

Radio, What D

What's the recipe that every radio broadcaster needs to follow to get ahead of the game in 2009? What are the best practices that must be followed to compete effectively? What are the best-in-class ideas that every broadcaster can profit from in a turbulent year?

R&R and industry strategist/researcher Mark Ramsey posed those questions to industry folks during the month of January through open solici-

tations on their Web sites. Dozens of readers responded with thoughtful and constructive answers to the most burning question of the year: Radio, what do we do now?

A collection of some of the most intriguing submissions, as judged by R&R editors and Ramsey, appear in the pages that follow. Additional contributions will be posted at RadioandRecords.com on Feb. 26.

Radio's Cultural Revolution

By **Jeff Schmidt** jeff.schmidt2@cumulus.com

Radio's future will be as much about what happens off the air as on the air. Because of this, radio needs nothing short of a top-to-bottom cultural revolution.

We need to birth a new culture of innovation. A culture that embraces new ideas and experimentation. A culture that faces down old fears in the pursuit of creating new products and services for our clients and audiences.

It's unreasonable to expect we can incubate a culture of innovation in radio before we get out from under the pervasive culture of Arbitron. The problem is what we've allowed Arbitron to become and the effect it has on our thinking. If an idea doesn't have the potential to move the Arbitron needle, we discard it before any resources are "wasted" on it. We behave as if there's no other way we can create meaning and value for listeners, clients and ourselves than by playing and winning the Arbitron game. This is a false and increasingly dangerous choice.

We've been doing this for so long that our internal culture has become one of echo chambers and feedback loops. A process that asks the same questions that recall the same answers. It's led to a culture that is often quite hostile to any idea that isn't about winning the Arbitron game.

For example, CBS Radio launches KYOU/San Francisco. Billed as Open Source Radio, it would solicit and broadcast podcasts and audio created by the community and other sources. The station was

closely integrated with its Web site. It was an idea truly of this place and time.

It was put on a tertiary AM signal so there wasn't much at stake from a traditional point of view. Still, the inside reaction and chatter I witnessed from the radio peanut gallery—from the lowest to fairly high levels—was mostly snide mockery and derision.

That kind of naked hostility toward new ideas doesn't happen in Silicon Valley. I doubt you'll find it at Apple or Google or any organization or industry that thrives on its ability to generate ideas.

So, what are we building? Why didn't Pandora come out of our own test kitchens? Shouldn't it have rightly been our innovation? Will we develop the next idea that captures people's affection?

In an increasingly social, interconnected and symmetrical media space, we can't afford a myopic worldview of radio as a closed ecosystem that can thrive without new ideas or innovations. Business as usual is going to be an increasingly bad business.

So how do we get there—to birth a culture of innovation?

We can begin laying the foundation right now by rewarding extra Arbitron thinking. The veil of fear of failure and ridicule needs to be



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—Jeff Schmidt

lifted. Experimentation needs to be encouraged and embraced.

Here's a thought. Have you ever wondered how many passionate niche communities might exist within your database of generic radio contest players? Is there anyone in your group getting an incentive to find out and create new products and services specifically designed for those passionate communities?

Passionate, engaged communities will command far higher CPMs than generic, passive crowds.

This is going to be the prevailing wisdom of advertising in the years to come. A bullhorn will not be able to compete with a whisper from a trusted friend. Advertisers are now learning this. Where will we be, and what will we be doing, when this is common knowledge?

We can be great mainstream broadcasters on the radio and dig deep into creating credible products and services for the many niche communities and interests that already exist within our fan base. We can play Arbitron without being a slave to Arbitron.

This, along with many other ideas, can happen when we begin rewarding extra Arbitron thinking.

Are we there yet? 2009 can be the year we answer, "Yes, we are."

R&R

Jeff Schmidt is director of creative services for Cumulus Media classic rock KSAN and triple A KFOG/San Francisco.

o We Do Now?

Seven Unconventional Ideas To Deal With A Changing Marketplace

By **Wayne Schmidt** wayne.schmidt@yale.edu

Now that we have trimmed the last of the fat from our budgets to shore up the castle walls, what can we do next? First, don't panic. Second, think of yourself as a media station instead of a radio station. Allocate resources to develop content ideas that position your station to exploit developing technology when it arrives—then pounce on it when it becomes



available. Just remember that to be successful you need to match meaningful content to the technology on which it is delivered.

Third, talk with your local schools about technology used in the classroom—you may find some valuable ways to deliver compelling content. Talk to teachers and students about what their wants and needs are. Talk to the principal or chief disciplinarian. Find out what problems the school is having, if any, with iPods, cell phones or other technology. This will give you insight into how students interface with technology and media. Their tech habits today will be everyone's media habits tomorrow.

Fourth, invest in local talent. Grow people who know your market and can easily relate to your area. You will find plenty of talented, capable entry-level minds at your local college. Young local talent is not only low cost; they are also a front-line participants

in the world of emerging media and change. Listen to their needs and thoughts for answers about what to do now that will keep you competitive later.

Fifth, develop creative new advertising products that give the appearance of greater exposure to finicky clients. For example, without deviating from your clock, give the client a chance to work with your programming staff to tailor permissible content in the form of a sponsorship of a broadcast hour. Keep your focus on being listener-friendly and have the client provide some relatable info, like local history or "did you know" facts about the business that your talent can use during breaks.

Sixth, offer free technology clinics at local expos, colleges, conferences or home shows. If you can't find the resources to provide this service, develop a trade arrangement with the local computer repair shop to provide service under your station's banner.

Seventh, don't fall into the trap of thinking that listeners will forgive us for the shortcuts we take while trying to make a profit. We really do jettison a few PIs every time we fail them in some way, and they are much more likely to relate a negative experience than a positive one. Be the place that people go to for service and keep in mind that too many shortcuts can seriously diminish your credibility beyond repair. You know you will truly have mastered this concept when your listeners become your clients.

Finally, remember that exploring the world can't hurt you, so take the time to do some unconventional research. It can only help you better understand where you are today and help you prepare for tomorrow.

Wayne Schmidt is director of operations at Yale Broadcasting urban AC WYBC-FM and triple A WYBC-AM/New Haven, Conn.

Developing A New Business Model

By **Dan Vallie** valliedan@aol.com

Fortunately, the radio industry is already doing some of the things it should be doing, like embracing new technology to take it to a new level with a new business model. Now your favorite station can deliver in HD and, through multicasting, be more than one station—all on one frequency.

Radio is no longer the medium with just great audio. Online, you can watch videos of the songs being played on-air. If you missed a news interview, you can listen to the podcast. On the station's Web site, through video, you step into the studio of your favorite on-air personality—and you can access it on your laptop, desktop or mobile phone. Our business model is evolving to maximize all the opportunities.

We need to listen to our financial people but we should not count on them to help us determine where we are going and how to get there. The vision, dreaming, creating and innovating has to come from those that think that way comfortably and naturally.

Media convergence is already happening. I work with students at the Kellar Radio Talent

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Institute at Appalachian State University and encourage them to put their video and Web skills on their radio résumé. Most broadcast majors graduating today have talents and skills that will help develop our new business model.

A station's audio stream is just as important as its on-air signal. The day may come that we are Web sites that also have radio stations. The audience is going to the Web, and we have to be where the audience is.

We need passionate, optimistic, smart and talented people that love the business. While companies feel the need to trim overhead by cutting people, those we keep and recruit are the ones we are counting on to help us excel. Surviving means coping, and thriving means excellence and moving forward so that when the recession ends, we are in a position to lead with a better quality product than before.

We must invest in research—not the typical research where we know the answers before we

see the study, but research that addresses today's needs and opportunities.

We can't only rely on technology, air talent, the sales staff, department heads, management and consultants. For our industry to thrive, we all must contribute to the success by casting visions and creating and executing strategies. But to truly maximize our opportunity, the group heads and corporate offices will need to make it happen.

And you know what? I think they will.

Dan Vallie is founder of Vallie Richards Donovan Consulting.



Join The Online Conversation

By Phil Wilson phil@remaincomm.com

It is vital for radio to join the conversation online through a well-thought-out and -executed social media strategy and the appointment of someone to oversee it.

Too many times in radio, our Internet presence is merely a stake in the ground, allowing us to proudly proclaim, "Yes, I am on the Web!" Radio's online presence needs to be more than signing up for a MySpace page or Twitter account. It must be about using those tools to reach and build stronger relationships with its audience to engage them in conversation. The use of social media can take the one-way medium of radio and turn it into a two-way conversation.

With this form of communication that is now as vital to business as the telephone, radio can realize a host of benefits:

- Receive instant feedback from PIs.
- Access to convert those who are part of your station's PI community online to new on-air listeners.
- A new resource for content. Social media provides tools to put the power of media into the hands of listeners, transforming content consumers into content producers.
- The ability to unite airstaff, sales staff, promotion staff or the front office team in the cause of evangelizing their station or company.
- Instant access to a vibrant, creative, active community willing to take risks and explore new ways of doing things.
- New ways of driving people already online to the station's Web offerings.

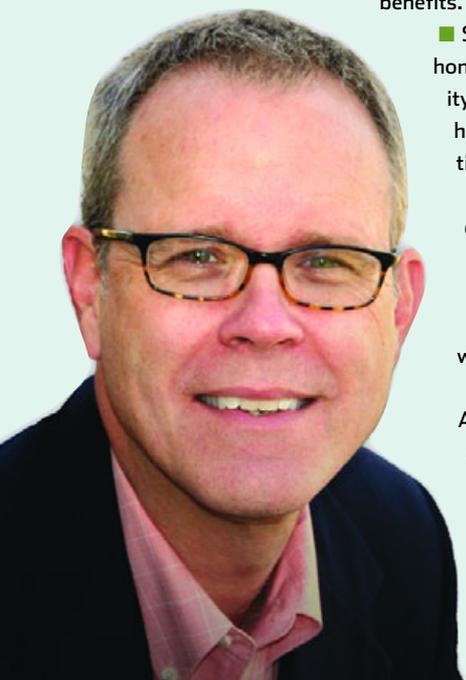
While younger demos are responsible for the proliferation of social media, a far wider group continues to adopt this form of communication on a daily basis. Based on December 2008 sources including Technorati and comScore, blogs attract 77.7 million unique visitors in the United States. More than 100 million blogs exist, producing 1.5 million posts per day. Facebook has 41 million users, MySpace has 75.1 million, and YouTube commands 10% of all Internet activity.

Though the tools to execute this social media strategy are free, there are some non-monetary costs involved:

- Being engaged requires a time commitment. Dedicating a short amount of time to online activities each day will yield benefits.
- Social media was built on the concept of honesty and transparency. Any lack of sincerity will be noted by the crowd and could harm the brand. Approach every interaction as if it were with a friend.
- Radio must be willing to abandon its desire for constant control.
- Patience is required for the use of social media to pay off. Any marketer that tells you otherwise is telling you what you want to hear.

As you wait for the monetary rewards of a strong, engaged radio brand communicated via social media, remember the short-term benefits of social media engagement—and its minimal cost.

Veteran programmer Phil Wilson is founder of social media consulting company RemainComm.



If Ever There Was A Time

By Bill Figenshu fig@figmedia1.com

With Sirius XM preparing for a possible Chapter 11 filing, has there ever been a better time to work on radio's "perception" problem? Would you buy a satellite receiver from a company that might not be around a year from now? In this recession, how critical is the monthly subscription fee compared to, say, paying your mortgage?

Now is the time to go after them with everything we have, and that includes putting satellite radio on the defensive. Perhaps it's time to reinforce the basics and play offense.

What should we be doing? Reminding advertisers that despite the increased competition, there are still more than 235 million people who listen to radio every week. That's about 215 million more than you know who.

Present your station as a local brand. Brands are everywhere, but local brands are important to consumers today if we provide local programming they can't get from the bird. We have local brands that are part of the community. They don't.

Distribute your radio brand where the people are. That means online and as a mobile applica-

tion, in addition to AM and FM. Then offer it to your advertisers as a complete package.

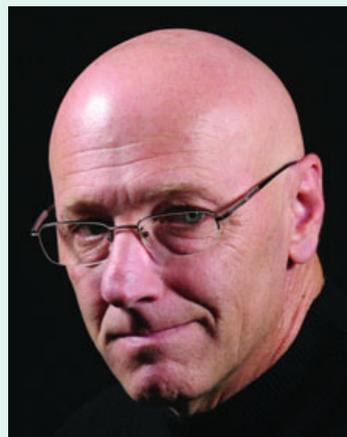
Reinforce the immediacy of radio to deliver a message, the value of inexpensive production and the local uniqueness of your brand.

Put programming on the HD channels that matters to consumers and differentiate side channels from current analog radio offerings. Traffic and weather 24/7, job postings, books on tape, car tips, restaurant reviews, real estate listings, computer and cell phone discussions, police scanners—anything but more boring deep cuts.

Sure, there is a recession and times are hard for small and large businesses alike, but "when the going gets tough, the tough use radio." It's

affordable, accountable and reliable as an advertising medium. If it's bad times for satellite radio, why not let everyone know it by restating our own attributes? Let's go get our audience. It's time to stand up and make a big noise.

Bill Figenshu is president/CEO of consultancy Figmedia1 and president of station development and operations for Peak Broadcasting.



Believe In The Power Of Digital

By Richard Fusco rwoodstock@gmail.com

Radio needs to expand beyond the limits of traditional broadcast radio to become a multimedia, platform-agnostic content provider. Video and cell phones are key components of this new identity.

Radio needs to develop new creative for advertisers that takes advantage of the ability of new media to engage and involve the listener. The Internet offers an instant direct link to the advertiser. Ads in the stream, for example, should be created with a call to action that, at the very least, directs listeners to the advertiser's site.

Radio needs to use the emotional bond that it creates with the public to develop new nontraditional revenue streams, such as commerce. Listeners trust their favorite station and will buy when stimulated with on-air announcements. Stations should set up a commerce component

even if it's just affiliate programs with such online retailers as Amazon. Stations can also build their own online stores and sell items to listeners that are geared to their demographic.

Stop giving away digital assets—pre-rolls, streaming ads, banners—for free as value-adds. Even if it's 99 cents, begin to establish monetary value for your digital assets.

The Internet is the most accountable advertising medium in history. It is basically census-based as opposed to Arbitron's current sample-based system. Don't paint yourself in a corner by selling digital based on impressions or clicks-throughs. Sell more creatively than that.

Richard Fusco is VP/director of digital strategies of Chet-5 Broadcasting triple A WDST/Woodstock-Poughkeepsie, N.Y., and Internet radio channel RadioWoodstock.com.



Reading Ramsey

Mark Ramsey's "Making Waves: Radio On the Verge," published in 2008 by iUniverse, is adopted from his popular hear2.0 blog. In the book, he interviews dozens of top marketing professionals to gain their insight and offer solutions to move radio into the future.

In the forward, Greater Media president/CEO Peter Smyth comments that "Making Waves" is a must-read that "challenges the reader to redefine the way radio does business and how we, as an industry, continue to reinvent ourselves from both a digital and accountability perspective."

Among the topics Ramsey covers are "how to make your marketing stick, lessons in bad branding from the auto industry, more choice can be deadly, how radio can confront change, how to make radio relevant again and radio trend spotting."

Following is an excerpt from the book's postscript:

EBay was born in 1995 when a computer programmer named Pierre Omidyar couldn't register the name of his consulting company, Echo Bay Technology Group, so he shortened the domain to "eBay."

The very first item to appear on eBay was Omidyar's laser pointer: his broken laser pointer.

After selling the item for \$14.83, Omidyar contacted the winning bidder to make sure he understood that this laser pointer was, in fact, busted.

He did. You see, he was a collector of broken laser pointers.

There's something for everyone and, thanks to the democratizing force of digital media, there's now everyone for something. Still, radio has an advantage few other media have, regardless of where those media live. We have the biggest, most effective megaphone in town.

Use it.

To create a new future.

While you can.

The buzz always yields to what's new and sexy, to be sure.

But that's only part of the story.



You see, an iPod never soothed your fears when a tornado leveled your neighborhood. An Internet stream never volunteered its time and money for your local community. A satellite radio station never brought your favorite music artist to town. A mobile phone never tossed you a free T-shirt at a movie screening. You never called Apple to play a game or request a song or enter a contest. Nobody at last.fm ever inflamed your political passions or solved your relationship problems or helped you handle your money. Internet radio never helped you find your way home in rush hour and never helped you know what to wear to work or school. It never made you smile or cry or feel like you're part of an extended family, singing along to the same tune and laughing along to the same jokes. The miracle of radio is not that we play the same songs our competitors do, but that we do everything else they can't.

Radio is that friend in the dark, that playground of the mind. Close your eyes and see what you hear.

Why Video Didn't Kill The Radio Star

By Steve Williams steve@wvfj.com

Radio should keep a focus on what it does best: local, timely entertainment and information. That has kept us alive since the mid-'50s and the advent of TV. That's why video didn't kill the radio star; why cable radio, CDs, MP3 players, online stations, satellite radio and other media haven't wiped our industry out. But when



shareholders are a higher priority than listeners, it's like killing the goose that lays the golden eggs.

Radio is the original social network. A top 40 station is a gathering place for people who live in a local market, like pop music and are interested in the secondary lifestyle that surrounds pop music in that market. The station's

on-air talent and callers reflect and live that lifestyle. No other media can do that.

Our media is in virtually every car and home in this country. If we get the content right, who can stop us?

As far as new media are concerned, use what works. Stay focused. If you know what the audience is into, be sure that you are slightly ahead of the curve. Trying to be too far ahead of the curve on everything is very expensive and not necessary.

HD radio? Unless you have enough killer

formats that include local, timely entertainment and information, why bother? I see somewhere in the neighborhood of zero demand for HD radio, and I see an industry, desperate to fragment itself, that it is practically forcing HD on a totally apathetic audience.

Is it time to let HD radio go?

Steve Williams is marketing and promotions director of Provident Broadcasting Christian AC WVFJ/Atlanta.

Get Back To What Made Radio Special

By Ron Roberts rroberts@qantumradio.com

Get behind any of the MP3 players that come with FM tuners; more specifically, push the consumer to the Microsoft Zune with Buy From FM technology. When users hear a song on the radio they like, the Zune allows them to purchase that song instantly. Everyone wins: The record labels get their product to the consumer via radio, radio facilitates that transaction and consumers gets the instant gratification they seek.

Stop using station Web sites as "added value." Tap your site as a new revenue source by selling advertising, including video commercials. A Flip video camera costs \$150 and Windows Movie Maker is installed on most XP computers. With that minimal investment, stations can create video presentations for their clients, complete with graphic overlays.

'Get back to what made radio "special" to the listener: being live and local.'

—Ron Roberts

Get back to what made radio "special" to the listener: being live and local. Syndicating or automating night shifts is insane; your future adult demo is being shunned in the name of saving a buck. Do we think radio will be a vital part of younger consumers' lives when they've grown into adult demos and have formed their media habits? Voice-tracking jocks from out-of-market is equally worthless. What kind of business model do we have when the major corporations scale back their product, then hit the streets with rate cards that, in essence, tell the adver-



tiser, "What we've been selling you all this time isn't worth as much as we used to tell you it was"? Slashing programming to create a rate card that's the lowest in your market only makes for a lesser product, which tunes listeners away from your stations, and some from radio, altogether. Why should they listen to a personality-free jukebox when they can get that from their MP3 player already—minus commercials?

Ron Roberts is PD of Qantum Communications CHR/top 40 WXXM (Mix 97.7)/Myrtle Beach, S.C.