Since the end of 1982, we've had about 88 quarters of growth, and 81 of those quarters have been positive — that's about a .920 batting average. If my expectations are correct, we're in the middle stage of this cycle, so I'm going to be a little more optimistic with respect to 2005 and maybe into 2006. I'll score it this way...

There are a few variables I watch every month. The most important comes out the first business day of the month: the old purchasing managers index. For most of the past year, it has been in the stratosphere — above 60. It's decelerated a bit, but any time that number's above 50 and it's comfortably above 55, it usually bodes pretty well for the cyclical side of the economy.



Other variables that stack up for economic growth are the long-awaited recovery in the labor markets, which have been getting meaningfully better in the last 12 months, and capital expenditure spending, which is running 10 percent on a year-on-year basis, though it was a severe disappointment in 2001 and 2002.

Another number that is important to me is the health of corporate America. Earnings for the just-completed third quarter are up about 16 percent year-on-year. Granted, they are decelerating, but they're up better than 25 percent in the second quarter. Profit as a percent of the economy — 8.5 percent — is the highest I've seen since the mid-1960s. So are free cash flow margins, which are running around 5 percent. Cash flow for the last three quarters has been growing at 14- to 15-percent growth rate on a year-on-year basis. Additionally, inflation-adjusted real growth in money is still running above the long-term real growth rate in the economy, and that usually

bodes well for the business cycle. Finally, the spread between Fed funds and long BBB corporate bonds is over 400 basis points, which is generally above its long-term average. That gives me reason for optimism.

Bottom line: In the last 20 years we've usually been rewarded when we believe that the U.S. consumer will do better than expected. For all the concern about debt levels relative to income, we saw in the second quarter of last year that net worth reached a record level. If you look at net worth relative to assets and liabilities, the U.S. consumer is in decidedly better shape than some Wall Street economists are seeing today. Consumer confidence is a soft "plus." Inflation-adjusted income is growing in excess of 3 percent, which usually bodes well for the consumer; and interest rates remain at a level that is still favorable for the consumer. That gets a plus.

How does this translate to the media side? Confidence, corporate cash flow and an improving job market probably mean about 5- to 5.5-percent growth for radio ad spending in 2005. *David Sowerby is vice president of Loomis, Sayles & Co.*

## Radio Advertising Should Grow 4.3 In 2005

By Mark Fratrick

With the last six quarters, the U.S. economy has averaged around 3- to 3.5-percent growth. On an annual basis over the last 10 years, the growth of retail sales has remained strong except for 2001 and 2002. Unemployment is coming down. Inflation is 2 to 2.5 percent and, as a result, interest rates have remained pretty low for several years and will continue to be low. Through the first three quarters of 2004, retail sales grew at 6.3 percent. Consumers are still spending, and they're spending substantial amounts.

For 2005, I predict growth of 3.2 percent of GDP. Jobs will grow by 2 million throughout the next year; that's 166,000 a month. We'll see retail sales growth of 6 percent, with inflation at 2.2 percent. This all adds up to a nominal growth in the economy of 5.4 percent.

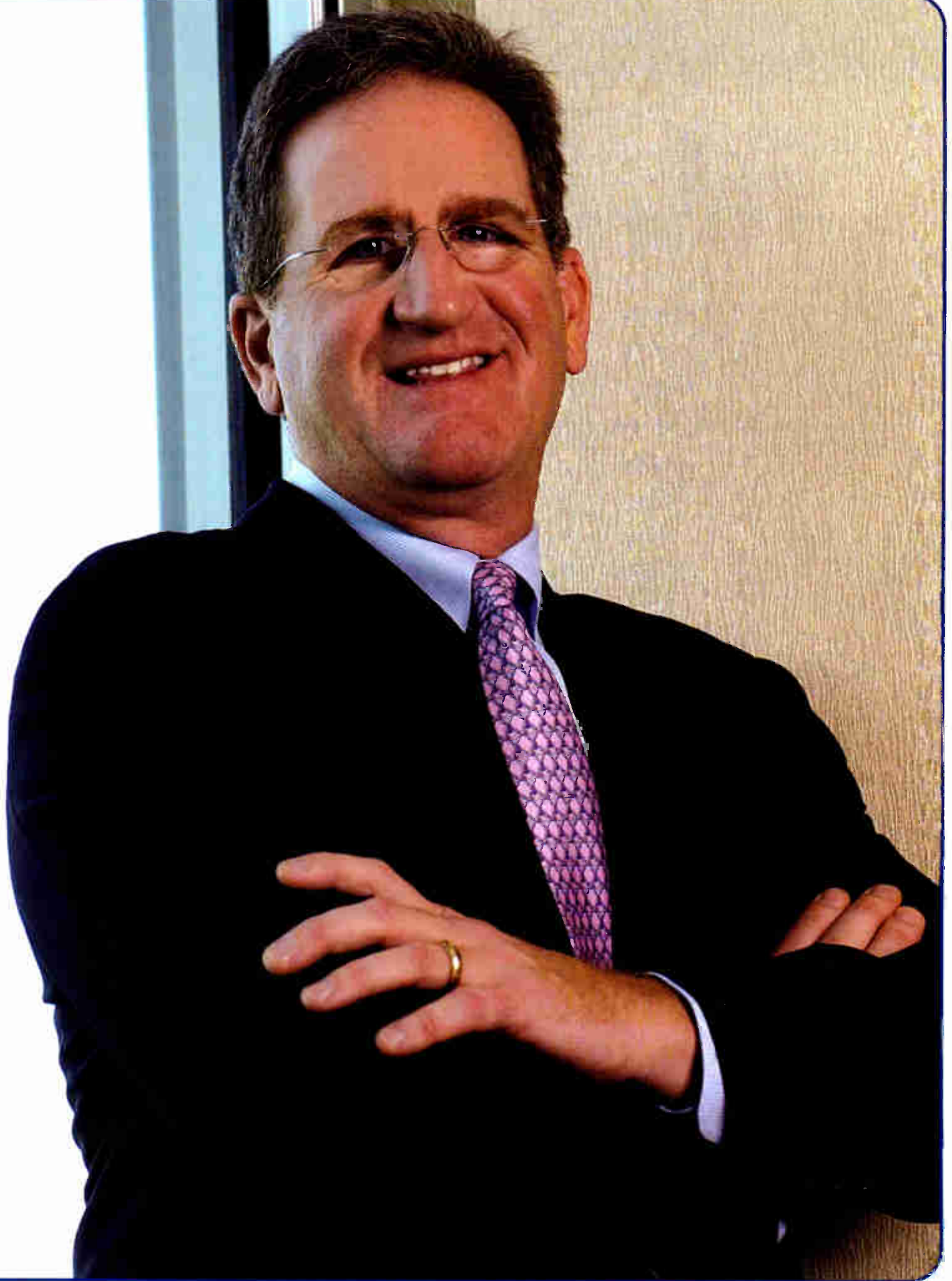
What does this mean to advertising? Let's first look at advertising and the economy. Over the last 20 years, there have been two times when radio advertising growth was below retail sales growth. The first was in the early 1990s, when we were in the middle of recession; the second one was in 2001, when we were beginning a recession. Advertisers cut back — they may have over-reacted.

What we're seeing again is that radio-advertising growth is still below the growth in retail sales (see chart at right). This is very significant, because we're not at the beginning of a recession. Why is radio advertising slower than retail sales growth? Part of the reason is the growth of competitive media, including newspaper, television, and cable. Cable has seen significant growth over the last few years, and the Internet has seen tremendous growth, even though a lot of that is spent on the large search engines.

What will happen with radio revenues? While national has been up and down over the past year, local advertising has been hovering around 0 to 3 percent each month. As a result, radio will come in around 3 percent for 2004, and I see radio advertising next year at a 4.3-percent range, lower than the growth in the economy of 5.2-5.4, and certainly lower than the retail sales growth of 6 percent.

*Mark R. Fratrick is vice president at BIA Financial Network.*





# EXECUTIVE OF THE YEAR

# Clear Channel's John Hogan

# AT THE TOP

# OF THE

# LEADER BOARD

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By Reed Bunzel, Editor-in-Chief

Cover and interview photos by Charla Wood, Austin

**T**hat collective sigh of relief heard as the ball dropped in Times Square may have come from radio broadcasters, who were more than happy to say “good-bye” to 2004.

In a year fraught with wardrobe malfunctions, indecency fines, a sluggish advertising market, stagnant revenues and steep Wall Street downgrades, the radio industry posted modest, low-single-digit growth. Despite predictions last winter that the U.S. economy (and with it the overall advertising marketplace) was poised to rebound, radio's revenue and quarterly earnings were embarrassingly weak. As a result, financial analysts slammed the entire sector, while satellite radio — with its low subscriber numbers and mounting debt — became the darlings of the new media.

Within this lackluster environment, one might think that identifying the Executive of the Year could be a challenging task. And well it might have been, if *Radio Ink* was in the habit of only considering revenue, cash flow, and EBITDA when making this annual selection. But in a year when solid numbers were sadly

lacking, it became evident that true industry leadership can be found if you look past the traditional matrices that quantify financial performance.

That brings us to Clear Channel's John Hogan. As head of the largest radio group in the world, Hogan is charged with the daunting task of ensuring that the company's massive engine is firing on all 1,200+ cylinders. Advertisers expect it, Madison Avenue and Wall Street expect it, and Clear Channel shareholders (not to mention certain members of the Mays family) expect it. But quality leadership is much more than simply driving dollars to the bottom line; it also is the ability to identify solutions to lingering problems, and implement them without nickel-and-diming the risks. It's the courage to be creative and innovative when the tried-and-true (and sometimes false) ways of doing things no longer work. It's the confidence to remain committed to a plan even when your harshest critics — and even some of your supporters — question your sanity.

John Hogan possesses all these characteristics. When faced with a rising tide of outrage over indecent broadcasting, he led

Clear Channel to develop and implement its company-wide “Responsible Broadcasting” initiative. When research showed that the company's stations were airing too many commercials and other clutter, Hogan spearheaded Clear Channel's controversial “Less Is More” plan. When that same research showed that there were too many *bad* commercials cluttering the airwaves, Hogan launched the new Creative Services Group. And when it became clear that digital is the wave of the future, Hogan announced that Clear Channel would be making a major push to convert all of its stations to HD Radio. By the way, he did all of this in the span of one year.

Certainly, critics inside and outside the radio industry point cynical fingers at Clear Channel and proclaim the company the “evil of all media.” But within the framework and context of today's radio industry, there is no single individual who represents the basic tenets of leadership more than Clear Channel Radio's John Hogan. Congratulations to him for the leadership and industry efforts that earned his selection as Radio Executive of the Year. » 26



# He Dominated KC, SF & Chicago –

Chicago, IL. – First he rose to prominence in Kansas City radio, then he dominated the highly competitive San Francisco market, only to be whisked away to become host of the #1 ranked morning show in the windy city. Now, Erich “Mancow” Muller, Chicago’s ratings juggernaut, has signed a long term agreement for the national syndication of his Chicago-based “Mancow’s Morning Madhouse” with TRN-FM – and with their combined talents, America’s mornings will never be the same again.

*“Mancow is the perfect content solution for what ails the ratings, revenues and FCC concerns of America’s top FM stations.”*

“This is a dream come true for us at TRN-FM. Mancow’s break-out ratings performance history in Kansas City, San Francisco and ultimately in Chicago is only the beginning of the story of what his show has become. Mancow’s authentic passion for radio and his sheer love for and curiosity about life has resulted in a show that is unparalleled in the FM talk world today,” says Mark Masters, CEO of TRN-FM. “The range of content, emotion and sheer entertainment covered in a single show is amazing and frankly refreshing.”

Says Muller, “People have looked at my ratings dominance in the 18-34 demo and have tried to compare my show to others, but there is simply nothing like “Mancow’s Morning Madhouse” on the airwaves. I treat my listeners like they have brains above the waist and they respond.”

Indeed, Muller’s ratings in America’s third largest market (Chicago) expose his titan status. In the Summer Book, in a head to



Jack Black in Studio

head analysis “Mancow’s Morning Madhouse” pulled a 9.4 share for men 18-34 in Chicago, while Stern’s men 18-34 number across the street at WCKG pulled only a 6.3 share – beating STERN by an astounding 49% in the key demo.

“When I came to Chicago the competition said I didn’t stand a chance – next thing, I was number one in 18-34 and they’ve never caught up,” says Muller. “Mancow’s massive numbers in Chicago are but a sampling of what TRN-FM plans to

do with “Mancow’s Morning Madhouse” nationwide. This show is simply brilliant; there is no other way to put it,” says Masters.

TRN-FM is an affiliated network with Oregon-based Talk Radio Network (TRN) and TRN Enterprises – syndicators known for developing a long line of national superstar radio heavyweights, including *The Michael Savage Show* (on nearly 400 stations) and *The Laura Ingraham Show* (on 300 stations).

Masters points out that last year’s flurry of speculation by FCC watchers and the fallout surrounding the Janet Jackson/Super Bowl debacle put deep structural cracks in what many have termed the “FM sex talk” format. Masters notes that was the last crack in the old school shock jock “dam” of what eventually became “event voyeurism” to collapse, and literally has given Mancow’s morning show the unprecedented opportunity to lead a new generation of younger, hipper and smarter FM Talk radio listeners. “Mancow will explode nationwide on the morning drive scene as the only real syndicated ratings solution for FM morning drive,” says Masters.

In an average two day period, Mancow’s guests have included former Clinton master-mind Dick Morris, television’s Dr. Phil,

“Star Trek Enterprise’s” Scott Bacula, rocker Marilyn Manson and powerhouse producer Jerry Bruckheimer, to name a few. His topics in a single show can cover areas as light as the hottest music, movies and pop culture to hard-hitting topics such as terrorism, personal freedoms and exposing the dangers of the occult

So the Mancow show does well in major markets. But will it play in Peoria?

The answer is a resounding “YES,” according to Gabe Reynolds, PD of Mancow affiliate WWCT/Rock 96.5 in Peoria. “We brought Mancow to town this past May and Peoria is still

talking about the broadcast. With “Mancow’s Morning Madhouse” listeners and the competition stand up and take notice.”



Charity Event: Cow vs Shatner







# Now The Mancow Invades America

Peoria is not alone, "Mancow's Morning Madhouse" is number one 18-34 for men in both WNFZ, Knoxville and KAZR, Des Moines with an incredible 18.3 and 21.5 share respectively. Steve Goldstein, Saga Executive VP of Programming says, "Cow is the man and has delivered for us in Des Moines for years."

"Mancow's Morning Madhouse" is the perfect content solution for what ails the ratings, revenues and FCC concerns of America's top FM stations," says Masters. "With a staff of four other complementing on-air characters, a large production team, and the resources of both Emmis and TRN-FM behind 'Mancow's Morning Madhouse,' the show has become the ultimate hybrid innovation of fast-paced, sidesplitting entertainment and opinion/news. Combine that with today's top newsmakers and celebrities added heavily into the

mix, and you have a show that spans a spectrum that reaches beyond anything heard on FM talkers today," added Masters. TRN and TRN Enterprises have developed more top-

another in-studio sex act? After years of this crap it is as boring and predictable as Dan Rather's nightly liberal blabber," says Muller. "My audience loves what we have done with the show in the last several years. They need to not only laugh but to think as well and to learn something beyond the mind dulling garbage that FM Talk has become known and despised for."

"My audience wants to expand their understanding of the world around them as well as have fun in the morning. This show has become a daily emotional, spiritual, and intellectual meal for our listeners - they feast on it and bring their friends to consume it - the same will be true nationwide," says Muller.



Cow's 6th year with his "Fox and Friends" Team

ten syndicated shows *in-house* than all other talk networks in the last decade.

"I think what has been done by lazy jocks for years to attract the 18-34 demo is now being realized for what it is - just a commodity. How original or innovative do you have to be to have lesbians mud wrestling or describing

ing. This show has become a daily emotional, spiritual, and intellectual meal for our listeners - they feast on it and bring their friends to consume it - the same will be true nationwide," says Muller.

Emmis' Giant Q101 just reserved Mancow in

Chicago for a multi-year arrangement, other markets will soon follow suit. "I am proud and excited to finally be able to work with Mark Masters and the TRN-FM team on a national basis. I am also grateful to Emmis for believing in me and I look forward to re-creating my Chicago's dominance time and time again in other markets, coast to coast," says Muller.

In addition to his radio program, Mancow has often been a daily contributor on the Fox News Channel's "Fox and Friends" for over six years and has appeared on a variety television programs including: "Politically Incorrect," "Jerry Springer," "David Letterman," "Hard Copy" and others. Muller is the author of a Best-

Selling book **Dad, Dames, Demons, and a Dwarf** and he has written for "Newsmax.com," "Playboy" and "Gear Magazine."



Friend Russell Crowe in Studio

TRN-FM and its affiliated networks also syndicate "The Michael Savage Show," "The Laura Ingraham Show," "The Jerry Doyle Show," "The Tammy Bruce Show," "The Rusty Humphries Show," "Motor Trend Radio" and many other fine programs.

For more information on "Mancow's Morning Madhouse" on TRN-FM, call (541) 474-2297.



With friend and fellow traveler Sean Hannity

Visit us at [www.trnfm.com](http://www.trnfm.com), or [www.talkradionetwork.com](http://www.talkradionetwork.com) or email to [affiliates@talkradionetwork.com](mailto:affiliates@talkradionetwork.com).

Chicago Tribune Magazine

Voted the Dirtyest in the '90s

**RAD INK**

RADIO'S PREMIER MANAGEMENT & MARKETING MAGAZINE

Morning Shows Menu: A Special Report

Are You Losing TSL to TV?

**Holy Cow!**

MAKING WAVES

From live talk, but who's the madman? These years after spending our airwaves, is Mancow radio's madman or madman?

**INK:** For several years, we've been in a stutter-step economy that seems to start, sputter, then start again. How optimistic are you that we're finally seeing some solid economic growth?

**HOGAN:** I am relatively confident, and I say this with cautious optimism, that we have the opportunity for real, sustained growth in the radio industry in 2005. The overall economy has had growth, the GDP is up over the last six quarters, and the hesitations that some advertisers might have had relative to the election and to the overall state of the economy have gone away or are less scary. We have the opportunity to see some real growth in 2005.

"John has shown a willingness to make tough decisions in a very challenging environment, and that to me is what leadership is all about. Congratulations to a good man and a great leader!"

— Alfred Liggins III, Radio One



### What indicators suggest things will be different this year?

The only thing worse than being in a tough economic environment is being in a tough economic environment and not

having any strategy or plan of what you might do to affect it. What is decidedly different for us as we look at 2005 is that some genuinely innovative, creative, exciting things are going on at our radio stations. Our Hispanic initiative has given us real cause for feeling great, we've continued to have a lot of success on the urban front, and we've had some new things, such as signing Donald Trump, which was a really big deal for us. Coupled with the Less Is More initiative, our new Creative Services Group, and the reorganization of our national sales development resources, we have some exciting things going on. While it would be premature to say, "It's going to be a great year," all our people are focused on the fact that they have some great new things to program.

### You have a lot riding on the Less Is More initiative.

I would say that we would have a lot riding on this if we didn't do it. If you look at where the radio industry has been for the last couple of years, you can see that the economic circumstances have been less than favorable. But it would be hard to ignore the fact that radio fundamentally has not responded to some of the technological and social changes that have occurred outside our industry. Advertisers have vastly different expectations today, and we realized that if our company and our industry are to expect different results, we need to do something different. We had to accept the fact that any sort of change meant potentially changing some fundamental practices. That was a big challenge, and we spent a lot of time researching our audiences and our advertisers. We had extensive internal discussions with some of the very bright people inside the company about what we might or might not do, and eventually developed what became the Less Is More plan.

### It brought out both skeptics and optimists.

Of course it did. It was a very different approach, and it got a lot of attention. It was interpreted a lot of different ways, and it affected a lot of different people. We discovered that, just like advertising, we encountered a frequency issue. We've had to describe Less Is More and talk people through it a number of times. By the same token, it has given us an entrée, particularly with » 28



Congratulations,

John.

Your vision,  
integrity and courage  
inspire all of us.

# JOHN HOGAN

Radio Ink's

Executive

of the

Year



## John Hogan: Personally Speaking

### • What leisure activities do you enjoy?

Tennis, reading, gardening, time with my wife, Nancy, and daughter, Makenzi.

### • What books do you recommend?

I love to read, so I recommend reading anything that interests you. I am a big fan of Michael Connelly, Carl Hiaasen, Bill Bryson and Robert Parker.

### • What books are on your night stand right now?

*California Girl* by T. Jefferson Parker, *A Short History Of Nearly Everything* by Bill Bryson, and *Dads and Daughters*.

### • Who are your mentors or role models?

My parents have been great role models in that they raised 10 kids who turned relatively normal. My siblings have been great mentors, and I have been blessed with a succession of bosses who all helped me be a better broadcaster or manager in some way: Bob Lawrence, Randy Michaels, Chris Weber, and Randall, Mark and Lowry Mays.

### • If you had 30 minute to talk to one person, who would that be? My parents.

### • Whose phone calls do you always return?

Clichéd, perhaps, but I return them all, although any message with the name "Mays" on it gets returned pretty fast!

### • If you could go back in time, where/when would you go? I wouldn't. My desire would be to go into the future 25 years from now.

### • To whom did you listen on the radio when you were growing up? Larry Lujack, Wally Phillips, Steve Dahl, and Mel Belair.

### • What did you want to be when you grew up?

My goal was to teach elementary school.

### • What is your favorite radio format?

News/Talk

### • What are your favorite business websites?

Google

### • What's your #1 "guilty pleasure" website?

The Darwin Awards site

### • What has been your most unattainable goal?

I have no rhythm. Try as I might to develop some, I have been completely unsuccessful.

### • Of what achievement are you most proud?

From a business perspective, I am most proud of the Clear Channel Radio team. We have the very best radio people in the world at our stations, and I am incredibly proud of the work they do every day, connecting with listeners and helping advertisers. On the personal side, I am most proud of my family: Nancy and Makenzi are incredible!

advertisers, that we've never had before. We're talking to more people — and people in bigger, more important positions — than at any time in the 20-plus years that I've been in the industry. That has been a very positive and somewhat surprising result for us.

### Were you surprised at the degree of enthusiasm the plan has generated on Madison Avenue?

Almost without exception, there has been overwhelming support for the Less Is More initiative. Advertisers and agencies acknowledge that radio has gone past the point of appropriateness and effectiveness in terms of its commercial and promotional interruption. What we're doing with Less Is More is to improve the experience for listeners and to improve the environment for advertisers. That's a powerful and very positive combination. Conceptually, it has been incredibly well accepted, not just by advertisers and agencies, but also by competitors. Many leaders in the radio industry stepped up and applauded us for it, and that was heartening. We've seen a couple of common, consistent concerns, primarily what spot lengths are available and what it's going to cost.

### There's been a lot of talk that Clear Channel is doing away with 60-second commercials. What spot lengths are available?

We are still very much in the 60-second commercial game for those advertisers who want and need a 60-second commercial. But we're also offering additional choices in the form of 30s and 15s, and once people get the options, they like that.

Once they see different ways of buying it, many are intrigued. Over the last couple of months, we have seen an ever-increasing tide of advertisers who are taking advantage of Less Is More. We have people who are converting to shorter-length commercials; we have people who are buying the premium positions, whether it's the first in pod 30 or the island 60; and we have people who are taking advantage of our Creative Services Group, asking us for assistance in creating better commercials.

Of course, we are a ways from announcing victory, but we are much further ahead of where I thought we would be at this point in the interest in and acceptance of Less Is More.

### How significantly will you have to change your pricing structure in order to maintain — if not grow — your revenues under this new strategy?

We can't change the pricing structure. The pricing structure is determined by the demand in the market. If people don't believe in our product, if they don't believe in our radio stations, if they're not willing to pay for the spots, we have no pricing power. If it were as easy as just raising rates, we would have done it without Less Is More. Our challenge is to sell the value and the results we deliver to advertisers. What's interesting in one of the big changes with Less Is More is that we're talking to advertisers about solutions, about creative ideas, about different ways of using our radio stations.

"Congrats, John, on being named the *Radio Ink* Executive of the Year. More important, thanks for having the courage to tackle the tough issues in the best interest of not only Clear Channel, but also the industry."

— Stu Olds, Katz Media Group



### What about those advertisers who, like many people, prefer things the way they are?

Certainly, not all of them agree with this plan, and not all of them are supportive of it. A number of them probably do not or will not buy 30-second or 15-second commercials — and that's okay. Most of the spots we have are 60-second spots. But it is really exciting to see a lot of advertisers step up and do some things differently — buy combinations of 60s, 30s and 15s; to buy book-ended 30s; to buy a 30 at the front and a 15 at the back — and to work on creating more innovative and more effective commercials.

### How important is it for the rest of the industry to get on board?

It depends on whom you want it to be important for. It isn't important for us — our success with Less Is More is not predicated on whether the rest of the industry adopts it — but I have been heartened by the » 30

FOX NEWS RADIO  
CONGRATULATES

**JOHN HOGAN**

RADIO INK'S EXECUTIVE OF THE YEAR



YOU CAN HEAR THE DIFFERENCE

fact that most of the major groups have very publicly supported this, and most of them are looking at their own situations to figure out what they can do a little differently. It took us six or seven months to go from concept to implementation, and our implementation sparked a lot of people to look at what they might do. I expect that we'll see other groups do what they think is right for them, but I think it will all center around making our radio stations sound better and getting a better result for advertisers.

### What led to Clear Channel's realization of the need for Less Is More?

The catalyst for this emerged when we did research with listeners, and we heard two messages: There were too many commercials, and there were too many *bad* commercials. We know it's not just as simple as reducing the number of commercial minutes that are available; it's also working with advertisers to provide the best resources so they can have the most effective commercials.

### The "too many commercials" aspect is addressed by the Less Is More plan. How do you address the "too many bad commercials" element?

We've made a big investment in this Creative Services Group, led by a guy named Jim Cook, who is one of our very best-kept secrets. He is an incredibly talented individual who has worked for the company for a number of years. His areas of expertise are station imaging, promotion and commercial production. Since September, he has hired several individuals, including Rob Summers and Bob Case; and we continue to populate it with proven, capable, talented, creative folks. We've enlisted the services of people such as Jack Trout and Dick Orkin, and we expect to have others as we move through time.

### What are you expecting from this new creative team?

First, to educate, train, and prepare our employees to interact better with advertisers. We need to understand their expectations and their messages, and then convert them into effective commercial copy. They'll also work directly with advertisers to provide creative services where it makes

sense. We're not in competition with agencies, but we do see ourselves as a complement for an advertiser to some of the other resources out there.

### What's your timeline for getting this off the ground?

We are actually early. We began to put it together in September, and on December 15 we had our first training session out in L.A. More than 300 employees came in for training, and we had a very robust agenda with all kinds of insights, tools, direction and interaction. This year, we'll do this sort of thing five or six times all around the country so we can train as many of our folks as we can. We're also constructing a virtual site, where our commercial-services people around the country will have a common resource. They can exchange ideas, success stories, and resources; they can access talent, expertise, and insight from around the rest of the country for their individual markets.

"John has provided leadership not only in his company, but throughout the industry as well. As radio has faced significant challenges in the last few years, John has worked diligently with his peers to solve those challenges. Obviously, taking over a radio group the size of Clear Channel has its own set of issues, but John has managed those well, and it has been a pleasure getting to know him and working with him. He has been a credit to our industry."

— Jeff Smulyan, *Emmis Communications*



### Is Clear Channel still radio's whipping boy, guilty of instituting everything that's wrong with the industry, or has some of that criticism abated?

It has absolutely improved, and in many cases, it has just evaporated. I will tell you that we are the largest radio group in the country, and we are the most scrutinized radio group in the country. But we're

"John is playing a major role in moving the radio industry in the right direction. Less is More is just one example of John's commitment to radio, and this landmark initiative shows his ability to lead change. We couldn't be more pleased to have him on our team, and on behalf of everyone at Clear Channel, we offer our congratulations. Keep up the good work!"

— Mark Mays, *President/CEO, Clear Channel Communications*



also an industry that is at a fundamental point of challenge in its tenure, so a lot of factors are at work. When I first got this job, there were a lot of negative perceptions about Clear Channel, both internally and externally. We have worked very hard to address those perceptions.

I am very proud that a core group of committed and passionate, hard-working senior managers has worked to create a culture that would be attractive to the best people in our industry. If you were to somehow measure how people inside the company feel today, as opposed to six weeks, six months, a year or two years ago, you would see that we are moving in a very positive direction.

Not everyone agrees with what we do at Clear Channel, but I think everyone feels much more committed to where the company is going. They feel much better about their roles and their opportunities inside the company, and that has helped with external perceptions.

### How critical is it for the radio industry to make a broad-based commitment to convert from analog to digital audio?

If we are to remain compelling, if we are to remain competitive, we need to be in the digital business. We'll have 60 stations rolled out by the end of 2004. Our jumping into this in a very aggressive way has given people an opportunity to take another look at Clear Channel. Whether it's a special interest group or the press or the financial community, when they see the facts, they can separate the reality from the myth. We've worked really hard within the industry, with other radio groups, » 32



*Congratulations*

*John*

*NAB Radio*

*Board Member*

*Radio Ink Executive*

*of the Year*

*Thanks for  
your service  
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to address issues of common importance so we can find common solutions. We are significantly ahead of where we were two years ago, and it's a real comment about the people who are working for Clear Channel. They have expended great energy to get our story out there to let people know what we are really about, and that has created a favorable impression.

**Earlier this year, Clear Channel incurred an expensive FCC fine for broadcast indecency. Until the Super Bowl incident, had broadcasters crept closer to the "indecency line" to see how far they could go?**

I don't think it's accurate to say that broadcasters have done that. There was a relatively small number of personalities who had become overly dependent on pushing the limits. Our company has 1,200-plus radio stations, and what was a huge story involved six shows at only six of these stations. Generally speaking, broadcasters — whether it's Clear Channel or other broadcasters — are committed to giving listeners what they want. They're committed to trying to do the right thing, and that certainly was the motivation for us. We take very seriously the responsibility that comes with being a licensee and its implied public trust, and we made the decision to do something that was not necessarily universally popular.

**Several months ago, Radio Ink published a guest commentary from a former editor that was highly critical of radio's coverage of the hurricanes in Florida. Would you like to set the record straight, once and for all?**

I wrote a letter to *Radio Ink* and stated my case. Organizations such as *The Washington Post*, ABC News, FEMA, and local groups, as well as hundreds of listeners had a completely different impression than what was stated in that commentary.

I literally had goose bumps hearing the accounts of what our broadcasters did, of how many of them risked their lives, how many of them put aside their personal concerns and made sure they did what a good broadcaster will do — stay connected. It's unfortunate that those efforts were in any way miscast. I can't be more proud of the number of times I heard people say, "Thank God for Clear Channel," and of the number of e-mails I received 1,200 miles away, complimenting

specific individuals for having saved lives. Their actions speak for themselves.

**Is Clear Channel — and radio in general — doing all it could and should to provide local coverage of events and issues that are important to the people in the markets they serve?**

The hurricane coverage in Florida is a pretty good example of what a great job radio stations do when there is incredible devastation and widespread destruction. The radio stations in the Clear Channel family by and large were either not off the air or off for only very short periods of time before they were able to go back and stay committed.

On the technical side, we're doing some really good things. We have 500-plus local news reporters around the country, and some of the finest News/Talk information stations in America today: KFI, KTRH, KFYI, WLW, WFLA — the list goes on. It never ceases to amaze me how frequently people will talk about having heard it on the radio. Whatever the story might be, radio has provided a great connection for them. That to me is the magic that makes this business so seductive — the incredible connection that good radio gets with a listener. Our people work their butts off to make sure that connection and that magic happens every day.

**How much trial and error has been involved with producing a management structure that effectively operates more than 1,200 radio stations on a daily basis?**

It has been unprecedented. Not long ago, a big job in radio was working with 40 radio stations. I can remember a former company, where we did a bunch of acquisitions and we owned 100 radio stations. We thought, "Wow! Who would have thought we'd get this far?"

While it's hard to say that I » 34



"If you ain't the lead dog, the view never changes. John Hogan is working very hard to make sure that the view is clear and positive for America's largest radio broadcaster. Congrats to John for this outstanding recognition and for his positive, unselfish contribution to our great industry." — Bill Stakein, Regent Communications.





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World Radio History

prepared for this specifically, in some ways I think I prepared for it my whole career. Sure, the number of stations is bigger, but the premise is still exactly the same: You have the opportunity to connect with listeners in a really special way.

You need great people to do it, you need great technical capabilities to make sure you can do it consistently, and you need great marketing people to make sure that the word gets out. You also need great sellers to make sure you can convert that audience into results for advertisers. It's just on a much bigger scale, and that has its own challenges. Generally speaking, while the scale is different, it's still about finding good people, giving them the opportunity to do great work, and then recognizing the great work and continuing to challenge folks to surpass their previous performance.

**Have there ever been times that you feel intimidated by the responsibility you have to all your advertisers, listeners, employees and shareholders?**

I have not felt intimidated, nor have I have been fearful. I have more than a little

"Congrats, John, on being recognized for your leadership this year. You've made real commitments and shown great leadership on the important issues of responsible broadcasting and in commercial inventory reductions. Those areas, and others in your focus, make our on-air product that much better equipped to win our listeners' attention now and in the future."

— Craig Kitchin, *Premiere Radio Networks*



bit of respect for the opportunity that I have. We have an incredible group of people inside this company, and my only regret is that it's not as likely that I will get to spend as much time with them as I used to — and I miss that.

Just as it's an unprecedented responsibility, there also are unprecedented resources. For any programming challenge that we might come up against, we have

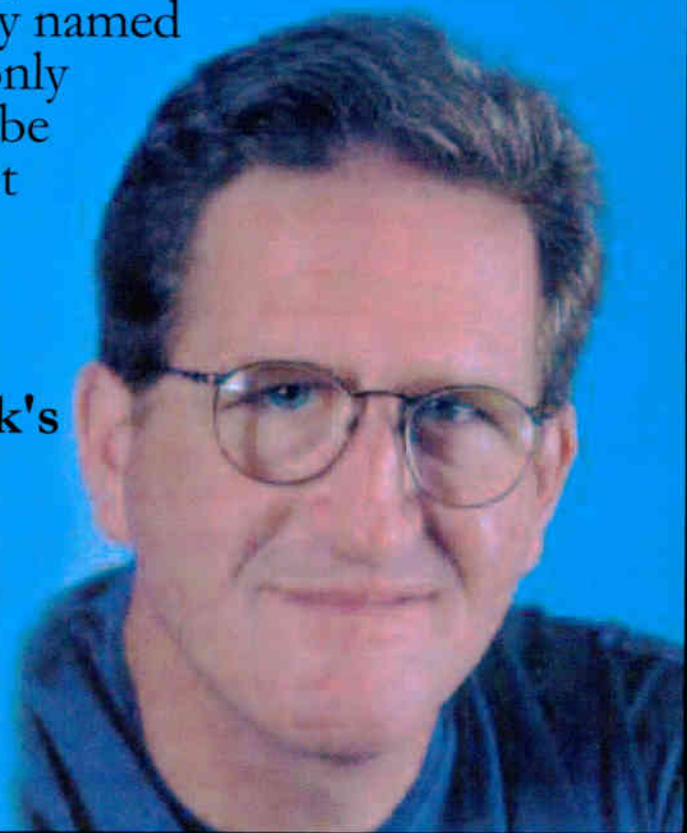
four or five great people whom we can access somewhere in the company. The same is true in every area of the radio business. We have great engineers. We have great financial people. We have great sellers and sales managers, great marketing people, great programmers and production people. That gives me a lot of confidence. I would be kidding you if I said that there haven't been times that I haven't been humbled by the responsibilities and the opportunity, but I have not been intimidated.

**How would you describe your management style, and how has it evolved as you've taken on more responsibility — and more stations — over the years?**

At the risk of embarrassing myself, I would say I have certainly matured as a manager and become more flexible. When I first had the opportunity to move from managing a radio station in Atlanta to helping with a number of radio stations on a regional basis, I was pretty sure I knew everything there was to know. I was also challenged because we were moving really fast and there was a lot to get done in » 36

In a company where so many of our best and brightest are consistently named at the top of their fields, it only makes sense that our leader be named the best and brightest as well.

**Congratulations, John,  
on being named Radio Ink's  
Executive of the Year.**



**Congratulations**  
**John Hogan**  
**Radio Executive**  
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CONGRATULATIONS FROM YOUR FRIENDS AT  **BROADCAST ARCHITECTURE.**

a very short period of time. My style back then was not very multi-faceted. It was a little bit of "my way or the highway," and unfortunately, it took me a little while to figure that out. Eventually, I learned that there are many different kinds of people, stations and circumstances, as well as a variety of styles and responses.

### **How would you distinguish the characteristics of a great leader vs. a great manager?**

The separation between those two would really be reflected in the willingness of people to follow an individual. You can't declare yourself a leader, and you can't mandate leadership. You have to earn it, and you become a leader only if people will follow you. Good leaders get people to believe in the direction or the vision or the decision, while great leaders execute it with passion and enthusiasm and persistence. It's such a precious characteristic. For me, it's been fascinating to see the great leaders we have in our company. We operate in 250 markets, and every one of them has a market manager, a director of programming, and/or a director of sales; it has been an incredible opportunity to see how other people manage. I continue to learn every day what makes a great leader.

### **Do Wall Street and the rest of the financial community have as good an understanding of the radio industry as it should? Do they place too much emphasis on pacings and forward-looking guidance, and not enough on other business fundamentals?**

There are some very smart people on Wall Street, and one thing that makes them so smart is that they're always looking for information and data to help them formulate their opinions. I have a lot of respect for the folks who cover this industry or our company and their willingness to learn as

"A high tide lifts all boats, and John Hogan has lifted the sights for all radio broadcasters. I am proud to have John as my friend and as a leader in American radio."

— Peter Smyth, Greater Media



much as they can. Clearly, I believe there was an over-emphasis on a metric that was not valuable. Those forward pacings were given way more importance than was merited, and they tended to be a distraction for us in the industry. I want Clear Channel to take a long-term view of our success and our position. We're not in it for this quarter or next year — we're in it for the next two, five, 10, 20 years — so we operate to some degree with that focus, and we try to communicate that to the financial community.

### **Is radio in danger of losing the ears of Generation X or Y? If so, how can we get them back?**

I can't speak for other companies, but Clear Channel has been very focused in the distribution systems out there and the changes that are occurring in the technology end of it. Whatever that distribution system is, whether it's tall towers in big fields or some other form of communication — Internet, cellular, or something like that — we are absolutely committed to being a leader in the radio business. It's just that the radio business has expanded to include Internet radio and satellite radio, and it will include cellular radio. We have to make sure we stay nimble enough to understand and take advantage of these new technologies. I'm very pleased with the efforts we have made. One of our initiatives this year is a research and development entity, with a group of people whose only job is to focus on ways that we can distribute our content in meaningful ways. We just announced a huge and significant new hire in Evan Harrison, who was running AOL; he is now charged with the responsibility of making Clear Channel Radio a leader in the Internet space.

### **Where do you see the most significant competition for radio coming from over the next decade?**

Technology is changing so quickly that we have to be alert to all of the opportunities that are out there. People focus today on satellite radio, and that's really short-sighted. Satellite will probably be the beta recorder of our industry. It will be surpassed by other technology. Whether that technology is Internet, cellular or some other form to be developed, nobody really knows. That's why we have an eye on all of it. That's why we have a real commitment to

"Nobody is more committed to the long-term success of the radio industry than John. He is both a proven leader and a team player who recognizes that his most important resource is the people he works with. He embraces new ideas and encourages innovation and creative thinking. In an industry that has some of the most talented executives in American business today, John Hogan is one of the best."



— Randall Mays, EVP/CFO, Clear Channel Communications

make sure that we're investing the resources to understand and exploit it as it develops.

### **What do you foresee as radio's greatest challenge over the next 10 years?**

Our greatest challenge is to be better self-promoters. Radio has undergone a barrage of negative press, and where we're challenged is in making sure that people know we have this incredible power to reach 90+ percent of the American population in a very personal way every week, that there are more than 750 million devices to receive our programming, and they are ubiquitous: in cars, homes, offices, bathrooms, walkmans — everywhere.

Yet we seem to have been positioned as somehow inadequate. People know radio works, yet we have not done as good a job as we can in getting it to be more widely understood and accepted.

We need to give those outside the industry some insight into the incredible people we have and the incredible ability we have to deliver results.

### **Group-wide, what are you expecting for the first quarter of 2005, as well as the full year?**

We know how prickly the SEC is, so I can only tell you that we're very optimistic about the first quarter. With all the initiatives we have put into place, and all the enthusiasm our people have brought to make radio better and to do a better job for advertisers, we're optimistic that we'll be able to perform in 2005. ☺



# A Great Award... For A Great Leader.

You have been our *Executive of the Year* for quite some time.  
Congratulations on this well deserved honor and recognition by *Radio Ink*.

## Your Clear Channel Radio Executive Team

Alfredo Alonso, Marc Chase, Dave Cowl, Kimberly Cutchall, Evan Harrison, Jack Evans, Bruce Demps,  
Lisa Dollinger, Peter Ferrara, Steve Gable, Bill Gentry, Jerry Kersting, Kraig Kitchin, Ed Krampf,  
Alene Grevey, Lee Larsen, Kevin Lockhart, Tom Owens, Jeff Littlejohn, Michael Martin, Jay Meyers,  
Stu Olds, Charlie Rahilly, Bill Richards, Gene Romano, Julie Anderson Smith, Omar Thompson, Rob Williams





## DON'T LET YOUR TIME MANAGE YOU

Successful people have learned to effectively manage time. They excel in setting priorities and concentrating on those activities that yield the biggest payoff. They schedule all appointments, eliminate unnecessary paperwork and maintain control over interruptions.

Smart managers place a high value on time. They are not willing to spend hours in idle conversation or sit in unproductive meetings that drag on forever. Time-conscious persons stay in control of their activities. They run their jobs, rather than let their jobs run them.

Busy non-achievers are strong proponents of meetings. Despite the best efforts of a well-meaning chairperson, meetings too frequently serve the purpose of a ritual, rather than an effective group effort. Meetings commonly fail to accomplish results, and they provide a supposedly legitimate opportunity for non-achievers to waste their own time as well as the valuable time of others.

A series of meetings scheduled for the same time will become so routine that effectiveness is soon lost. Before long, it will be time for a meeting because it's Tuesday.

Indecisive managers are especially fond of meetings because they make it possible to transfer responsibility for unpopular decisions to a group. It's easier to blame a group with well-recorded minutes for a bad decision than to accept personal responsibility.

Meetings also provide an opportunity to escape from ringing telephones and decision-making tasks. Management by frequent meetings reflects the lack of a strong organization that has clearly defined job responsibilities and decisive leadership.

Persons who are always in staff meetings can project a very negative image. Customers and clients become disgusted when the person they are trying to contact is always in a meeting. It's a short-sighted organization that gives a higher priority to internal meetings than to the people who support their very existence.

Action people schedule meetings sparsely but make them count.

Source: Job Survival Strategies: A Guide For Turbulent Times, by James E. Neal, Jr. © Neal Publications, 2004. Used with permission.

# The Rate-Increase Letter For 2005

You're getting ready for 2005, and you've been told you have to increase your overall sales goal by a minimum of 7-10 percent. As a sales manager, you decide that the quickest way to get there is to increase rates, but then you think again. You know your sales reps would rather have a root canal than go out to their clients and increase rates, even though it could be as little as 3 percent, which in some markets amounts to almost nothing.

So, why the resistance from your reps? Wouldn't this make them more money? Alas, they lose clients if rates increase. Sound familiar? Of course it does. This scenario is going on every day in radio stations across North America, and as a result, you're getting squeezed by both your general manager and by your reps. Where's your exit visa?

A couple days ago, the front page of the *Portland Oregonian* business section had this leadoff article:

*Comcast Will Raise Cable Rates In January*

"In what's fast becoming a New Year's tradition, Comcast Corp. plans to boost cable TV rates across the Portland area... by 6 percent. Rates for standard cable have risen by an average of 6.8 percent over the past 5 years."

Comcast justifies this raise by saying it has improved reliability and customer service. Well, in Houston, that's a crock. Customer service is worse than ever, and they are raising rates there, too. Almost every business I know is raising rates in 2005. Comcast is raising its advertising rates, too — for the 11th year in a

row (according to my source in Portland). Let's face it; the cost of doing business is going up because of energy prices, the war in Iraq, etc. The general managers I speak with say that, on average, it will cost them a minimum of 5-8 percent more to run their stations in 2005, compared to 2004. So why can't we raise rates, too? We can and should!

Every year, the newspaper industry sends out "the letter" to advertisers, stating that the cost of paper is going up and they are going to have a standard 10 percent rate increase effective January 1st — much like Comcast. Why does the newspaper industry send out this letter and not have their reps relay the message? Simple: It takes the negotiating out of the reps' hands, and it doesn't infringe on the relationship the rep has with the client. The clients get "the letter" and know there's not much they can do about it since it's stated as fact. Smart move, newspaper! Why can't we do the same? We could — and we should.

**Here are some pointers on making this as pain-free as possible:**

- Your sales rep notifies the clients, explaining that the GM is sending a rate increase letter, which they will receive in the next few days. You want to prepare the clients so they won't feel blindsided.
- The general manager, not the sales manager, sends the letter. This takes it out of sales completely, coming from a higher authority.
- In some small to medium markets, it might be better to raise rates by the dollar, instead of percentage.

### Here's an example of the rate letter from one of our general managers:

Mr. John Frugal, Penny Pincher, Inc.

1111 Cost Per Point Lane, Cash Flow Cove, CA 91111

Dear John,

I would like to thank you very much for the 2004 advertising investment you made in KKWW-FM. That expenditure was a very wise investment for your company.

As you know, the New Year is here, and we once again hope to be one of your marketing partners. We look forward to being an integral part of your formula for success as you increase your market share and your awareness in the minds of inland empire consumers.

While it was a good year, 2004 was also a challenge — with the war in Iraq, rising gas and energy prices. The overall cost of doing business has risen considerably over the past 12 months. In order to meet these demands, KKWW-FM will have to raise the cost of advertising across the board by 10 percent. By doing this, we can continue to provide you with an exceptional radio station that will continue to give you the return on investment you need to be a leader in your industry.

Unlike most other advertising mediums, KKWW-FM has not had a broad rate increase for the better part of the past five years. In fact, there have been only a few cases of marginal rate increases. As you know, KKWW-FM has always been one of the most cost-effective and efficient advertising investments in the marketplace. Even with this rate increase, we believe KKWW-FM will remain affordable, efficient, and fair when compared to other choices available to you.

Once again, I appreciate your business, and I look forward to working with you in 2005. If you have any questions, or if you just want to share war stories with me, please feel free to call me at 999-799-3554, extension 200.

Sincerely,

Jeffrey Smith, General Manager, KKWW-FM

Sean Luce, head national instructor for the Luce Performance Group, can be reached at 281-496-6340 or by e-mail at Sean@luceperformancegroup.com.



## ARE YOU A BARRIER TO CHANGE?

The predominant barrier to change is the resistance of personnel. Interestingly, the resistance is most commonly found at the supervisory and management levels, not at the operator level. It is common to hear operational people identify their management as not understanding what is going on in the company and behaving in ways that prevent service and product quality from being the best it can be.

Many supervisors and managers (as well as senior executives) were raised in environments that emphasized control. As a result, the predominant managerial philosophy states that people will slow down, produce bad quality or provide mediocre service if they are not closely supervised. Yet this same management group agrees that they and their subordinates spend 50 percent of their time in non-value-added activities. Often, change doesn't occur even in companies where senior executives are well aware of the benefits that would come with it. This is because middle managers, staff, and supervisors are uncomfortable with change. In fact, the fear of giving up control is a real obstacle for many people.

Many workers don't believe that management will change. Over the years, managers have made many aborted attempts at such management "fads" as cost reduction, profit improvement, management by objectives, participative management, zero defects, and quality circles. Eventually, each of these *programmes du jour* met its demise because management lacked a true consistency of purpose. Employees hearing of any new scheme are convinced that management will not maintain the process.

Perhaps the greatest barrier to change, however, is our perception of self and others. As long as we perceive that we're okay and everyone else needs to change, little progress can be made. A well-known CEO explained to me that a major turnaround in his organization occurred when he recognized that managers, not operators, were responsible for quality problems. He had the realization at a company banquet, and when he did, he stood up on a chair and prophetically told his executives that if they were to change and improve, they all needed to get up and acknowledge, "We are the problem."

Are you?

Source: Fusion Management, by Dr. Stanley Marash, with Paul Berman and Michael Flynn. © QSU Publishing Company, 2003. Used with permission.

# Building A Direct-Sales Team

As a sales manager, have you considered building a direct-sales team at your station? You shouldn't have your agency salespeople sell to direct clients — your station should be doing this. Focus and specialize. Every day, more and more stations are building strong direct-sales teams to improve their billings.

Why divide your sales team? In most cases, a salesperson who has agency and direct clients will end up spending more time with the agencies and neglecting the fewer direct clients. If direct clients are all that your salespeople have on their account lists, they will strive to give them better service and help them achieve better results. They will bring more money to the station.

Direct salespeople play an important role in today's sales teams. They serve as a "shock absorber" when national and agency business is



slow. Direct salespeople also are quicker at selling "one sheets," event sponsorships and other promotions. Direct business could be the difference between selling more this year than you did last year.

## When building a direct sales team, keep in mind the following:

1. Explain to your current salespeople what you are doing. They have to be part of the process. If you have their understanding and approval, they will welcome new staff and help them in any way possible.
2. Let your current salespeople decide which team they want to be a part of: agency or direct.
3. Hire additional salespeople, and train them well. It's all about human resources. If you have more salespeople on the street, you will have more presentations out there, and more sales will be achieved.
4. Teach your salespeople how to get results for their clients and more sales for you. Radio must be known as the "result-getter" medium. If your station gets results for your clients, they will always be your clients.
5. Motivate the new staff. Their first months will be difficult, especially if your compensation plan is based on commissions. Help them and coach them.
6. Build an incentive plan that rewards your salespeople for reaching specific goals. For example, the salesperson who sells more sponsorship money for a specific promotion should be recognized in an appropriate way.
7. If your team is big enough, consider hiring a direct sales manager, someone who has a proven record of direct selling and good managerial skills.

If you're not selling direct, you're missing out on a big piece of the pie. What can you lose? ☞

Fernando Bauermeister is local sales manager at SBS Radio in Puerto Rico. He can be reached at 787-622-9700 or via e-mail at [sbspr@yahoo.com](mailto:sbspr@yahoo.com).



## DEALING WITH INDECISION

By Sylvia Allen

Trusting your instincts is very real true in sales. How many times have you had a feeling about something — no facts, no figures — just a gut feeling that the prospect wasn't the right one for your property? When you pursued it, you found out your instincts were right! Those of you who have been in seminars have heard me say TYG: "Trust Your Gut."

This applies directly when dealing with indecisive customers. You know them — they're ones who love an idea, but they haven't talked to the "committee," the budget isn't set, or they're not sure which level they want to participate in. Indecisive customers can be frustrating. They need far more attention than regular customers.

You have to overpower them with so much information that making decisions becomes much easier for them. And, while there are no easy answers on how to deal with this type of buyer, the following strategies might help:

- Patience is the key to dealing with indecisive buyers. Sometimes working with indecisive buyers means starting the sales dialogue at a much more basic point than you do with more decisive customers. Try not to read their objections emotionally. You should be able to identify real product concerns from those based on fear or insecurity.

- Try to avoid pushing for a close when there is clear resistance. The harder you push with an indecisive buyer, the harder he or she may resist. It's usually a better strategy to stop and reevaluate rather than pushing yourself right out of consideration. Ask questions that will help you find the source of the resistance.

- Build trust and then ask for the order. Emphasize that you have been patient and helped them every step of the way. Indecisive customers usually respond to trust in a positive way.

- Recognize that a hard close is sometimes the only way for some indecisive customers. They feel almost relieved when you generate enough pressure to make them feel you are making the decision for them.

- Last, be sensitive to the decision-making style of their personality type. If they are an amiable or analytical, get them to make a small decision — logo placement on a banner, four color or black and white — which then easily leads into the decision on the sponsorship.

Sylvia Allen, president of Allen Consulting, can be reached at 732-946-2711.

# A Branding Letter To Your Clients

In our over-communicated and busy society, most advertisers' messages miss a connection with the customer. The radio medium is one of the most targeted and efficient ways for advertisers to reach (and influence) their customers, but no amount of advertising will work if your clients are sending the wrong message in the first place.

Right now, the next Sam Walton is busting his butt somewhere in this vast country, and he (or she) needs radio's help. Still, it's up to "Sam" (or "Samantha") to understand what must be done to build a strong, focused brand that resonates with consumers and influences their purchasing decisions. The following "letter" is directed to that fledgling entrepreneur.

### Dear Business Owner:

Your advertising can enhance your overall message of openness and inclusiveness, or it can tear this message to pieces. Fewer things hurt your business more than an advertising campaign that conveys a marketing message different from how your product or service really "walks, talks, and acts."

Remember: The best gimmick is the truth. Keep the truth interesting. Keep it fresh. Make sure there is no disconnect between your brand and your customers.

Before you launch any new advertising campaign, ask yourself: Do these ads convey a message? Does the ad tell your story — who you are and what your business stands for?


Beyond the hype and hoopla, the most important ingredient in the success of any advertising campaign is the product itself. If you have something good to sell, it will speak for itself. Understand that advertising doesn't create a better product; it only conveys it. Good art, good writing and good taste result in good advertising.

It's important to make your customers feel included — to feel as though they are the best in the world. If you analyze the marketing plan behind any powerful brand, you'll find that every facet of its advertising — from radio, print and TV ads all the way down to its in-store displays — gives a feeling of openness and friendliness. These ads focus on demonstrating that anyone and everyone is welcome to use the company's product or service. No one is left out.

It is no accident that every issue of Oprah Winfrey's O magazine features a smiling photo of Oprah on its cover. Sure, Oprah is the brand people are "buying into" when they purchase a copy of O, but the reason she is on the cover goes much deeper.

Study the rack of women's magazines next time you are in a bookstore. You'll see that Oprah's cover photo is friendly and approachable — a stark contrast to the haughty, svelte models, whose seemingly impossible body dimensions and unfriendly expressions grace the covers of many other women's magazines. Oprah's inclusiveness wins out over the other magazines' exclusiveness.

Advertising can make or break your efforts to encourage consumers to see your brand as open and inclusive. Powerful brand advertisements consistently reinforce the notion that everyone is always welcome to use those products and services. However, the truth isn't the truth until people believe you, and they can't believe you if they don't know what you're saying. Further, they can't know what you're saying if they don't listen to you; they won't listen to you if you're not interesting, and you won't be interesting unless you say things freshly, originally, imaginatively.

But above all, remember what Michelangelo wrote: "The greatest danger for most of us is not that our aim is too high and we miss, but that it is too low and we reach it." 

B.J. Bueno is author of *The Power of Cult Branding*, a book with a revolutionary view that has jolted the marketing world. Reach him at 321-287-4919 or [bjb@cultbranding.com](mailto:bjb@cultbranding.com)





# Increase Your Stake In Sales Leadership

This issue of Radio Ink, which recognizes Clear Channel's John Hogan as the Radio Executive of the Year, provides a timely opportunity to examine those qualities that make any individual excel in his or her career. By extension, these professional qualities are the same attributes that compel your customers and clients to do business with you, rather than your competitors.

Take a look at the following three questions, and then determine whether your answers are sufficient to "raise the bar" and create higher levels of expectations. (If you cannot answer these questions, consider that the bar already may be too high and even a pole vault won't help you.)

- What do you do better than anyone else?
- What unique value or benefit do you provide your clients?
- How will you increase that value in 2005?

Coupled with these questions are seven characteristics that not only describe our Executive of the Year, but that also are demonstrated by top sales performers:

- 1. Ability to visualize.** Top performers who see themselves as successful and who possess a strong desire to advance in their careers usually have the corresponding ability to achieve.
- 2. Ability to overcome the demons.** Remember this quote: "Ninety-six percent of all people think negatively more than 50 percent of the time." Positive thinking is invaluable and is a great partner to your success.
- 3. Belief in self.** Dress for success. Demonstrate courageous behavior in over-

coming objections, and be assertive in your presentation. Deliver the very finest service against all competitors. Be consistent, and be relentlessly persistent.

**4. Ability to present solutions first.** Don't see yourself as a salesperson; see yourself as a "solutions-provider" in creating a win-win environment. If you avoid being all things to all people, if you narrow your focus and allow your strengths to dominate, the rewards will follow.

**5. Ability to strategize, plan, and review.** Determine what needs to be done, devise your plan, review your line of attack, and "action" the plan.

**6. Self-analysis.** Constantly be your own worst critic. If you practice critiquing your own performance, you will learn from your missteps, enjoy rapid professional growth, and develop into a finely tuned instrument of achievement. Practice makes perfect.

**7. Destination control.** You are the master of your own destiny. Refuse to allow others to disrupt your focus. If you empower the doubters, they'll bring you down. Don't join them!

These seven characteristics provide a solid foundation to sales leadership, but if you're not delivering the finest, stand-out service, you need to re-think what you're doing.

Look for every way to increase your personal contact with the client, and make it your own crusade to deliver nothing less than premium service. If you don't, your competitors will — and that's lost business for you. Furthermore, there's no substitute for face-to-face contact. We've fallen victim to technology and become lazy, so don't

send e-mails or faxes when you can visit in person.

### The Value Equation

The "best of the best" also excel at delivering the total value package to their clients. The best total cost, the best product (or best solution), and the best service create the most compelling value. Remember:

$$\text{Price} + \text{Quality} + \text{Service} = \text{Value}$$

Just about anybody can sell the No. 1 station in the market but, regardless of your station's market position, if you have a solid professional relationship with your client and if you create the best value equation every time, you will get the business every time. And don't rest on your laurels — continue to strive for excellence by delivering the best value year after year.

We can learn an extraordinary lesson from this anecdote: Product research and most consumer taste tests show that Burger King's "Whopper" is a better product than McDonald's "Big Mac." Yet Burger King cannot overtake McDonald's in market share. Why? Because Burger King's marketing focus is on the product, while McDonald's marketing focus is on the customer and the "dining experience." Take a look at the next ad for both burger giants — McDonald's has discovered the key to success.

Focus on your client and you will increase your stake in sales leadership. Be reliant on relationships, rather than ratings. Win the people and you win the business. ☛

Robert Reid is president of Strategic Media Sales. He can be reached at 616-974-4190, or e-mail him at [strategicmedia@msn.com](mailto:strategicmedia@msn.com).



## Afternoon Drive: “Work” is a negative word when you’re headed home!

“The automobile is the one place one can be truly alone.” — Marshall McLuhan, 1976.

In their cars, radio commuters feel and think quite differently in the afternoon drive than in the morning drive. Morning radio listeners feel that they are on “company time” or “on the clock” from the moment they leave home until they arrive at work. They know the time of their commute and the time frame in which they have to leave in order to show up on time.

Morning listeners are focused on “accomplishment” — what they will try to get done today: Sell more stuff, ask for a raise, schmooze the boss, etc. Conversely, afternoon listeners are focused on “escape” — escape from the job and from as many reality points as possible.

Radio events in the morning must be clock-based, with more formalities, necessities and basics in that daypart related to the job. Events must be more fixed, more “reality post” based (“I know if I’m crossing the bridge before the 7 o’clock news I’m on time”). Afternoon listeners aren’t that fixated on time markers, because, remember, they’re trying to escape.

### During PM drive:

- Most of your thousands of listeners are “in their own world” on their own time. If they are late getting home, the employer doesn’t care. The listeners simply need to unwind.
- Radio listeners between 3-7 are thinking about home, tonight’s plans or the weekend. Unless something was really good or really bad at work today, it’s a rare PM commuter who’s thinking about the job all the way home.
- Afternoon radio listeners don’t need updates as frequently as mornings require. Listeners have been awake all day. If they want news, they’ll tune to a top-hour/bottom-hour newscast or quarter-hour sports cast. Anything you do should be brief. The one PM commonality to mornings is that hundreds or thousands are tuning out and in every few minutes.
- Whether listeners had a bad or great day at work, they still want to be distracted from the norm, because their commute home is often their only “alone time” until later tonight. People busy with others at work are heading home to another set of people — spouse, kids, daycare, relatives, neighbors, telemarketers — all trying to carve a few seconds out of the commuter’s evening.
- What does everyone at work and at home demand of your listeners? Attention. Often, the only time that listeners get to themselves, as McLuhan said, is the commute. Going to work, listeners are usually planning or fretting about the day’s work, so they can’t really unfocus. In PM drive, they can — and do.
- Whether they had a great day or a horrible day, listeners will

want to unwind on the trip home. They have anxieties that need to be directed somewhere, so why not provide some distraction? That’s part of the meaning of “entertainment.” Look it up: to distract, to divert from the ordinary.


- Friendly voice(s) are mandatory. To get someone to listen to you every afternoon, you can’t be boring, dull or monotone; you can’t lack energy or enthusiasm.
- The bottom line and main characteristic for PM-drive personalities, regardless of format, is that you must sound realistic. Overly hyped talent sounds phony. Dull talent is not talent at all and should be replaced. Listeners recognize sincere people, even if they don’t agree with them.

### What should *not* be in an afternoon show:

- NO double time checks.
- NO weather every 5 minutes.
- NO repetition of AM news stories without new details or updated info.
- NO lists, charts, or complex trivia questions — that’s too much like work; it’s for the morning “focused” mind, not the afternoon “relaxing” mind.
- NO references to the word “work” after 3 p.m. Why bring up the very thing people are trying to escape from? “Work” is a negative word in PM drive.

### Staples for every PM drive:

- Morning-show promos
- Weekend promos
- Casual references to the morning people and weekend features.
- Weekends have more appeal in afternoons than they do in mornings, because listeners are in the approximate mindset of weekends (less planned, casual, anything can happen). Refer to weekends more often.
- Pop-culture references, appropriate for your format: celebrities, tonight’s TV, topical news items.
- Mind pictures: If you talk about a fantasy vacation properly in PM drive, your listeners will stay with you as they roll out the scene in their minds — but only in afternoons. In the mornings, they can’t dream with you — they have to get to work.

PS: For more on daypart differences, see the last issue of *Radio Ink* and my article specifically about “Saturday Middays.” 

*Tom Zarecki handles public relations at RCS in New York. He can be reached at 914-428-4600.*

*present:*

## *Simultaneous Media Usage and Consumer Behavior Study*

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*Send résumé, aircheck tape or MP3 and your programming philosophy to*

Troy West, JQ99FM, 425 Centerstone Court,  
Zeeland, MI. 49423; or troy@wjq.com

## Account Executive Houston, TX

KRBE-FM in Houston, TX, seeks an Account Executive. Minimum of 3 years' experience in radio, media or outside sales. Passion for business development. Strong interpersonal, verbal and written presentation skills. Detail-oriented with desire to achieve excellence. The expectations of this position are to meet and exceed individual broadcast and NTR sales revenue goals for 104 KRBE, to develop new business, and provide superior customer service.

### Contact:

Amy Dewbre, General Sales Manager  
adewbre@104krbe.com  
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WCMF-FM, 1700 HSBC Plaza,  
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Allen Power, Vice President, Operations  
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## Director Of Sales – Bismarck, ND

Clear Channel Bismarck, North Dakota, has an opening for a Director of Sales for our cluster of 6 stations. You will be responsible for many aspects of generating advertising revenue, including implementing sales strategies, developing tools and achieving goals. A college degree and 5+ years of broadcast experience are preferred. It's a great job, and you'll discover that Bismarck is a great place to live.

Contact Bob Denver at 701-255-1234.

## Position Available: Local Sales Manager, Lite 100.5 WRCH-FM

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**COULDN'T THEY AFFORD MORE THAN ONE MIC?** This crowd in 1939 was airing the show *Mr. District Attorney for the NBC Red Network*. The show was inspired by New York crimebuster (and eventual presidential candidate) Thomas Dewey. Photo courtesy of Library of American Broadcasting

**SEARCH YOUR ARCHIVES.** Pull the boxes from your storage chest. Radio Ink magazine is searching for old (or should we say mature?) photographs of people, stations or technicians to use on our Blast page. All photos will be returned, but please be sure to LABEL them with identifying captions including a return address and contact name. Mail to: Mary Crowley, Asst. Editor, Radio Ink, 224 Datura St., Suite 1015, West Palm Beach, FL 33401.

## Events

### ARBITRON DATES

Winter 2005: Jan. 6-Mar. 30  
Spring 2005: Mar. 31-Jun. 22  
Summer 2005: Jun. 30-Sep. 21  
Fall 2005: Sep. 22-Dec. 14

### JANUARY 2005

Jan. 3 — Deadline for entries: AWRT's 30th Annual Grace Allen Awards (The Gracies) on June 22. ☎ 703-506-3290. URL: [www.awrt.org](http://www.awrt.org)  
Jan. 6-9 — 2005 International CES, Las Vegas. Consumer Electronics Assn. annual consumer technology event. URL: [www.cesweb.org](http://www.cesweb.org)  
Jan. 11 — Tennessee Assoc. of Broadcasters Convention, Nashville, TN. ☎ 615-399-3791. URL: [www.tabtn.org](http://www.tabtn.org)  
Jan. 12 — Frost & Sullivan's 2005 Excellence in Information & Communication Technologies Awards Banquet and Networking Sessions, Scottsdale, AZ. URL: [www.frost.com](http://www.frost.com)  
Jan. 13-15 — South Carolina Broadcasters Assoc. Convention, Columbia, SC. ☎ 803-732-1186. URL: [www.scba.net](http://www.scba.net)  
Jan. 20 — American Women in Radio & TV "Marketing To Women, New York ☎ 803-732-1186.  
Jan. 20 — Virginia Assoc. of Broadcasters Convention,

Richmond, VA. ☎ 434-977-3716. URL: [www.vabonline.com](http://www.vabonline.com)  
Jan. 25-26 — Wisconsin Broadcasters Winter Conference, Madison, WI. ☎ 608-255-2600. URL: [www.wi-broadcasters.org](http://www.wi-broadcasters.org)

### FEBRUARY

Feb. 10-13 — RAB2005, Atlanta. ☎ 800-232-3131. URL: [www.rab.com](http://www.rab.com)  
Feb. 14-17 — NATE 2005 (Natl. Assoc. of Tower Erectors), Dallas. ☎ 605-882-5865. URL: [www.natehome.com](http://www.natehome.com)  
Feb. 24-26 — 2005 AWRT (American Women in Radio and Television) Annual Leadership Summit & Business Conference, Washington, DC. ☎ 703-506-3290. URL: [www.awrt.org](http://www.awrt.org)  
Feb. 25-26 — Dan O'Day's PD Grad School, Los Angeles, CA. URL: [www.danoday.com/pggrad](http://www.danoday.com/pggrad)

### MARCH

Mar. 2-4 — CRS 36 (Country Radio Seminar by Country Radio Broadcasters Inc.), Nashville, TN ☎ 615-327-4487. URL: [www.crb.org](http://www.crb.org)  
Mar. 2-4 — NAB Board of Directors Meeting, Washington, DC. ☎ 800-342-2460. URL: [www.nab.org](http://www.nab.org)  
Mar. 7-9 — Michigan Association of Broadcasters Convention, Lansing, MI.

☎ 517-484-7444. URL: [www.michmab.com](http://www.michmab.com)  
Mar. 11 — NABOB 21st Annual Communications Awards Dinner, Washington, DC. ☎ 202-486-8970. URL: [www.nabob.org](http://www.nabob.org)  
Mar. 16 — Bayliss Radio Roast, New York City. ☎ 831-655-5229. URL: [www.baylissfoundation.org](http://www.baylissfoundation.org)  
Mar. 16-19 — Kagan Radio/TV Summit, New York City. ☎ 831-624-1536. URL: [www.kagan.com](http://www.kagan.com)  
Mar. 17-19 — Louisiana Broadcasters Convention, Lafayette, LA. ☎ 225-267-4522. URL: [www.broadcasters.org](http://www.broadcasters.org)  
Mar. 20-22 — NAB Futures Summit, Pebble Beach, CA. CEOs and technology trends. ☎ 800-342-2460. URL: [www.nab.org/conventions/](http://www.nab.org/conventions/)

### APRIL

Apr. 1-2 — Oklahoma Assoc. of Broadcasters Convention, Tulsa, OK. ☎ 405-848-0771. URL: [www.oabok.org](http://www.oabok.org)  
Apr. 16-21 — NAB 2005, Las Vegas. ☎ 800-342-2460. URL: [www.nab.org](http://www.nab.org)  
June 9-12 — Fan Fair (CMA Music Festival), Nashville. URL: [www.CMAfest.com](http://www.CMAfest.com)

### MAY

May 6 — Vermont Assoc. of Broadcasters Convention, Burlington VT. ☎ 802-476-8789. URL: [www.vab.org](http://www.vab.org)  
May 15-17 — Broadcast Cable Financial Management Association & Broadcast Cable Credit Association Annual Conference, New Orleans. Contact: Mary Teister at [mteister@bcfm.com](mailto:mteister@bcfm.com). URL: [www.bcfm.com](http://www.bcfm.com)  
May 16-17 — Pennsylvania Assoc. of Broadcasters Convention, Hershey, PA. ☎ 717-482-4820. URL: [www.pab.org](http://www.pab.org)  
May 19-22, 2005 — Alabama Broadcasters Convention, Perdido Beach, AL. ☎ 205-979-1690. URL: [www.al-broadcasters.org](http://www.al-broadcasters.org)

### JUNE

June 3-4 — New Mexico Broadcasters Assoc. Convention, Albuquerque, NM. ☎ 505-881-4444. URL: [www.nmba.org](http://www.nmba.org)  
June 3-4 — Wyoming Broadcasting Assoc. Convention, Cheyenne, WY. ☎ 307-632-7622. URL: [www.wyomingbroadcasting.org](http://www.wyomingbroadcasting.org)  
June 6-7 — New Jersey Broadcasters Assoc. Convention, Atlantic City, NJ. ☎ 609-860-0111.

URL: [www.njba.com](http://www.njba.com)  
June 7-9 — Illinois Broadcasters Assoc. Convention, East Peoria, IL. ☎ 618-942-2139. URL: [www.ilba.org](http://www.ilba.org)  
June 8 — 2005 Radio-Mercury Awards, New York City. URL: [www.radiomercuryawards.com](http://www.radiomercuryawards.com)  
June 9-11 — Missouri Broadcasters Assoc. Convention, Kansas City, MO. ☎ 573-636-6692. URL: [www.mbaweb.org](http://www.mbaweb.org)  
June 9-12 — Mississippi Broadcasters Convention, Biloxi, MS. ☎ 601-957-9121. URL: [www.msbroadcasters.org](http://www.msbroadcasters.org)  
June 15-16 — Wisconsin Broadcasters Summer Conference, Green Lake, WI. ☎ 608-255-2600. URL: [www.wi-broadcasters.org](http://www.wi-broadcasters.org)  
June 22 — 30th Annual Gracie Allen Awards American Women in Radio & Television, New York. ☎ 703-506-3290. URL: [www.awrt.org](http://www.awrt.org)  
June 26 — 28th New York State Broadcasters Assoc. Convention, Lake George, NY. ☎ 518-456-8888. URL: [www.nysbroadcastersassn.org](http://www.nysbroadcastersassn.org)

### SEPTEMBER

Sept. 21-23 — 2005 NAB Radio Show, Philadelphia ☎ 800-342-2460. URL: [www.nab.org](http://www.nab.org)  
Send events to [marycrowley@radioink.com](mailto:marycrowley@radioink.com).

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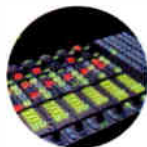
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