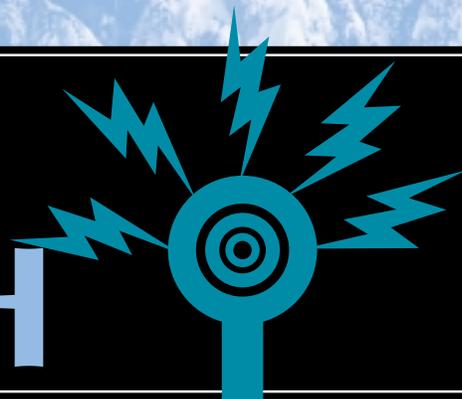


DEMERS DISPATCH



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Missed Spent Youth

Near the dawn of the radio era we call consolidation, one of the early leaders of that movement made a very wise observation that has great significance for Market Managers today. He noted that many operators were intent on going into markets and taking on the challenge of "buying eight radio stations and trying to make them all Top Five 25-54."

When Randy Michaels delivered that punch line during a presentation at an NAB convention, everybody laughed at the absurdity of that goal. Still, today, in cluster after cluster, the quest for the holy grail of Adults 25-54 often causes managers to leave potentially lucrative revenue opportunities underdeveloped.

A key strength of controlling several radio stations in the same market is the cluster's ability to provide multiple buying opportunities for more clients who have a broader range of demographic targeting needs. In other words, rather than cannibalizing across product lines, targeting complementary audience segments can produce greater revenue opportunities.

The intense focus on 25-54 ratings success has left sizable audience segments (both young and old) increasingly untapped in the vast majority of markets. While the 25-54 target has certainly been driven by Madison Avenue, operators with multiple stations know that, in reality, they must look beyond the traditional agency opportunities in order to generate enough business to remain viable.

Increasing the cluster's efforts toward more direct business is a natural outgrowth of having more inventory to sell. Having a more diverse selling

approach means that individual stations in the cluster can then target more discreet audience segments, not all of which need be completely in the sweet spot of 25-54.

Looking at the youth side of the equation, there are numerous format variations which have shown significant viability (in 18+ audience share terms) and can provide a revenue boost for the cluster if the individual product is understood and sold properly. The challenge of making a station with a target such as Men 18-34 a financial winner begins by winning the hearts and minds of the sellers inside the station first.

Unfortunately, we often find in multiple station situations, that it's the younger-targeted stations (Active Rock, Alternative, CHR, Hip-Hop) who become the obvious "black sheep" of the cluster. Even with high profile personalities and strong ratings success in their targets, the

relative youth of a station's core constituency sometimes is mistakenly seen as lacking real value. The 18-34 station is simply not taken seriously by sales management while more energy is focused on the stations that have the potential to deliver the bulk of 25-54 shares.

The challenge of selling a station with strong 18-34 appeal on the street is often exacerbated by an internal lack of understanding of the station's programming position. This leads to a lack of confidence in that station's ability to deliver financially.

This self-fulfilling prophecy is one we've seen repeated to the point that it is taking formats off the table for many operators – the same operators who

THE SUCCESS OR FAILURE OF A STATION'S PROGRAMMING EFFORT IS PREDICATED ON SATISFYING TWO KEY AUDIENCES – THE LISTENERS AND THE CLIENTS.

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SELLING THE PROGRAMMER

It is sometimes easy to overlook one of the most important responsibilities that a radio station Account Executive or Sales Manager has --- selling internally. Below are some concepts to build on within the Sales Department as you work toward developing the most effective moneymaking team within your cluster.

NO ANSWERS WITHOUT QUESTIONS

You can sell a product more effectively if you understand how and why it works. While a lot of thought and effort goes into every programming plan, not all of it is readily apparent. Be prepared to ask questions about why a particular process occurs at your radio station – don't take matters for granted. In our experience it is all too rare for a new sales person to arrive on the scene, meet with the PD, and learn all they can about the station from the programmer's perspective before hitting the streets.

NEVER STOP LEARNING

While most sales staffers are adept at keeping up with what's going on inside the station and the market, they don't always take the opportunity to look at the broader perspective. It's worth your time to learn more about the formats you are selling – how does your station stack up against other Active Rock stations? Is your station's brand of Alternative similar to others or is it uniquely crafted to the local competitive arena? Use resources such as Programming-oriented trade publications or an occasional lunch with the PD or MD. Sales Managers should make it a point to invite the station's Programming Consultant to address a sales meeting while they are in town in order to share their outsider's perspective on your station, the competition and the market environment.

LISTEN TO THE RADIO

In order to ask informed questions and gain market perspective, you've got to take the time to hear what's going on around you. Most AE's make it a point to monitor the competition for sales information (who's buying what on which station). Make an effort to "listen like a listener" on occasion and pay attention to the on-air product itself. Listen with an ear toward getting a better sense of how each station is attacking their Programming plan, what promotions are in play, how the personalities are sounding etc. Staying plugged in to the general market "vibe" can help generate fresh ideas that may turn into selling opportunities.

CAN'T SELL YOUR SOUL? SELL THE PRODUCT!

Music-based radio formats are an interesting product in that "everybody" is a Programmer. We all have our favorites when it comes to music and it can sometimes be difficult to channel that passion effectively. There were a lot of sales people who really loved selling their Alternative station when the playlist included Sarah McLachlan and Barenaked Ladies. Now these same sales people are having trouble getting behind Linkin Park and Disturbed leading the playlist. When the passions are in sync, it can be a great motivator. When your personal taste is in conflict with the product, you need to call on all your sales training and focus on providing solutions for clients.

LIVING AND DYING BY THE NUMBERS

If learning more about the Programming side feels like too much of an effort, you can always rely on Arbitron. Of course, that means (especially in younger-targeted formats) that you better have a lifetime supply of Pepcid AC on hand. With the amount of ratings compression in most markets, the difference between being "in the money" or not on a particular buy is often measured in tenths of a point. Being able to sell beyond the statistics has never been a more important skill. There is no substitute for being well informed about the capabilities of your station and the competition when it comes to being an advocate for your clients.

YA GOTTA BELIEVE!

At the end of the day, you really do have to believe in your station's ability to accomplish your clients' goals more effectively than the competition. To be successful, you truly have to believe that what you are selling is going to deliver what you promise. Otherwise be prepared to go home at the end of each day discouraged and exhausted. If you aren't confident when dealing with the numerous objections that clients can raise when it comes to parting with their cash, then you will not get the job done. Confident sellers close.

PROGRAMMING THE SELLER

Most Program Directors and Operations Managers now find themselves handling multiple responsibilities across several stations within a cluster. That workload does not mean that one can afford to relinquish their responsibility to increase station revenue. Below are some concepts to build on within the Programming Department as you work toward developing the most effective moneymaking team within your cluster.

KNOW YOUR STUFF

Do you really have a strategic plan? Can you clearly articulate the goals of the radio station, describe the target, map out the tactics etc.? If you don't know the playbook, then it's going to be difficult for the other players to have confidence in you (whether in your department or in Sales). Understand and know the data (your research and Arbitron). Be able to honestly gauge where you are along the road to success.

MAKE TIME FOR FACE TIME

We know you're busy, but any PD who turns down an invitation to attend a sales meeting is missing a great opportunity to develop allies. When attending a sales meeting, come prepared. Be able to focus on an aspect of programming that you want to share with the sales team. Also be prepared to answer questions about strategy, tactics and why the morning show used "that word" on the air this morning. Be open and responsive. This is your opportunity to communicate, inform and teach.

TELL STORIES

Reinforce the value of your station by helping the Sales Department focus on the station's successes. When you're with the sales people, take the time to talk about what's working – the latest promotion, successful bit or community service campaign. Encourage them to share more of their clients' successes with you as well – something great to take back to the staff at your next Programming Department meeting.

LISTEN AND COMPROMISE

As competitive as you are, the average sales person is dealing with more hand-to-hand combat in a day than you are likely to experience in a career. While programmers are certainly under stress, the level of rejection an Account Executive faces is enormous (think "American Idol" with Simon as the only judge). So, when they come to you with yet



another client request, do what you can do to make things work for a real win-win. There are limits, of course, and you must be prepared to fight for product integrity -- just learn to choose your battles wisely. Consider both the short and long term effects of any decision, negotiate for a solution and don't hesitate to ask for favors back.

BE CONSISTENT

Nothing drives the Sales Department crazier than a patchwork of ever-changing guidelines from the Programming Department. Whether this involves Special Programming, Sponsor Packaging, Endorsements, Promo Inventory etc. – set a template and do your best to stick to it (see above for exceptions under "Listen and Compromise"). One way to get cooperation and buy-in from the Sales Department on these issues is to develop these policies jointly whenever possible.

THE COMPETITION'S OUT THERE (NOT IN HERE)

The points above only work if you operate from the mindset that "we really are all on the same side." The tales of battles between stations' Programming and Sales departments are legion and they have never had the potential to cost operations more in terms of wasted time and lost revenue opportunities than in today's cluster environment. Do your best to keep the facts straight internally, squelch rumors and focus on being the best you can be. Sure, there will be conflicts, but keep the sibling rivalries inside the building and off the streets.

Missed Spent Youth

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likely need some sort of viable position for one or two stations in their cluster.

The success or failure of a station's programming effort is predicated on satisfying two key audiences – the listeners and the clients. With the bottom line being "the bottom line," Sales departments can support or torpedo a station's format potential pretty effectively. A large audience share that converts to only a small percentage of the total available revenue pie generally won't make for a programming plan that will last very long.

So how does one go about selling a radio station with a young target? It all begins with communication.

As Programming Consultants, we advise the PDs we work with to be very involved with their sales team and to take the time to understand the needs and goals of that department. Armed with that understanding, the smart PD can then frame their programming gameplan in terms that are more sales-friendly and deal with issues that directly affect each Account Executive's street mission.

Programmers need to be open and share the strategic thinking behind the station's positioning. Just who is "the target," why do we play the music we play and/or why do we have that outrageous morning show? Being able to answer any sales question in terms of goals, strategy, tactics and achievement is simply part of every successful programmers' job description today.

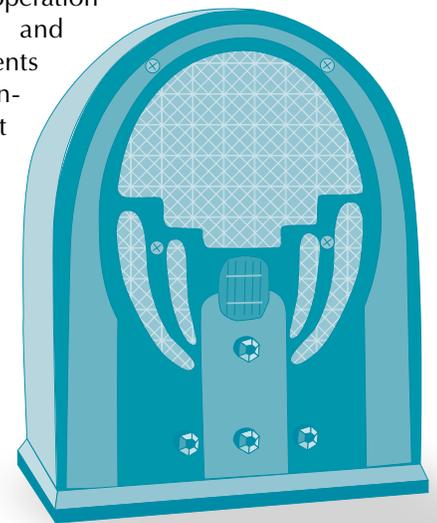
Looking from the sales perspective, both managers and account executives would be well-served by

taking a step back and realizing that what they are selling is indeed "a product" – that product being the means to reach a specific audience.

While it is true that the best, most passionate, sellers are often huge fans of the station's music or personalities, the vast majority of account executives are simply not going to fall in love with Godsmack if they grew up listening to Elton John. Trying to "fake it" just isn't going to work with prospective clients.

Having a clear understanding and appreciation for the station's programming and audience is simply a prerequisite for being able to articulate the station's advantages for the prospective client. You've got to know what you're selling before you can convince someone to buy it.

Building a bridge of cooperation between the Sales and Programming departments is a never-ending construction project at most radio stations. Making a positive impression on listeners provides the means for delivering positive results for clients. When the efforts of both sales and programming are complementary, the greatest impact is felt where it means the most – the station's bottom line.



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