



A SPECIAL
SUPPLEMENT
TO ADWEEK
BRANDWEEK
MEDIAWEEK
MAGAZINES

RADIO

1 9 2 0 - 1 9 9 5

**A M E R I C A ' S V O I C E
F O R O V E R 7 5 Y E A R S**

*THE TIMES
THE PEOPLE
THE HISTORY
THE PRODUCTS
THE STORY OF AMERICA'S
FIRST MASS MEDIUM*

*THE PARTNERSHIP
OF RADIO &
AMERICAN MARKETING
THEN, NOW, AND BEYOND 2000*

THE 20'S

THE 30'S

THE 40'S

THE 50'S

THE 60'S

THE 70'S

THE 80'S

THE 90'S

2000

2010

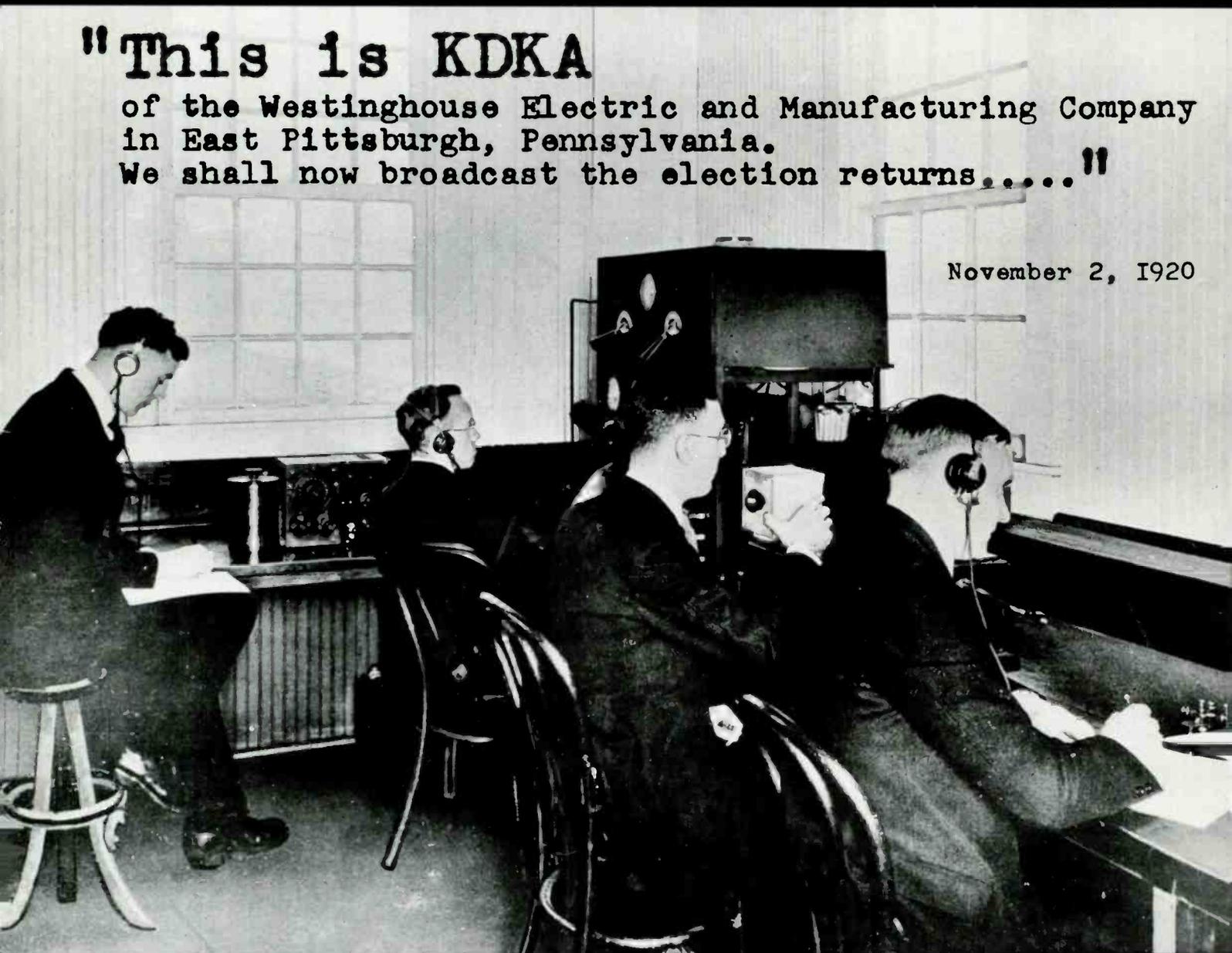
These words changed our world forever...

"This is KDKA

of the Westinghouse Electric and Manufacturing Company
in East Pittsburgh, Pennsylvania.

We shall now broadcast the election returns....."

November 2, 1920



We celebrate the pioneering spirit
that sparked the birth of broadcasting.

That vision lives on today
and will inspire our leadership
for the NEXT
75 years.

GROUP
W
RADIO

WBZ AM Boston
WINS AM New York
KYW AM Philadelphia
KDKA AM Pittsburgh
WMAQ AM Chicago
KILT/KIKK AM Houston
KFWB AM Los Angeles
KPIX AM San Francisco

WNEW FM New York
WMMR FM Philadelphia
WLLZ FM Detroit
KILT/KIKK FM Houston
KTWV FM Los Angeles
KPIX FM San Francisco



LOOKING BACK AT A RICH HISTORY & FORWARD AT NEW FRONTIERS.

-A LETTER FROM THE EDITOR-

To Americans, radio is as much a part of twentieth century innovation as the automobile, the airplane or the telephone. Its role in American life and history is legend. Radio is truly the cornerstone of mass communications and broadcast entertainment.

In this radio's 75th year, we celebrate radio's role as the first mass medium. Radio is the great entertainer, informer and companion we have all grown up with. We rely on radio every day to make our lives happier, better and more complete.

For those marketers who have mastered the medium through its programming and creative, theirs is a rich history of innovation and growth.

In this, radio's 75th official year, we take an abbreviated look (it would take an encyclopedia to report the entire history and impact of radio on American life and advertising) at radio's past, present and future. The past is rich, vivid and alive in our memories. The present is one of a medium that is an integral and personal part of all of our lives, and our businesses. It is constantly alive and reflective of the American mosaic. Finally, we take a glimpse into the future, through the viewpoint of many of the professionals who make radio their life's work.

As we go forward into the 21st century, radio will continue to grow, constantly keeping step with technology and increasing its critical involvement in advancing American business and society.

Laurence W. Norjean
PRESIDENT/CEO
STRATI COMM AMERICA



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Top: Edward R. Morrow, Frank Sinatra, Milton Berle, Guglielmo Marconi
Bottom: Orson Welles, The Lone Ranger (Brazo Beamer) Groucho Marx, Allen Freed

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RADIO TODAY

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THE '20'S



THE PIONEERING ADVERTISERS

Some of the first advertisers who built their brands through radio advertising.

- AMERICAN EXPRESS
- AT&T
- ARMOUR
- BUDWEISER
- CAMELS
- PROCTER & GAMBLE
- IPANA TOOTHPASTE
- FORD MOTOR
- MAXWELL MOTORS
- GILLETTE RAZORS
- LUCKY STRIKE
- COCA-COLA
- RALSTON PURINA
- COLGATE-PALMOLIVE
- LEVER BROTHERS
- BUICK
- GOODRICH TIRES
- CHEVROLET
- WHEATIES
- METROPOLITAN LIFE
- CITIES SERVICE
- EVEREADY
- A&P
- GENERAL ELECTRIC
- GENERAL MOTORS
- QUAKER OATS



IN THE BEGINNING...

Modern radio began on November 2, 1920, in Pittsburgh when KDKA, the nation's first federally-licensed station, broadcast the Harding-Cox election returns. The first disk jockey was ham radio operator Frank Conrad of Westinghouse, who in 1919 played records supplied by a local store in exchange for free plugs on the air (*even then they were making barter deals!*). KQW in San Jose, CA (*forerunner of today's KCBS, San Francisco*), claims to be the first radio station, dating from 1909, though they didn't accept advertising until 1925.



BROADCASTING THE NEWS "LIVE" ON KDKA-PITTSBURGH 1920

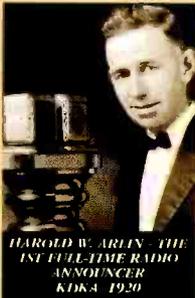
Many of today's program types began in radio's first year (on KDKA): live sports play-by-play coverage (Pirates vs. Phillies baseball game August 5, 1921), continuously up-dated newscasts (September 1921), and religious broadcasts (November 1921). Who wanted to get into radio? Many early pioneers were major market newspaper publishers who wanted a broadcast voice for their news operations, radio manufacturers who wanted to broaden the market for their products, and a variety of electronics "hobbyists" of that era.



THE FATHER OF MODERN RADIO BROADCASTING DR. FRANK CONRAD -1920

ADVERTISING:

"WHAT HAVE YOU DONE WITH MY CHILD?"



HAROLD W. ARLYN THE 1ST FULL-TIME RADIO ANNOUNCER KDKA 1920

Long before the FCC came into being in 1934, the U. S. Department of Commerce was the official licensing authority. In 1921, 28 licenses were granted; in 1922 some 662 more were issued. In 1927, the **Federal Radio Commission** was established. At first, advertising was considered in very poor taste. Dr. Lee De Forest, the inventor of the vacuum tube, stated:

"What have you done with my child? You have sent him out on the street in rags of ragtime to collect money from all and sundry. You have made of him a laughing-stock of intelligence, surely a stench in the nostrils of the gods of the ionosphere." **David Sarnoff**, the founder of NBC, said radio should be a public service medium "untainted" by money-making, and the costs be borne by set manufacturers, distributors, and retailers. **Herbert Hoover**, then Secretary of Commerce, was shocked at the prospect of radio being "drowned in advertising chatter."

Some, however, kept an open mind. In 1923, Daniel Starch said, "The development of radio broadcasting is presenting another possibility of mass communication which probably will be utilized for advertising purposes. It is too early to predict what its possibilities may be or how successfully it may be utilized." William H. Rankin, in December 1922, was the first advertising agency executive to buy radio advertising for a national advertiser.

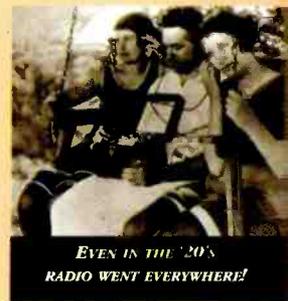
THE FIRST ADVERTISERS:

USING RADIO TO BUILD AMERICA

In January 1925, the **American Association of Advertising Agencies** created a radio committee, and by 1927 had established the standard client-agency-medium relationships so clients would not bypass their agencies to save on commissions (the first full-scale agency radio department was started at Ayer in 1928). Real estate advertisers should take pride in being the first radio client, as they used the medium to help America grow.

Not only did they give birth to an **\$11 billion-plus industry**, but they pioneered the infomercial as well. **The Queensborough Corp.** bought ten minutes of air time for \$100 through the **Griffin Radio Service**...the first radio rep!

Their spot ran on August 28, 1922, on **WEAF (owned by AT&T)** in New York City, to promote the Hawthorne Court apartments in Jackson Heights. Despite the small audiences back then, all the apartments were rented and Queensborough continued to use radio to promote other properties.



EVEN IN THE '20'S RADIO WENT EVERYWHERE!



LISTENING TO THEIR FAVORITE RADIO ADVENTURE - 1922

THE FIRST COMMERCIAL

"Let me enjoin upon you as you value your health and your hopes and your home happiness, to get away from the solid masses of brick, where the meager opening admitting a slant of sunlight is mockingly called a light shaft, and where children grow up starved for a run over a patch of grass and the sight of a tree.... Friends, you owe it to yourself and your family to leave the congested city and enjoy what nature intended you to enjoy. Visit our new apartment homes in Hawthorne Court, Jackson Heights, where you may enjoy life in a friendly environment."

AMERICA'S FIRST MASS MEDIUM
-75 YEARS YOUNG AND STILL GROWING.

RADIO 1995



STATE OF THE INDUSTRY

By Charles Taylor

Time was, the music was enough. One spin up or down the radio dial, and it was pretty obvious if you were tuned to pop, rock, country or R&B. Listeners knew what to expect and advertisers, for the most part, understood where they were most likely to find the best cross section to push their products and services.

With the industry's boom in the early 1980s, radio suddenly became a high-stakes enterprise.

Stations that were barely worth the ground they sat on became gold mines. Chances are, if anyone besides the crickets in the hinterland tuned in, a station's value reached a minimum of \$10 million during the decade.

In the mean time, more and more stations were crammed along radio dials nationwide, listeners were inundated with MTV, Walkmans, compact discs and loads of other new competitors and, lo and behold, there came a recession.

As a result, programmers hustled to find out what listeners really wanted to hear and aimed to focus their formats more narrowly. Promotion directors investigated inventive new ways to find out more about listeners through interactive contesting, station listener clubs and powerful databases, all in an effort to build loyalty and ultimately, understand "everyman" and "everywoman" listening to their programming.

KDKA TODAY

KDKA is as integral a part of the fabric of Pittsburgh and the radio industry in 1995 as it was when it first captured the imagination of the public in the 1920's. KDKA is Pittsburgh's top-rated station today, as it has been for the better part of its ratings history. For advertisers, KDKA delivers not only ratings but an association with the tradition of radio and an exceptionally strong affinity between the station and its listeners.

Diane Cridland, KDKA's Director of Programming and News, attributes much of KDKA's modern-day success to its relationship with the community, which encompasses local pride over the station's historic significance as well as its numerous efforts to assist and involve listeners. The station has strong ties to Pittsburgh's Children's Hospital, for example, and makes it a point to get its on-air talent out of the studio for such features as an annual free spaghetti breakfast and a search for the best hamburger in the city.

For the advertiser of the 1990s, this evolution has translated radio into a highly targetable medium and the fourth largest advertising vehicle in the nation. Why simply aim a product at R&B listeners, when you can now choose from rhythm CHR, hip hop, urban, AC, jazz or urban classics? Country, my lasso, would you be interested in young country, bluegrass, classic country or a hybrid that blends country with gospel, rock, talk or even polka?

Clearly, the livelihood of radio's future is intertwined with the industry's ability to understand and then attract a specific, targeted demographic. There simply is no such thing as a mainstream station today. To succeed: Niche, then target.

As radio closes in on the next century, station databases will become as important as the core artists that define their playlists. These modern-day gold mines will help advertisers define single-line factors like age, sex, race and birthdate, as well as more complex information like block group characteristics, addresses, marital status and children in a household. Many stations already are cross promoting with grocery stores and other businesses, gathering much of this information with a simple swipe of a station's UPC-equipped club card.

In 75 years, the radio industry has redefined itself many times over. In the last decade alone, broadcasters have initiated sophisticated computer-assisted tools to attract listeners. For advertisers looking to spend their money over the airwaves, these value-added enticements should be music to their ears.

Charles Taylor is Editor of The Radio World Magazine, which reaches 14,000 radio station executives monthly. He cut his teeth in the industry on-air at WWOD-AM/WKZZ-FM in Lynchburg, Va., 15 years ago.

The **Group W/Westinghouse** news/talk station is the flagship for Pittsburgh Pirates baseball and Penn State football and basketball. Its programming is all locally-originated, with the exception of Rush Limbaugh from Noon-3PM weekdays.

"The people of Pittsburgh are very proud and even protective of our station," Cridland said. "We never have a problem filling jobs. Everyone seems to know the great tradition of KDKA and wants to be a part of broadcasting history. When I accepted the **NAB's Marconi Award in 1994 for 'Legendary Station of the Year.'** I said I was accepting it on behalf of everyone who has ever worked at KDKA and contributed to our rich history. In many ways, we are Pittsburgh."



PITTSBURGH TODAY



TED JORDAN - VP/GM - KDKA

ACCORDING TO MARKETERS...

"The best thing about Radio is the fact that you can immediately measure results. It offers a flexibility we can't achieve in print or television."

Beverly Pronisham
VP/Sales - Marketing
Back Technologies

"We set out to generate bookings by using Radio as our primary medium, and we did just that."

Vicki Meyers
Dir./Worldwide Adv.
Best Western

"Radio is becoming more and more important to us as it becomes harder to reach the specific audience that buys our trucks."

R.M. "Mac" Wisner
Chevrolet Truck
Advertising Manager

"Radio is especially effective for the local markets where we're able to tag individual stores."

Clint Clifford
Sr. VP/Mgmt., Sup.
Seali McCabe Sloves
(Agency For Perdue)

"Radio's success in launching the Lottery gave birth to the 'Winner's Radio Network.'"

George P. Andersen
Director
Minnesota Lottery

"Proving that it could fulfill our needs, Radio has become our primary advertising medium."

Taylor N. Ingraham
Marketing Director
Virgin Atlantic Airways

ADVERTISER QUOTES COURTESY
RADIO ADVERTISING BUREAU

Back Then We Saw The Future In Radio ...





We Still Do

From the original 16 stations of the CBS Radio Network to the CBS Radio Division of today. We proudly celebrate radio's 75th anniversary. Here's to our continued success.



THE SPONSOR IS BORN

Within the first six months, 25 companies, including **Macy's**, **Metropolitan Life**, and **Colgate**, began to advertise on WEAF. The first network radio sponsor was **Cities Service** (now **Citgo**), which started on **NBC** in February 1927. Over the years they sponsored the Goldman Band concerts and their own Band of America. During the worst of the Depression advertisers were spending \$600,000 a year in radio, and sales gradually improved as the economy rebounded. Strict standards were imposed on pioneer advertisers: no price-and-item hard sell, no mention of competitors, no sound effects. A typical opening billboard would be: "These facilities are now engaged by (name of sponsor) for the broadcasting of (name of program)". As a result, creativity was virtually nonexistent.

THE MEDIUM AND THE MESSAGE

In the late 1920's, most radio commercials used the same copy as in their print ads. One of the pioneer users of humor was **Emerson Drug Company** for **Ginger Mint Juleps** (a soft drink) in 1927. Dramatized commercials began in 1929 with **Fels-Naptha** soap, and the first known national jingle is attributed to **Wheaties**, also in 1929. Many early radio programs were named after their sponsors, including the **A&P Gypsies**, **Eveready Hour**, **Cliquot Club Eskimos**, and the **Lucky Strike Radio Hour**. Some of the most creative radio advertising copy was for radio sets.

NETWORK RADIO IS BORN

THE MESSAGE GOES FROM COAST TO COAST

In 1923, WEAF, New York, hooked up with WNAC in Boston and this was the start of "chain broadcasting," or networking.

A year later, by using its own telephone lines, **AT&T**, owner of WEAF, was operating a coast-to-coast network of twenty-three radio stations. A rival network of 4 stations was owned by the **Radio Corporation of America**, a consortium of radio set manufacturers. **AT&T**, fearing the loss of its telephone monopoly, got out of the radio business in 1926. It sold its radio stations to a new subsidiary of **RCA**, the **National Broadcasting Company** (now **NBC Radio**-now part of **Westwood One Radio Networks**), who thereafter operated two radio networks, the **Red** and the **Blue**.

Early networking simply involved sending sound on **AT&T's** high efficiency cable from the originating station to other stations with enough fidelity to allow a wireless rebroadcast. David Sarnoff, the head of **NBC**, created network broadcasting as it is known today on November 14, 1926. That night, those who listened to twenty-four **NBC Red Network** stations heard a program that included, among others, cowboy commentator **Will Rogers** broadcasting from Kansas City, opera singer **Mary Garden** from Chicago, and **Eddie Cantor** from New York.

In 1946, the **NBC Blue Network**, consisting of **RCA's** pre-1926 stations, was sold, and eventually became the **American Broadcasting Company** (now **ABC**).

The **Columbia Broadcasting System** was started in 1927 in Philadelphia, and control was purchased two years later by the advertising manager of his families cigar company, twenty-seven-year-old **William S. Paley**. He moved quickly to make the fledgling network competitive with the two established **NBC** networks.

A fourth network, **Mutual**, began in 1934 with **WOR**, then licensed in Newark, New Jersey, as its New York-area outlet. **Mutual** (now part of **Westwood One**) was the most freewheeling of the original radio networks. It made up in marketing what it lacked in resources. Regional coverage was offered to advertisers who did not want to broadcast throughout the entire country. **Mutual** also played recorded programs, a practice then prohibited by **NBC** and **CBS**.

The New York-based flagship stations of the four networks have remained in constant operation. WEAF, from the **NBC Red Network**, is heard today in New York under the call letters **WFAN**. The **Blue Network Station** in New York, **WJZ**, broadcasts today as **WABC**. The original **WABC** is today's **WCBS**, **WOR** continues with its original call letters.

TIME LINE

1895 Guglielmo Marconi of Italy made the 1st radio for communicating with ships at sea.

1901 Guglielmo Marconi sent the first signal across the Atlantic.

1906 The first known United States radio broadcast was made on December 24 by Reginald A. Fessenden from Brant Rock, Mass.

1912 KQW in San Jose, Calif. began regular programming.

1920 KDKA-Pittsburgh was the first licensed commercial radio station. It went on air on November 2nd with the presidential election returns between Warren G. Harding and James Cox.

1921 The first sportscast; the first remote religious service; the first broadcast from a theater; the first prize fight was broadcast by KDKA.

1921 Broadcasting's first blooper occurs when Mayor Lew Shank of Indianapolis on a live microphone says, "People can hear me over this jammed dingus?"

1921 The first comedy-variety show "The Happiness Boys,"

aired on Oct. 18th on WJZ.

1922 More than 500 licensed radio stations in the US were on the air.

1922 WEAF in New York City was the first station to play a commercial on-air.

1925 "The Golden Age of Broadcasting" begins.

1927 Built-in power supplies and A-C tubes were introduced. These "plug-in" radios made the new "miracle" of radio a true household convenience.

1927 Broadcast of Charles A. Lindbergh's triumphant return from France.

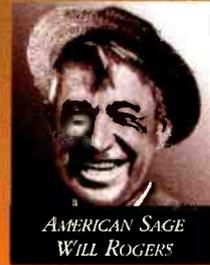
Late 1920's Console radio models become popular. First "portable" radios introduced, weighed 40 lbs.

1929 The radio becomes a reliable and inexpensive form of entertainment during the Great Depression. Smaller A-C cabinet "Cathedral" radios (also known as "midget" or "depression" models) become widely used.

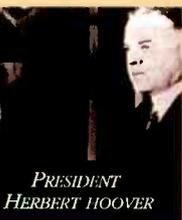


CHARLIE CHAPLIN
ON-AIR - 1928

As the 1920's ended, the stock market crashed but radio rose to new heights: 618 stations on the air, nine million households (30%) owning at least one set. Advertisers spent \$15 million on network radio and \$35-40 million locally in 1929.



AMERICAN SAGE
WILL ROGERS



PRESIDENT
HERBERT HOOVER



THE BIG HITS OF THE TWENTIES

- 1920 DARDANELLA BEN SELVIN ORCHESTRA
- 1921 WANG WANG BLUES PAUL WHITEMAN ORCH.
- 1922 APRIL SHOWERS AL JOLSON
- 1923 PARADE OF THE WOODEN SOLDIERS - PAUL WHITEMAN & HIS ORCH.
- 1924 IT AIN'T GONNA RAIN NO MO' - WENDER HALL
- 1925 YES SIR, THAT'S MY BABY - GENE AUSTIN
- 1926 VALENCIA - PAUL WHITEMAN & HIS ORCH.
- 1927 MY BLUE HEAVEN GENE AUSTIN
- 1928 SONNY BOY - AL JOLSON
- 1929 TIP-TOE THRU THE TULIPS - NICK LUCAS

RADIO HITS THE TARGET

SOMETHING FOR EVERYONE ON THE DIAL

From country to classical, business to big band, talk to top 40, one would be hard-pressed not to find something of interest on radio's AM or FM dials. Radio's targetability is a key ingredient of its success in attracting listeners and meeting the marketing needs of advertisers.

The first major step toward highly-defined programming is generally attributed to the 1961 launch of an all-news format by Gordon McLendon on XETRA-AM in Tijuana, Mexico. Though based across the border, XETRA's signal was targeted to the Southern California region. Today, all-news is a mainstay of AM radio.

McLendon's format programming concept quickly caught on throughout the industry, with two of the hottest radio formats being country and talk.

COUNTRY SWEEPS THE NATION

Country was recognized as a red-hot format in the early 90's.

At the time, many pundits suggested that the phenomenon was going to be short-lived; that it was nothing more than a passing "phase." Well, if country was red-hot around 1990, then it's white-hot in 1995.

Country radio is everywhere. It is the most listened-to format in the United States. Contrary to popular belief, the format is popular outside the South. Another country radio listener stereotype, that of the blue collar, low household income consumer, is off target as well. According to Simmons data, the majority of country radio listeners are college-educated. They rank first among all radio listeners in employed adults and second in household income \$50,000+.

The staying power of the country format can be seen in the recent specialization within the genre itself, which now features both "young country" and "traditional country."



EVERYBODY'S TALKIN'

The recent explosion of talk radio across the AM dial could lead one to believe that the format is in its infancy. In actuality, talk radio has been a viable format since the 1930's and in the 1960's it grew in popularity until its present day strength.

A milestone occurred in 1978 when **Larry King**, then a talk radio personality on **WIOD-AM** in Miami, was tapped by **Mutual Broadcasting** to host a syndicated, all-night talk show with celebrity guests and audience call-in segments. King's immediate success made talk radio a hot format. By 1982, there was little doubt that talk was here to stay when New York's **WABC**, the bastion of AM rock 'n roll throughout the sixties (at one time it was America's most listened-to radio station), switched to an all-talk format.

The popularity of interactive, two-way talk radio continues to soar in the 1990's, with the well-documented national success of such diverse personalities as **Rush Limbaugh** and **Howard Stern**. And, like country, the talk format itself has been refined into smaller niches. The most popular of these is all-sports, pioneered by **Emmis Broadcasting** in 1987 with the debut of **WFAN** in New York. Today, most major markets have a radio station devoted to the sports talk/play-by-play format.

One of talk radio's major advertiser benefits is the availability of on-air testimonials and product endorsements from show hosts. Because of the interactive call-in nature of these shows, listeners identify closely with the personalities, lending to the impact of their live commercial reads. Limbaugh, for example, almost single-handedly made an overnight success out of **CNS Inc.**, the company that makes the **Breathe Right Nasal Strips** endorsed on-air by Rush.

A 75TH ANNIVERSARY IS USUALLY A BITTERSWEET OCCASION.

By Bill Gloede, Editorial Director-Mediaweek

You offer the celebrator warmest congratulations simply for having survived, then call the undertaker and hope for the best.

Yet at 75, radio is stronger than ever. The medium that took us to war, gave us the beloved commercial jingle, introduced us to rock 'n roll, gave us the world in 22 minutes and thus survived the onslaught of television is again reinventing itself.



Radio is now freed from most federal regulation, which will allow companies to own more radio stations than ever before in the history of the medium. The result will be bigger companies that offer listeners and advertisers more options.

Some worry over the coming consolidation; it will diminish the diversity of voices that is so cherished in egalitarian Americanism, they say. The FCC and the

Congress have disagreed and have allowed consolidation to proceed. The fact is that radio remains closer to its audience than any other medium. Everything a radio station does is geared toward attracting and keeping its particular audience.

The audience gets what it wants. No pompous high art there. As the big companies continue to buy stations, and Mom-and-Pop radio continues its inexorable slide into history, the industry will grow stronger and better able to compete with an increasing array of media. And radio will still hold its trump card: It remains the only entertainment medium that reaches people who drive, which includes just about every adult in America.

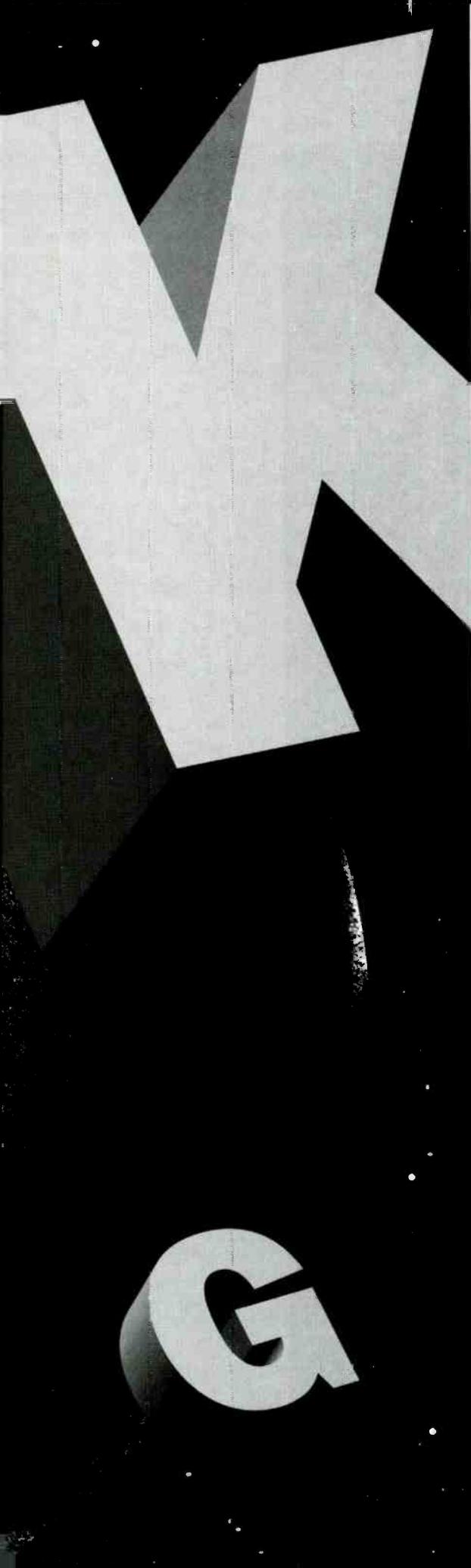
As radio drifts into year '96, it will grow stronger, richer and, possibly even younger (ask a six year old what's their favorite song on the radio. You'll get an answer). So when you order the basket, make sure it has a car stereo. And a long antenna.

RADIO FORMATS

	% OF STATIONS	# OF STATIONS
1 Country	26.3%	2,588
2 News, Talk		
Sports, Business	11.7	1,151
3 Adult Contemporary	11.1	1,085
4 Oldies	7.3	715
5 Religion - Music	5.6	552
6 Rock (Alt., Modern, AOR)	5.1	499
7 Adult Standards	4.8	468
8 Religion (teaching, news)	4.3	423
9 Spanish	4.3	422
10 Soft Adult Contemp	3.5	344
11 Top 40 (CHR)	3.4	335
12 Classic Rock	3.1	302
13 Adult Hits (Hot AC)	2.5	247
14 Urban, R&B	2.0	199
15 Variety, Other	1.6	155
16 Urban AC, R&B (old)	1.5	150
17 Easy Listening	0.9	88
18 Jazz & New AC	0.6	58
19 Classical, Fine Arts	0.4	39
TOTAL STATIONS	100.0	9,827

SOURCE: *Street Journal* - June 1995



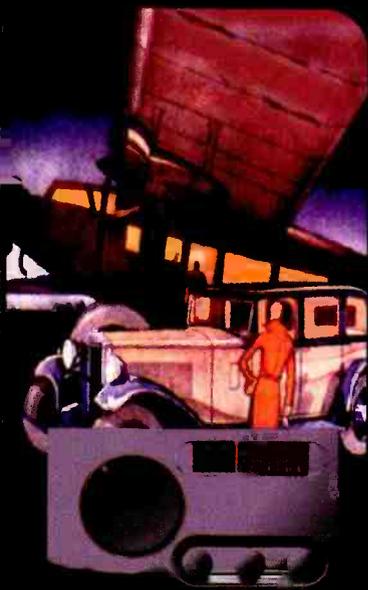


KRG DIMENSIONS: THE FUTURE OF RADIO IS HERE

Welcome to KRG Dimensions, a full-service company committed to creating integrated media and marketing campaigns to satisfy your advertising and promotional needs. With five individual dimensions – Network, Marketing, Sports Marketing, Agri-Marketing and Syndication – and access to more than 1,800 radio stations, 350 television stations and 1,100 cable television systems, the scope of KRG Dimensions is limitless. As a result, KRG Dimensions has the ability to not only deal with the business of today but meet the challenges of tomorrow.

KRG *dimensions* 
The Best in Broadcast Marketing Solutions

THE '30'S



THE BIG RADIO BRANDS

These are some of the brands and advertisers that used radio in the '30's.

- AMERICAN EXPRESS
- AMERICAN RADIATOR
- A&P
- ARMOUR
- AT&T
- ARMOUR
- BUDWEISER
- BUICK
- CAMELS
- CHEVROLET
- CITIES SERVICE
- COCA-COLA
- COLGATE-PALMOLIVE
- EVEREADY
- FORD MOTOR
- GENERAL ELECTRIC
- GENERAL MOTORS
- GILLETTE RAZORS
- GOODRICH TIRES
- IPANA TOOTHPASTE
- LEVER BROTHERS
- LUCKY STRIKE
- MAXWELL MOTORS
- METROPOLITAN LIFE
- PROCTER & GAMBLE
- RALSTON PURINA
- QUAKER OATS
- WHEATIES



THE GOLDEN AGE OF RADIO

WHAT'S TOMTOMING? OR TUBTHUMPING? OR ETHER BALLY? OR BLURBING?

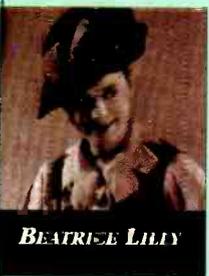
They were 1930's words that meant radio advertising!



BING CROSBY



JACK BENNY



BEATRICE LILLY

The Depression, severe as it was, did not kill radio. While set sales dropped from 4.4 million in 1929 to 3.8 million in 1930 and 3.4 million in 1931, overall ownership increased steadily. At year-end 1930, 40% of American homes had a radio, rising to 66% in 1933 and 72% in 1935, which meant that radio's penetration 60 years ago exceeded that of cable TV in 1995. Auto radios made their first appearance in 1930 (34,000 sold), and by year-end 1935, two million were on America's roads. The pioneer brand was aptly named **Motorola**. From 1930-35, the number of stations on the air remained steady, about 600-610 annually. Americans made sure their radios kept working, for they spent \$14 million in 1935 at the nation's 8,256 radio repair shops.

RADIO ADVERTISING DOLLARS WERE FLOWING

Radio was now gaining major importance as *the* national advertising medium. Syndication started in 1929-30. **Chevrolet**, through the **World Broadcasting System**, aired electrical transcription recordings on some 138 stations nationwide, rather than through the networks. Overall, there were 75 transcriptions available in 1930.

National spot began with the **National Radio Advertising Organization**, which offered its services as a program distributor to more than one station per market. They let stations present their story to the **NRA**, who decided which one would get the program.

Reps, as we know them today, started in 1932 with **Edward Petry and Free & R. Sleininger**. They handled only one station per market and earned a 15% commission for making spot sales to agencies. However, reps didn't have a monopoly on sales. They competed with program producers and time brokers as well. In the early Thirties, station reps had to travel to distant cities to make in-person sales calls, and more often than not had advance preparation about the advertisers or agencies. Spot sales were \$15 million in 1935.

WHAT'S CLUTTER?

Clutter was not an issue in the early 1930's. Only 8% of network air time was commercials (about half of what it is today) and, since most programs had single sponsors, there was less competition for the listener's attention. The 60-second announcement was by now the standard length.



FIBBER MCGEE & MOLLY



BURNS & ALLEN



FABE RUTH

RESEARCH BEGINS

The early 1930's saw the beginning of serious audience research. Before that, there were no ongoing scientific studies of listening patterns. Advertisers and stations relied on fan mail or response to offers to gauge audience size and attention. **Atwater Kent**, a leading set manufacturer, distributed **Radio Log** for us in the 1920's for listeners to record what stations they could pick up, the city and dial position...perhaps the earliest form of diary research. **Hygrade Radio Tubes** gave out "My Favorite Broadcasts" weekly diaries in the early 1930's, and at the bottom of each page was the plug "Hygrade Broadcasts The Weather Every Day."

The first major national audience study was done by **Crossley, Inc.** for the Cooperative Analysis of Broadcasting in 1930. They interviewed 48,000 people by telephone in 33 markets, and found 75% of set owners listened on the average day...a figure virtually unchanged over 65 years!

(The Fall 1994 RADAR report showed daily reach of 76.7% for persons 12+.) Radio had established itself as an evening medium a generation before TV.

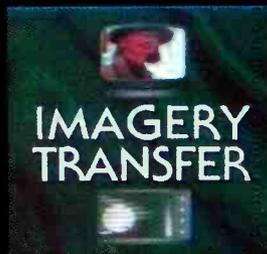
The 1930 U. S. Census reported 12.1 million homes with radios (April 1930), a 40.3% penetration. Average program had 3.1 listeners per household...remember, this was long before the transistor era!

In 1934, C. E. Hooper came on the scene with the **National Hooperatings**, which lasted until 1950 when Nielsen bought the company. The Hooper name remained, and this division then went into market-by-market personal audience surveys, using the telephone coincidental approach. However, the growth of out-of-home listening and multi-set ownership understated radio's true audience size. Along came **Pulse** which used aided recall through personal interviews. They asked for the past week's listening...the first weekly cunes.

Demographics appeared for the first time in a 1934 Starch personal interview survey of 80,000 adults. In October 1936, A. C. Nielsen introduced the audiometer to measure radio audiences and program popularity (Nielsen measured radio until 1964).

RESEARCH: CURRENT THINKING

Radio's greatest strength is its targetability. It's power to reach consumers where and when an advertiser's message will have the greatest chance of producing solid results.



IMAGERY TRANSFER

Radio stations and networks work with quantitative demos to fine tune their formats and make it easier to target core customers. The next step is to fine-tune consumer psychographics, lifestyle, and motivational research. Two of the most useful pieces of research to come along in a long time are the new Imagery Transfer study produced for several of the major radio networks by

Statistical Research Inc., and the current work into Effective Frequency undertaken under the auspices of the Advertising Research Foundation.

This landmark study reveals that, on average, 75% of the adults who viewed a series of test TV commercials were able to "see" - or mentally transfer - the visual images of the commercial when later exposed to the audio portion on Radio. This landmark behavioral study documents the ability of radio to enhance and extend TV campaigns, by transferring visual images into the consumer's mind.

EFFECTIVE FREQUENCY

In the late 1960's, research conducted by Colin McDonald was instrumental in helping to convince a whole industry to turn to a measure by which advertising should be purchased and evaluated... namely an "Effective Frequency" threshold of 3+. Theoretically if a consumer (or potential consumer) was not exposed to a commercial three or more times, the motivation to purchase would not be achieved.

Using the 3+ theory resulted in media plans that many people now feel were less than efficient in reaching their motivational goals. This lack of efficiency is due to the need for major amounts of dollars to be expended in order to reach the desired 3+ frequency levels. However, there is never enough money allocated to truly meet the requirements of many media plans.

Now, in 1995, a new wave of thinking regarding the 3+ frequency standard is upon us. The overall premise central to the new thinking is the impact of one single exposure to a commercial, closest to the point of purchase.

For more detailed information on Imagery Transfer, contact your ABC Radio Networks, CBS Radio Networks, Westwood One Radio Networks or American Urban Radio Networks representative. For more information on Effective Frequency contact the Advertising Research Federation.

RADIO IS BIG BUSINESS...

RADIO'S TOP NATIONAL ADVERTISERS-1994

DOLLARS SHOWN IN THOUSANDS

	TOTAL	NETWORK	SPOT
1. Sears Roebuck	\$100,026	\$74,644	\$25,381
2. AT&T Corp.	\$ 55,404	\$18,145	\$18,459
3. GM Corp./Dealers Assoc.	\$ 34,569	—	\$31,569
4. News Corp. (Fox TV)	\$ 28,568	\$ 5,150	\$23,518
5. Chrysler Corp. Dealer Assoc.	\$ 25,551	—	\$26,551
6. Tardy Corp. (Radio Shack)	\$ 25,242	\$11,775	\$13,467
7. Knart Corp.	\$ 24,460	\$ 9,814	\$15,046
8. General Motors Corp.	\$ 24,159	\$22,781	\$ 1,717
9. U.S. Government	\$ 24,098	\$20,808	\$ 3,389
10. Warner-Lambert	\$ 13,597	\$18,168	\$ 529
11. Sunsource Health Products	\$ 13,241	\$18,041	—
12. American Home Products	\$ 17,269	\$10,189	\$ 6,880
13. Gateway Education Products	\$ 15,799	\$16,594	\$ 204
14. MCI Communications	\$ 15,430	\$ 1,551	\$14,478
15. Philip Morris Corp.	\$ 15,203	\$ 7,592	\$ 8,610
16. Montgomery Ward & Co.	\$ 16,157	—	\$16,157
17. Quaker Oats Co.	\$ 15,634	\$ 5,749	\$ 9,884
18. Ito-Yokido Co. Ltd. (7-Eleven)	\$ 15,330	—	\$15,330
19. Pepsico, Inc.	\$ 14,594	\$ 1,295	\$13,298
20. U.S. West, Inc.	\$ 14,381	—	\$14,381
21. Grand Metropolitan (Burger King)	\$ 13,626	—	\$13,626
22. American Stores Co. (Lucky)	\$ 13,565	—	\$13,565
23. Capital Cities/ABC	\$ 13,425	\$ 8,967	\$ 4,457
24. Schering-Plough Corp.	\$ 12,794	\$ 9,345	\$ 3,449
25. CompUSA	\$ 12,221	—	\$12,221
26. Procter & Gamble	\$ 11,719	\$10,291	\$ 1,427
27. Bayer Group (Alka Seltzer)	\$ 11,213	\$11,056	\$ 156
28. Pacific Telesis Group	\$ 10,835	—	\$10,835
29. Walt Disney Co.	\$ 10,700	—	\$10,700
30. Accor SA (Motel 6)	\$ 10,403	\$ 8,877	\$ 1,562
31. Turner Broadcasting System Inc.	\$ 9,578	\$ 1,464	\$ 8,514
32. National Dynamics	\$ 9,836	\$ 9,381	\$ 315
33. Texaco	\$ 9,855	—	\$ 9,865
34. General Electric	\$ 9,816	\$ 3,719	\$ 6,097
35. Service Merchandise Co.	\$ 9,433	—	\$ 9,433
36. Bell Atlantic Corp.	\$ 9,251	—	\$ 9,261
37. William Wrigley, Jr.	\$ 9,157	\$ 7,260	\$ 1,907
38. Creek Corp.	\$ 8,841	\$ 8,841	—
39. J.C. Penney	\$ 8,689	\$ 5,752	\$ 2,937
40. Boston Beer Co.	\$ 8,637	\$ 7,028	\$ 1,008
41. Heineken	\$ 8,515	—	\$ 8,515
42. Office Depot	\$ 8,441	—	\$ 8,441
43. United Dairy Industry	\$ 8,159	\$ 3,502	\$ 4,667
44. Dupont	\$ 8,159	\$ 2,851	\$ 5,308
45. Melville Corp.	\$ 8,132	—	\$ 8,132
46. Himmel Group	\$ 8,095	\$ 8,044	\$ 51
47. U.S. Shoe Corp.	\$ 7,930	\$ 7,441	\$ 488
48. National Amusements Inc.	\$ 7,769	\$ 1,684	\$ 6,085
49. Chrysler Corp.	\$ 7,762	\$ 7,762	—
50. Southwest Airlines	\$ 7,728	—	\$ 7,728



RADIO REVENUES

1994 was a banner year for radio with double digit increases & 1995 is looking just as good!

	TOTAL REVENUE (IN MILLIONS)	NETWORK REVENUE (IN MILLIONS)	NATIONAL SPOT REVENUE (IN MILLIONS)	LOCAL REVENUE (IN MILLIONS)
1990	\$ 8,839	\$ 433	\$ 1,626	\$ 6,780
1991	\$ 8,591	\$ 440	\$ 1,575	\$ 6,578
1992	\$ 8,755	\$ 388	\$ 1,479	\$ 6,899
1993	\$ 9,568	\$ 407	\$ 1,629	\$ 7,532
1994	\$10,652	\$ 411	\$ 1,867	\$ 8,374

SOURCE: RADIO ADVERTISING BUREAU

PRICE PROMOTIONS AND PERSONALITIES



MILTON BERLE

In July 1932, NBC allowed advertisers to quote prices in daytime commercials, and by September both NBC and CBS allowed this in evening commercials as well. A&P was the first to take advantage of this, and ever since supermarkets have advertised price promotions.

The personality "ad-lib" commercial began in 1934, with Fred Allen, Ed Wynn, Jack Benny, and Burns & Allen among the most noteworthy. Another classic radio promotion technique, the premium offer, first hit the airwaves in 1933. Colgate-Palmolive offered garden seeds for a Super Suds boxtop on an NBC daytime serial, and filled some 600,000 requests in ten days! Many 1930's radio premiums, from Tom Mix, Little Orphan Annie, Captain Midnight, and Buck Rogers, command high prices at antiques shows today. Contests are even older - in 1930, the George Ziegler Candy Company sold more than 27 tons of Betty Jane candy over WTMJ in Milwaukee, by sponsoring a "mystery song" program. Listeners had to identify what was played to win prizes. Radio could launch new or improved products too. Carson, Pirie, Scott in Chicago redesigned their Bobolink stockings and sold 200,000 pair in three weeks by advertising on WMAQ.



DAVID SARNOFF & MARCONI

"thriller" radio shows.

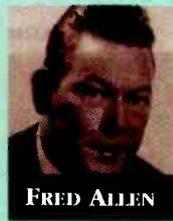
MULTI-MEDIA AND EFFICIENCIES

Radio and print learned to work together in the Thirties. True Detective Mysteries magazine increased its circulation from 190,000 to 690,000 in six months by dramatizing some of its stories as



A 1931 NBC survey found 80% of advertisers using newspapers to call attention to their sponsored radio programs; 77% used magazines. Only 24% used radio to call attention to their print advertising. Long before the Trylon and Perisphere symbolized the 1938 World's Fair, the New York Sun held Radio World's Fairs at Madison Square Garden starting in 1924. These were consumer expositions, in which radio manufacturers, parts suppliers, publications, record companies and similar businesses (139 at the 1930 event) exhibited their wares to the public. Local stations aired remotes, and to top it off, they had a Radio Show Queen.

One of the earliest discoveries of radio's cost efficiency came in 1930, when the Benrus Watch Company found its magazine advertising budget inadequate for continuous national coverage. So they switched to radio and their sales went up modestly while the entire jewelry business plunged some 50% as the Depression took its toll. Benrus found radio to be affordable and to provide the necessary impact, and new dealers took on their lines. Another basic marketing truth became evident: the more frequently a product was bought (such as foods, cigarettes, toothpaste), the more frequently it should be advertised on radio. One of radio's all-time classics has to be the Johnson's Wax sponsorship of Fibber McGee and Molly, which first aired April 16, 1935 (time/talent cost was \$4,560) and ran for 15 years. Johnson's Wax had first used radio in 1931, and by the late 1930's also sponsored Major League Baseball to promote its car wax.

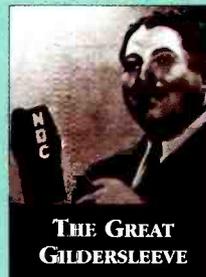


FRED ALLEN

The 15-minute daytime serial, later known as the soap opera, rose to prominence in the mid-Thirties. These shows gave housewives relief from the drudgery of housework, and provided the perfect setting for companies like Procter & Gamble, Lever Brothers, Best Foods, Bristol-Myers, and General Foods to advertise household cleaners and food products.

FM IS BORN

FM radio, invented by Major E. H. Armstrong in 1933, was presented to the FCC as a higher quality standard. The first FM station (now WDRC) went on the air May 13, 1939 in Hartford, CT, playing classical music. The first FM advertiser was the Longines Watch Company, starting January 1, 1941 on what is now WQXR in New York. At the end of the 1930's, there were 765 stations on the air, and radio revenues (1939) reached \$130 million. 82% of households had radios, and 45 million sets were in use nationwide.



THE GREAT GILDERSLEEVE

TIME LINE

1930 Advertising "barter" system begins in earnest. George Washington Hill begins commercials that "irritate." Spot announcements account for 40% of radio advertising. Ad agencies produce most network programs.

1931 NBC has 132 stations and CBS has 79. 2 out of 5 American households have a radio. 1st issue of Broadcasting magazine appears. 100,000 automobile radio sets are in use.

1932 Petry starts rep firm. Dramatized radio commercials begin. Syndication increases with 75 weekly transcribed programs regularly distributed. Comedy, variety, serials & drama dominate radio formats.

1933 Armstrong demonstrates FM. "Point of Purchase" radio experiments begin. Records are not licensed for radio broadcast.

1934 The Communications Act of 1934 was passed by Congress. The FCC replaces the FRC. 3 independent radio news operations begin.

1936 The "Audimeter" becomes a radio audience research tool. "Wired radio" experiments begin. NBC launches the "Thesaurus" recording library. The FCC relaxes recording and transcribing announcing rules. Suits over unauthorized record broadcasts increase. Mutual becomes a national network.

1937 WHO (AM) & WGH(AM) experiment with "facsimile" radio. Broadcasters fight with AFM and ASCAP over live vs recorded music.

1938 The "War of the Worlds" broadcasts. Radio workers average the highest weekly pay check in the country - \$45.12. 62% of farm homes have a radio.

World Broadcasting launches "wax" network. CBS buys Columbia Records. Radio daytime serials and comedy/variety show abound.

1939 TV demonstrated at the World's Fair. "Facsimile" FM radio "chains" begin. NAB establishes BMI to fight ASCAP. Transcontinental Radio Network begins.



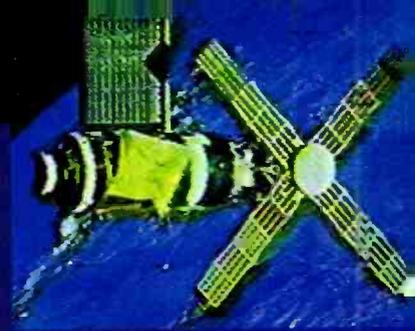
THE BIG HITS OF THE THIRTIES

- 1930 STEIN SONG RUDY VALLEE
- 1931 THE PEANUT VENDER DON AZPIAZU
- 1932 IN A SHANTY IN OLD SHANTY TOWN - TED LEWIS
- 1933 THE LAST ROUND UP GEORGE OLSEN
- 1934 SMOKE GETS IN YOUR EYES - PAUL WHITEMAN ORCH
- 1935 CHEEK TO CHEEK - FRED ASTAIRE / LEO REISMAN ORCH
- 1936 PENNIES FROM HEAVEN BING CROSBY
- 1937 SWEET LILIAN - BING CROSBY / LANI MCINTIRE AND HIS HAWAIIANS
- 1938 A-TISKET A-TASKET ELLA FITZGERALD WITH CHICK WEBB ORCHESTRA
- 1939 DEEP PURPLE - LARRY CLINTON ORCHESTRA

NETWORK RADIO:

NETWORKING AMERICAN LISTENERS AND ADVERTISERS

Network radio is bigger today, than it has ever been! Today's networks target virtually every American. With the production of targeted programming, network radio has redesigned itself to deliver maximum advertising efficiency and precise targeting. No matter what your consumer target these networks can design a national advertising and promotion program to match your specific needs.



abc ABC RADIO NETWORKS

ABC RADIO NETWORKS offers a variety of programming services that have been battle-tested in the most competitive radio markets in the world. Affiliate stations can choose from a complete product line of well-researched news and information networks, 24 hour music formats and numerous specialty programs. The ability to capitalize on these resources, combined with the strength and financial stability of **CAPITAL CITIES/ABC, INCORPORATED**, has helped **ABC RADIO NETWORKS** become the dominant force in the radio communications and radio network advertising arenas. Affiliate stations have discovered the quality news, sports and entertainment programming provided by ABC to be a formula for local market success. Today **ABC RADIO NETWORKS** has a weekly reach of over 110 million listeners with over 3,400 affiliate radio stations in the United States, and is broadcast globally to over 90 countries. **FOR MORE INFORMATION CALL 212-456-1937**

CBS RADIO NETWORKS

CBS RADIO NETWORKS: The Company's first business, established as a 16-station network in 1927 and now serving approximately 485 stations, largely AM, has an estimated reach of 23 million listeners. Programming consists of CBS News - 5 minute news reports every hour, analysis and commentary from correspondents, special coverage of major and breaking news events and features. **CBS SPECTRUM RADIO NETWORK** enables advertisers to reach 25-54 yr. old listeners, the network is made up of 600 stations, with an estimated reach 33 million listeners. Program services include **NEWSBRIEF, CUSTOM NEWS CUTS & NEWSFEED. CBS RADIO PROGRAMS:** Syndicating *The Gil Gross Show, The Late Late Radio Show with Tom Snyder and Elliot Forrest, The House of Blues Radio Hour and Breaks, Live from The House of Blues and The Lab Show with David Letterman's Top 10 List.* **CBS RADIO SPORTS:** Play-by-play coverage of top-flight sporting events. **CBS AMERICAS:** Spanish-language broadcasts in the United States and Latin America. **FOR MORE INFORMATION CALL DICK SILIPIGNI, VP SALES AT 212-975-4090**

PREMIERE RADIO NETWORKS

PREMIERE RADIO NETWORKS, INC. is one of the top four radio networks, producing 24 innovative comedy, music and entertainment features, programs and services for over 3,000 affiliates nationwide. The parent company of **MEDIABASE RESEARCH** - a music-monitoring service that tracks every song played on every music station in the top 30 cities in the US. And **PREMIERE MARKETING PROMOTIONS**, the in-house promotional marketing division, services network advertisers in developing added-value and fully integrated promotions. **FOR MORE INFORMATION CONTACT CRAIG KITCHIN, VP, SALES (818) 377-5300 FAX (818) 377-5333 PREMIERE RADIO NETWORKS, INC. 15260 Ventura Boulevard, Sherman Oaks, CA 91403-5239**



SW NETWORKS is a new multimedia network, including satellite broadcast, digital cable radio and on-line computer services. **SW NETWORKS** programming is finely targeted and niche oriented. Currently launched are two 24-hour networks, **SMOOTH FM**, devoted to New Adult Contemporary and **CLASSIC FM**. **SW NETWORKS** has also launched several music programs and syndicated talk shows featuring Mario Cuomo and Alan Dershowitz. Coming up are several niche-oriented entertainment programs, including long-form talk and entertainment programs, and additional full-time networks, including **SW ENTERTAINMENT NEWS & SUCCESS RADIO**, a source for practical, motivational programming. **SW NETWORKS** also offers an Internet site, **NETSPACE** -- [HTTP://SWNETWORKS.COM](http://SWNETWORKS.COM). **SW NETWORKS** is wholly owned by **SONY CORPORATION OF AMERICA**. **FOR MORE INFORMATION CALL SW NETWORKS' VP/CORPORATE DEVELOPMENT, CURTIS GIESEN AT 212-833-5684.**

WESTWOOD ONE RADIO NETWORKS

WESTWOOD ONE INC. is the largest producer and distributor of radio programming in America. Its two divisions, **WESTWOOD ONE ENTERTAINMENT** and **WESTWOOD ONE RADIO NETWORKS**, deliver the largest audiences through stimulating, provocative and compelling programming that airs on over 6000 stations around the world. The Entertainment Division is the leader in talk radio and live special event broadcasts, covers major sports events, and has distinguished itself with dynamic music programs, countdowns and specials. The Networks Division, with award winning news (**CNN RADIO NEWS, NBC RADIO NETWORK NEWS AND MUTUAL NEWS**) and entertainment programming, reaches targeted audiences through the most demographically pure networks in radio: **CNN+**, Country Young Adult, The Source, Adult Contemporary, Variety and **CNBC Business Radio**. **FOR MORE INFORMATION CALL 212-641-2000**



LIVING LEGENDS OF RADIO: RUSH LIMBAUGH

It wasn't too many years ago, back in mid-eighties when AM radio was deemed dead by a lot of people. The value of AM radio stations, with the exception of a few major market all-news or news/talk stations, was at its lowest in history. Along comes one guy and starts beaming his message across the country. Here we are several years later and Rush Limbaugh is on 666 radio stations with an estimated

weekly cumulative audience of nearly 20 million people. These AM radio stations have become more than competitive, and become dominant in their markets. *(Many have been able to build programming around Rush Limbaugh and AM radio is a very, very healthy thing right now.)* Indeed talk radio, the much talked about live talk radio is really a very vibrant and much demanded advertiser format.

Born Rush Hudson Limbaugh III in January 1951, in Cape Girardeau, Missouri to a family with generations of attorneys, Rush chose to explore his passion of broadcasting at age 16 by working on air each afternoon for a radio station in his hometown. Then it was off to Pittsburgh to **KQV**, then to Kansas City and the Kansas City Royals as director of Group Sales. But Rush was a broadcaster and came back to radio in 1983 as a political commentator for **KMBZ**, then to Sacramento as a daytime talk host (where he nearly tripled ratings). In 1988 he moved to WABC, New York and history was made.

We know about the controversy surrounding Rush, but what is the real story? According to **Stu Crane, VP - EFM Media**, *"Rush recognizes that America is basically a conservative country*

with conservative people. He has validated people's quotes, thoughts, and dreams. It's not a matter of him preaching some kind of gospel and everybody getting in line and listening. He validates his listeners own ideas and feelings. He did it at a time when most medium was predominately liberal. There's nothing controversial about Rush Limbaugh. Rush's audience is a very conservative audience and he's a very conservative guy. His message is basically one which is filled with hope: Take control of your own life. Don't look to government or anybody else to do things for you. You can do it in America. That's his whole message."

There are a lot of conservatives out there, so what makes Rush so popular? Again Stu Crane, *"Rush has a wonderful combination of intellect and humor. He's a very warm guy. He's a sensitive guy, he wears his feelings on his sleeve and he's the hardest working guy I've ever encountered. He's taken nothing for granted with all the talk about how much money he's made. He's the exact same guy I met 7 years ago, his popularity hasn't gone to his head."*

With the size audience Rush commands it's almost an understatement that controversy is a great environment for advertisers. Stu Crane: *"I could go through a litany of accounts that have just prospered hugely over the years. People say he built the **Snapple** brand. **CompuServe**, **Hot Spring Portable Spas** have been with us for 5 years. **Original Australian Ugg** sheepskin boots is a new story. Did they ever take off. We've built that business. Basically advertisers understand there is no controversy here. Our audience isn't a bunch of right wing guys with gun racks on their pick up trucks. Our audience is extremely educated, extremely well-off financially and they happen to be conservative."*

There's no doubt that Rush Limbaugh is a powerhouse in AM radio and a powerhouse for advertisers. Rush Limbaugh is also a testament to talk radio - the fastest-growing segment in radio.

FROM THE BEST CONCERTS TO THE BEST TALK

**MEDIAAMERICA® RADIO OFFERS
NATIONAL ADVERTISERS THE MOST TARGETED AND
IMPACTFUL VEHICLES IN NETWORK RADIO.**

MEDIAAMERICA, INC.

THE FUTURE OF NETWORK RADIO

NEW YORK
212.302.1100

CHICAGO
312.751.4262

LOS ANGELES
310.575.4809

DETROIT
810.642.2579

DALLAS
214.715.2650

A REVOLUTION PEACETIME:

The transistor was invented by Bell Laboratories in 1948 and by the mid-1950's, pocket-sized sets were selling by the millions. Before that, "portable" sets used tubes, and many were the size of attache cases. The advent of the transistor accelerated radio's transformation from a "household" medium to a personal one.

PLAY BALL!

As the 1940's ended, only 9% of homes had a TV set. There were 96 TV stations on the air, compared to 2,781 radio stations (AM and FM). Advertisers spent only \$58 million on TV in 1949, compared to \$425 million on radio. How's this for a big-league radio buy: in November 1949, **Gillette** signed a seven-year contract with **Mutual Broadcasting** for radio rights to the World Series and All Star games. The price? \$1 million - TOTAL. And that was when New York teams (Yankees, Dodgers, and Giants) dominated baseball.

AMERICANS ON THE MOVE

Radio, of course, announced the end of the war in 1945 to the American public. As the nation returned to civilian life, the baby-boom generation was born, along with shopping centers, suburban sprawl, and the pent-up demand for products not available during the war - new radios, cars, appliances, and something new, television sets.

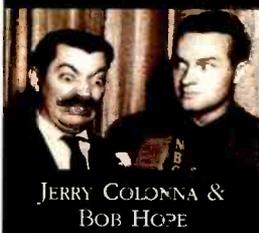
Even with the advent of TV, radio still proliferated until at the end of the 40's. 98% of American homes had at least one set, a total of 81 million in use (including 14 million in cars). It was said that in cities large and small, baseball fans could follow the World Series action simply by walking down the street and listening to the sounds of radio broadcasts filling the air from open windows. But the days of families gathering around the radio at night were nearing an end. In its place was a world in which radio's mobility became a perfect fit for the new, on-the-go American lifestyle. A 1949 Pulse survey in New York found 73% of cars having radio, and 8% of all workers listening on the job.



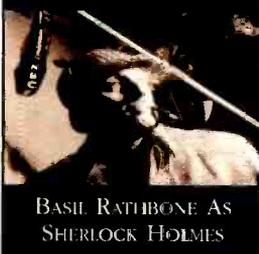
DICK POWELL & JUNE ALLYSON



FRED ALLEN WITH ABBOTT & COSTELLO



JERRY COLONNA & BOB HOPE



BASIL RATHBONE AS SHERLOCK HOLMES

TIME LINE

1940 Commercial FM authorized with 50 experimental stations on-air. 956 AM stations on-the-air. **BMI** mails first transcriptions. Court says broadcasters can air records without permission.

1941 "Mayflower" decision bans radio editorials. **BMI** has 190 affiliate music producers serving 690 stations. American (FM) network serving New England begins. "Make Believe Ballroom" on WNEW (AM) is the top "DJ" show. Roosevelt's "Pearl Harbor" speech heard by 79% of American homes. War brings a shortage of record blanks. 13 million radio sets manufactured.

1942 Radio war news broadcasts become standard listening. Local DJ personality begins to emerge. **AFM** halts recording by musicians of any records/transcriptions for broadcast. Advertising costs ruled tax deductible for companies. No weather, jingles, and no "undue gaiety" for duration. **Keystone** network serves 50 radio stations.

1943 Wire recorders in use in Europe. **FCC** is probed by Congress.

1944 DJ programming on the rise in afternoons. **Musak** proposes "subscription" radio. "Blue" Network becomes **American Broadcasting Network**.

1945 884 commercial AM and 46 FM stations on-air. German tape recorders captured. **FCC** drops rule on transcription identifications. Radio programming criticized as "too much corn and boogie-woogie".

1946 **FCC** "Blue Book" published. New audio tape recorders change programming, production and syndication. **CBS** plans 200 station FM network.

1947 Radios are in 93% of American homes. DJs appear on network radio.

1948 Network radio billings reach all-time high. 33 1/3 and 45 RPM records in the market. **CBS** does first radio-TV simulcast. **FCC** authorizes FM "facsimile" transmission. Record companies and **AFM** reach agreement. Black music stations begin.

1949 Presidential inauguration telecast. **NBC** finally okays use of transcriptions on radio network. FM fights for recognition.

"DO YOU REMEMBER"

by *Bernie Sulzberg*

We found the receipt on a hall, went to our assigned table and began to meet the people with whom we'd spend the next five hours. About the only thing we had in common was our age. That's not really the basis for a long, exciting day.

The bride and groom made their entrance and we sat again for the formal meal. During the salad course, I said, "We're all about the same age, perhaps one of you can help me answer a trivia question. I've been trying to find out what radio program was sponsored by that great commercial, 'Halo everybody, Halo'..." Do you remember it? We all began to sing it.

It wasn't the only commercial that I've recalled. There were classics such as **Pepsi-Cola** hits the spot, **Rinso White**, Drink **Brioschi**, Drink **Brioschi**, and **Alka-Seltzer**. We never questioned how **KATD**, the **GREEN HORNET**'s faithful assistant went from being Japanese on Friday December 5th 1941, to becoming Filipino on Monday December 8th.

Perhaps it was a simpler time. We talked about comedy shows, such as, "CAN YOU TOP THIS?", or "IT PAYS TO BE IGNORANT". Those two shows gave us new jokes to tell for a week. None of us forgot "ALLEN'S ALLEY". **FRED ALLEN**'s cast of characters included Mrs. Nussbaum, and Senator Klaghorn. "AMCS AND

ANDY" were so popular that on Tuesdays theater owners had the choice of suspending their picture shows and broadcasting that program in the theater or playing to an empty house.

Bob Hope sold Ipana Tooth Paste, **Jack Benny** sold JELLO and **Arthur Godfrey** sold some of everything. We heard stars like **Bing Crosby**, **Al Jolson**, **Perry Como**, and **Jimmy Durante**.

We could hear the tears in the announcer's voice as he described the fiery **Hindenberg Airship Disaster** from Lakehurst, N.J. Some of us ran into the street when **Orson Wells** broadcast "THE WAR OF THE WORLDS" that Halloween night.

Radio entertained us, informed us, broadened us, taught us to listen and to speak proper English, and we around that table, remembered.

We could almost see the fire's glow on the face of President **Roosevelt** as he gave his fireside chats. We listened, desperate for news of fathers, brothers and friends fighting World War II. We gladly recalled where we were when the news came of **Victory In Europe** and later when the war was finally over.

The ten of us at the table jested through our memories of radio, strangers at the start, agreed that this was one of the best weddings we had attended.

Oh, by the way, I never did find out the name of the program sponsored by **Halo Shampoo**.



THE BIG HITS OF THE FORTIES

- 1940 IN THE MOOD - GLENN MILLER ORCH.
- 1941 AMAPOLA - JIMMY DORSEY ORCHESTRA
- 1942 WHITE CHRISTMAS - BING CROSBY
- 1943 I'VE HEARD THAT SONG BEFORE - HARRY JAMES ORCHESTRA
- 1944 SWINGING ON A STAR - BING CROSBY
- 1945 RUM AND COCA-COLA - ANDREW SISTERS
- 1946 PRISONER OF LOVE - PERRY COMO
- 1947 NEAR YOU - FRANCIS CRAIG
- 1948 TWELFTH STREET RAG - PEE WEE HUNT
- 1949 RIDER IN THE SKY - VAUGHN MONROE ORCHESTRA

people are listening

“Paul Harvey is the

Most Listened-to



man on radio with a weekly audience of 22 million.”

“More Americans



get their news from ABC.”

“Four

Number One Music Shows



syndicated nationally.”



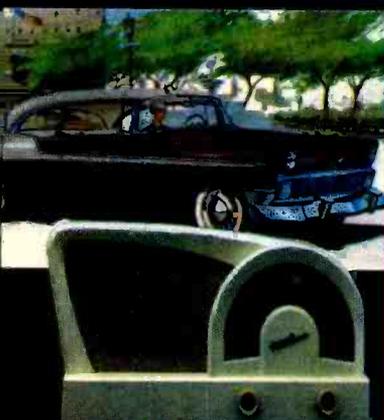
“ESPN, America’s

Leading Sports Authority



on network radio.”

THE '50'S



THE BIG RADIO BRANDS

These are some of the advertisers that marketed with radio in the '50's

- AFL-CIO
- STEWART-WARNER
- AMERICAN AIRLINES
- AMERICAN HOME
- AMERICAN MOTORS
- AMERICAN OPTICAL
- AMERICAN TOBACCO
- ANHEUSER-BUSCH
- B.C. REMEDY
- BENEFICIAL FINANCE
- BEST FOODS
- BRISTOL-MYERS
- BROWN & WILLIAMSON
- CALIFORNIA PACKING
- CARLING BREWING
- CHRYSLER CORP.
- CITIES SERVICE
- COLGATE-PALMOLIVE
- CONTINENTAL BAKING
- EX-LAX
- FORD
- GENERAL MILLS
- GENERAL MOTORS
- GULF OIL
- HERTZ
- HUDSON VITAMINS
- LEVER BROS.
- METROPOLITAN LIFE
- MILES LABORATORIES
- NORTHWEST ORIENT AIRLINES
- PABST BREWING
- P. LORILLARD
- PLOUGH
- QUAKER OATS
- R. J. REYNOLDS
- SINCLAIR OIL CORP.
- STANDARD OIL (N.J.)
- STERLING DRUG
- TETLEY TEA
- TEXACO
- WRIGLEY

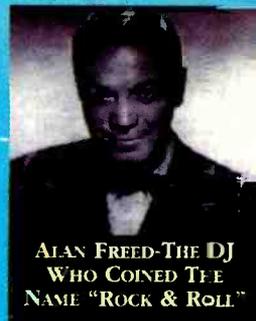


HAPPY DAYS ARE HERE AGAIN & ROCK 'N' ROLL IS HERE TO STAY!

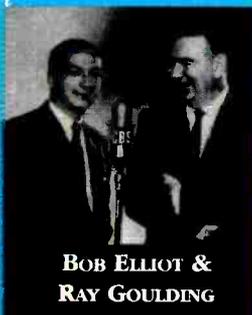
RADIO MEETS THE TV CHALLENGE AND REINVENTS ITSELF...

The trend toward radio as a local, personal medium accelerated in the 1950's. In 1950, local advertisers produced 45% of all revenues. By 1955, local was rocking, with 60% of all ad revenue.

And Americans were rocking, too. Rock & roll first hit the airwaves in 1954 (Alan Freed, a Cleveland DJ, is given credit as the first host), and Todd Storz' "Top 40" format (based on his observation of jukebox activity in Omaha) soon became the "teen scene" on radio. Music popularity "countdown" programming wasn't new: **Lucky Strike** had sponsored "Your Hit Parade" on radio from the late 1940's, but this was limited to the top 10 tunes...none rock & roll. In 1955, a Sponsor survey found only 12% of stations played popular music at least 75 hours (roughly half of air time) a week or more, while some 23% played classical music at least 10 hours weekly. 16% played country music (then called country & western, barn dance, or even hillbilly) 20 hours weekly. This was the start of distinctive musical formats, radio's mainstay today.



ALAN FREED-THE DJ WHO COINED THE NAME "ROCK & ROLL"



BOB ELLIOT & RAY GOULDING

EFFICIENCY AND FREQUENCY

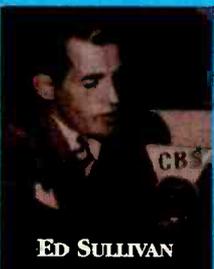
Back in 1951, **Fuel Oil & Oil Heat Magazine** found that 71% of dealers used newspapers, only 19% radio. But when return on advertising investment was measured, the cost per oil burner installed was \$7.36 for newspapers vs. \$1.74 for radio. In 1952, the **S. W. Anderson Company**, a local Owensboro, KY department store (on radio since 1939) said: "Radio is not on trial at our store. We buy radio because we know it is good and will produce the results we desire, to reach people in outside areas who receive newspapers too late for special bargains. People won't take the time to read fine print. On the radio, every line is a headline."

A BRIEF HISTORY OF HUMOR RADIO

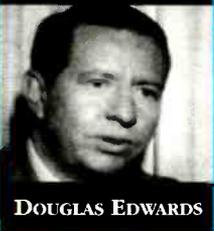
By Bert Berdis

Recently I was working with a young agency writer, and in our studio is a picture of Jack Benny. "Yo, who's the old dude?" he puzzled. I was so shocked I lost my spats. Anyone who creates and produces radio should know how our current commercials evolved, and who we have to thank - or blame. To wit:

In the '30's (before TV) agencies created radio programs and sold them to their clients. Young & Rubicam picked Jack Benny to star in **The Jell-O Program**, and Jack and his cast were amongst the first to integrate commercials into his show.



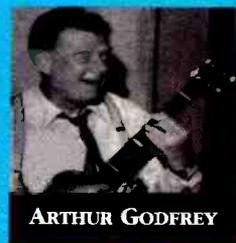
ED SULLIVAN



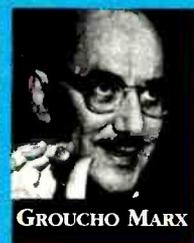
DOUGLAS EDWARDS

During one episode, Jack decides to get physically fit. His trainer asks, "Are those your muscles or are you still plugging Jell-O?" He plugged it so successfully. **General Foods** devoted 3/4 of its ad budget to Jack's weekly radio show.

CONTINUED ON PAGE 24



ARTHUR GODFREY



GROUCHO MARX

RADIO SURVIVES THE '50'S AND PROSPERS

In 1959, 77% listened on the average day and 95% within a week (the same holds true today). However, back then, the average adult listened only 2 hours and 10 minutes a day. Today it's three hours. 96% of homes had radio, and 156 million sets - close to the U.S. population of 179 million - were in use. In the 1950's, radio found a new place. Major publications stated: "A Lot Of Life In Radio Yet," *Business Week*, Feb. 9, 1957. "Lively Invalid...Radio Shows Fresh Vitality," *N. Y. Times*, June 23, 1957.

As radio became more and more localized, disk jockeys and other personalities became the focus of zany promotion stunts, from hot dog eating contests to being "imprisoned" in a wall of food packages in a supermarket, mystery shoppers, and treasure hunts. Many used remote broadcasts, particularly rock & roll stations. Again, radio found a niche newspapers and TV couldn't really do effectively, and advertisers loved it.

your
message ^{is} heard

ABC is your **Number One** Radio Network

with

**110 MILLION
LISTENERS**

each week!

abc ABC RADIO NETWORKS

We reach your customers with the right message... in the right place... at the right time.

For Advertising Sales Information, call 212-456-1937

Noted columnist Heywood Brown opined in a McCall's Magazine article that in days to come, a grateful people would erect a statue to **Jack Benny** with the simple inscription "in memory of the first man to take the curse off radio commercials." He was some dude.

After the war (II), **Bob Elliot** and **Aray Goulding** dominated the NYC airwaves with their Bob & Ray Show. They brought unique characters to the commercial world with a simple interview technique that captivated audiences. Perhaps most famous were **Bert and Harry Piel**: "If you taste it and smack you lips, it's a product of Piel's Brothers Beer."

The next great radio humorist was legendary **Stan Freberg** who popularized the phrase, "Theatre Of The Mind" Stan was so good at painting indelible scenes in his commercials, the RAB asked him to help sell radio on the radio.

Stan: Okay people, I want the 700-foot mountain of whipped cream to roll into Lake Michigan which has been drained and filled with hot chocolate. Then the Royal Canadian Air Force will fly overhead and drop a 10-ton maraschino cherry to the cheering of 25,000 extras...

Sfx: (Appropriate sound effects)

Stan: Wanna try that on TV?

Anncr.: Well... **Stan:** See, radio is a very special medium, 'cause it stretches the imagination. **Anncr.:** Doesn't television do that? **Stan:** Up to 21 inches, yes...

Following Freberg came **Stiller & Meara**. Jerry and Anne's zany dialogue catapulted **Blue Nun Wine** to #1 long before sipping chardonnay was de rigueur.

Along about this time, I left **Grey Advertising** (Detroit) as Creative Director/Exec. VP to start Dick and Bert. This was the early '70's, and Mad-Ave. was casting commercials with people the audience would look up to, emulate and admire. Our spots were just the opposite. We played normal (even sub-normal) people whose foibles and mis-cues people could laugh at and say, "Hey, that guy's just as dumb as I am."

Our contribution was to open the door for a new niche of advertisers who thought humor would be inappropriate for their upscale target audience. **IBM**, **Paine Webber**, and countless financial institutions joined the fray, and now I can't think of any advertisers comedy couldn't help, no matter how funereal: (The XYZ cemetery is conveniently located just 6 feet under town).

CONTINUED ON PAGE 27.



THE BIG HITS OF THE FIFTIES

- 1950 GOOD NIGHT IRENE GORDON BENKINS & THE WEAVERS
- 1951 TOO YOUNG NAT KING COLE
- 1952 BLUE TANGO LEROY ANDERSON
- 1953 SONG FROM MOULIN ROUGE PERCY FAITH
- 1954 LITTLE THINGS / MEAN A LOT KETTY KALLEN
- 1955 CHERRY PINK & APPLE BLOSSOM WHITE PEREZ PRADO
- 1956 HEARTBREAK HOTEL ELY S FRESLEY
- 1957 A-L SHOOE UP ELY S FRESLEY
- 1958 VOIARE DOMENICO MODUGNO
- 1959 BATTLE OF NEW ORLEANS - JOHNNY HORTON

TIME LINE

1950 Blacklisting of talent begins. Network radio retains a 1930 sound. AM radio cuts ad rates. Trendex begins. Radio drama all but disappears. **Liberty** becomes 5th radio network. First television color broadcast. Simultaneous broadcast of 3 signals on FM demonstrated.

1951 Movie attendance drops in television cities. Cinerama makes a momentary splash. **ABC** and **Paramount** merge. Bing Crosby demonstrates the video recorder. New local music radio formats begin to emerge.

1952 **ARB** becomes national. **FCC** ends TV freeze; issues "6th Report and Order." "Top Ten" music format on local radio begins to catch on.

1953 Reps again push spot radio. "Top 25" formats on local radio emerge. **NBC** plans to "rehabilitate" radio. Cinerama uses magnetic sound. **INS** begins "Sound on Fax" (audio tapes with pictures).

1954 Promotion jingle packages for radio become widespread. First color TV set is manufactured. **Skatron** and **Zenith** petition **FCC** for subscription systems. TV revenue passes radio.

1955 2,669 commercial AM and 552 FM stations on-the-air. 439 TV stations on-the-air. Transistorized radio sets introduced. "Top 40" format on local radio catches on.

1956 Hollywood revises its Production Code. Radio news increasingly localized. Gates introduces tape-disc entirely automatic radio operation.

1957 **ABC** becomes **American Radio Network**. Computer automation introduced in time-selling.

1958 Oklahoma pay-TV test fails. **ABC** considers dropping the radio network. First Disc Jockey Convention; "Booze, Broads and Bribes."

1959 Radio payola and TV quiz show scandal surface. Audio tape cartridge for home demonstrated.

LIVING LEGENDS OF RADIO: DICK CLARK

Love & Marriage. Horse & Carriage. Dick Clark & Radio. Okay, so it doesn't rhyme, but is there any doubt that Dick Clark and radio are as synonymous as either of the pairings immortalized by Frank Sinatra?

The venerable (but ever-youthful looking) Clark has just about seen it all. "The first radio station I went to didn't even have a music library," Clark recalls. "There was a morning disc jockey on the air and he played his own records. The only records the station owned was about a two foot high stack of Bing Crosby. Sponsors were primarily local. I can remember making sales calls with my father (the station manager), trying to convince local retailers that radio had an edge on print."

Later, Clark says, he did the first syndicated radio show in drive time. "I did the voice tracks as if it were happening live in your town. It was so customized that kids used to come by the local radio stations to see it done, not realizing it was on tape."



DICK TODAY

Clark witnessed the rise of radio as an advertising medium. "Many built their reputations on radio. They found they could change copy and get to the marketplace quickly and have the sale advertised the day before it happened."

Clark, of course, is equally well-known for his television career, and is uniquely qualified to compare the two media. "I've always said to my television friends that the most imaginative, hard-working people, the most creative, are in radio. Radio people work harder because they are impeded in a way by not having pictures. They have to grab the advertiser and shake him up. Radio people are bulldogs."



IN THE BEGINNING

He applies his first-hand knowledge of television to make a prediction about the future of the industry. "For ten years I've been saying to television people, 'You don't know it but you are going to be in the radio business.' There aren't just three or four choices anymore (on television), we're up to 13, 20, 40, 50. Now they're talking 500. Television will find out what we in radio have been going through."

To radio advertisers, Clark says not to forget the basics. "I should know what you were advertising when it goes off. Don't lose track of the fact that people must know what was advertised and what it is you want them to do. Go to the phone? To the store? Make sure you tell them. Words can do a lot. They've sold smell over the radio, they've sold color over the radio. The only danger is, you don't want to get too cute. If it's a great piece of work and it doesn't sell, you lost the game."

LOCAL RADIO:

TRUSTED NEIGHBOR & "BULLSEYE" OF TARGET MARKETING

No medium is as much a part of the local community as is radio. Radio stations are like the trusted neighbor with whom you leave your front door key when you're away on vacation. Radio is always around as a dependable source of entertainment and important information. It travels with people in their cars, it's there on the beach, keeps them company when jogging and wakes them up in the morning. Local on-air personalities enjoy a unique bond with their listeners. New York radio personality **Jim Kerr** calls this bond "the closest thing you'll ever get in media to two neighbors talking over the backyard fence."

For advertisers, this listener loyalty translates into sales. When a popular on-air personality speaks of a product's virtues, listeners pay attention and take action. KFYI in Phoenix recently ran a campaign for **Pollution Control Systems Clean Air Valve**, a pollution control device that attaches to the exhaust systems of automobiles. Not the sexiest product in the world, to be sure. But because the campaign included on-air testimonials by popular station personality Bob Monan, sales took off. "The consensus from callers was that, 'If 'Mo' says it works, I'll buy the darn thing,'" said Paul McArdle, owner of **Pollution Control Systems**. Every day, consumers are buying products and services that were "recommended" to them by local radio personalities, trust-

ed members of the community. Radio is unique in its ability to convey a detailed message to consumers at that critical juncture just prior to the purchase decision.

A wide variety of programming formats - estimated at 25 or more - enable marketers to target their messages to very specific consumer groups.

With the advent of syndicated radio personalities like **Rush Limbaugh, Don Imus, Howard Stern** and **Tom Joyner**, radio stations have added a dash of national presence to the lineup. Pittsburgh's **KDKA**, for example, presents **Rush Limbaugh** every weekday, followed by a local talk show that picks up on the issues discussed by Rush and, of course, includes calls from local listeners. For national advertisers, the popularity of nationally syndicated personalities has presented a plethora of new opportunities to reach consumers in a very direct and personal way. **Limbaugh, Stern** and company have been responsible for boosting the sales of several companies through national on-air endorsements that were once the domain of local personalities. So today, nationally known radio "stars" are joining the local personalities in talking to consumers over that "backyard fence." And radio advertisers couldn't be more pleased.

SYNDICATION: A RENAISSANCE IN NATIONAL PERSONALITY RADIO

The big story in syndication is that radio has rediscovered - some would say reinvented - one of the key building blocks of its early days: national personality radio.

Although radio was the original "block programming" medium, with stations across the country carrying programming supplied by a handful of national networks and featuring a gaggle of big-name stars, the growth of television in the 1950's turned radio into a local medium. In some ways, this shift created the seeds of opportunity for syndicators, companies that would offer stand-alone programs to stations eager to supplement their locally-produced shows with a sprinkling of national talent but not in need of a full-scale, network-supplied programming lineup.

The seeds of syndication began sprouting in earnest in the 1980's with the advent of satellite technology. Satellites enabled syndicators - and, of course, networks as well - to distribute programming to multiple stations simultaneously and with high quality. The application of satellite technology to radio programming resulted in the syndication of live, special event programming and nationally distributed music and talk shows.

Perhaps the most significant trend in radio syndication today is the propensity of stations to air nationally-distributed talk shows, particularly in AM

Drive. The success or failure of a morning drive-time show can frequently set the tone and direction for a station's entire programming schedule. Until recently, many 24-hour network affiliates preferred to keep their AM

Drive locally produced, giving the station greater control of content during this critical period. In recent years, however, the ratings successes of controversial, New York-based morning talk show hosts **Howard Stern** and **Don Imus** prompted **Infinity Broadcasting** to syndicate both shows (Stern's was first - to Philadelphia's WYSP in 1986) to other cities.

Initial skepticism over whether nationally-syndicated morning shows could attract loyal audiences outside their city of origin has virtually evaporated with the ratings success of **Stern** and **Imus**. The resultant "SyndiNet" trend - live programs airing within defined dayparts - has grown to include a host of morning drive shows, along with talk shows hosted by the likes of **Rush Limbaugh** and **G. Gordon Liddy**. The shows make great economic sense for station owners, who can generate strong ratings with nationally-syndicated programs for less money than the station would need to spend on a locally-produced show.

One side benefit to the revived national personality trend, according to radio network veteran **Walter Sabo**, is the likelihood that it will attract more young creative talent to the medium. That, in turn, will result in the development of new stars on local stations, stars who will be the syndicated national radio personalities of the future.

TALKING TO A SYNDICATOR.

Ron Hartenbaum, a Principal of **Media America**, looks at the radio landscape and likes what he sees. He says the red-hot country and talk formats, for example, will get hotter still.

"Talk radio is a very vibrant category."



PARTNERS
RON HARTENBAUM
& GARY SCHONFELD

he says. "It's still growing. It's maturing, but there's always going to be new talent and new people with new things to say or different ways of saying things. And I don't think country has gotten as big as it can get. There'll be different flavorings of it. The great thing about radio is that you can be very finite in terms of tastes."

Hartenbaum says that while talk and country will continue to thrive, one thing that he would like to see become a permanent part of the past is "just selling spots."

"We always look for opportunities to work with an advertiser to enhance an overall marketing package," **Hartenbaum** says.

"Marketing is the operative word. People who are just selling spots are missing the boat. It's how you become a marketing partner and how you work with the brand manager, with the ad agency, to understand their business, their target audience. All in the goal of moving their business ahead. I'm not interested in making a sale for the sake of making a sale. I'm interested in making a sale that makes sense so that we can layer on it and help grow our clients' business."

EXCITING, INNOVATIVE, ENTERTAINING, EFFECTIVE RADIO SPOTS THAT SELL BEGIN HERE!

THE ESSENTIAL RADIO SPOT

You know great radio spots when you hear them don't you? They shouldn't be that hard to create should they? Well, if radio commercials are so easy to produce then why are most of the spots on the air really *not* too good? *Simple!* Radio is a different animal when it comes to creative, it calls for lots of *very specific experience and insight*, only gained through years of hands-on experience.

That's where **THE ESSENTIAL RADIO SPOT** comes in. We've combined the knowledge and techniques of 35 top creatives and advertising experts in the field of radio, to teach you how to create *great* radio spots.

This is your "roadmap" into the world of radio creative including:

- *Insights and creative tips from over 35 top radio experts*
- *Creative Do's & Don'ts*
- *Completed spots, sample scripts & idea generators*
- *An all inclusive multi-media creative teaching system*

THE ESSENTIAL RADIO SPOT is the perfect teaching tool for anyone involved in radio:

- **RADIO STATIONS**
Writers / Producers
- **AD AGENCIES**
*Creative directors
Writers / Producers*
- **ADVERTISERS**
*Marketing / Ad
directors
Product managers*
- **PROMOTION**
& merchandising
- **ADVERTISING STUDENTS**

On the video you'll learn from radio creative and marketing experts like *Bert Berdis, Keith Reinhard, Jim Kirby, Dan Aron, Bob Watson, Tom Hripko and John Sarley (just to name a few)*. You'll learn virtually everything you'll ever need to know to produce *radio magic*. Once you've used the course you'll profit from a whole new insight into the creative process and *so will your clients!*

It's all in there! **THE ESSENTIAL RADIO SPOT** includes every creative resource you'll need:

- *90 minute video with over 35 top experts*
- *75 commercials on 2 CD's*
- *150 page step-by-step creative textbook*
- *25 scripts*
- *Marketing research & production checklists*
- *Copywriting, scripting, casting, directing, production guidelines.*

If you're into radio creative **THE ESSENTIAL RADIO SPOT** is an investment that will start paying dividends from the first time you use it!



**GIVE YOUR RADIO CREATIVE A REAL BOOST!
DON'T DELAY, ORDER TODAY!**

FOR CREDIT CARD ORDERS CALL:

1-800-468-2395

TO ORDER BY MAIL: SEND \$249 PLUS \$12 FOR SHIPPING & HANDLING (RESIDENTS OF CA, FL, GA, IL, MD, MA, NJ, NY, NY, OH, TX AND CANADA ADD APPLICABLE SALES TAX) TO:
ADWEEK DIRECTORIES
1515 BROADWAY, NY, NY 10036
INTERNATIONAL ORDERS (PAL) SEND \$299 PLUS \$24 SHIPPING/HANDLING

PUBLISHED BY

StratiComm America

10 West 57th St., NY, NY 10019

THE POWER BEHIND THE MESSAGE: *THE RADIO CREATIVES*

We all know the power radio can have on consumers, if you have created a great commercial you can expect great results. Unfortunately, when you turn on the radio it's not too easy to find a great commercial. There you have it, radio's biggest problem: the lack of quality creative. The reason? There are a whole bunch of them. Most Agencies do not put a stress on creating great radio. What is great radio? Award winners? No, commercials that sell.

Sure, some agencies do it right, but unfortunately the power of Radio is greatly diminished by a lack of good, effective creative. Advertisers must demand great creative from their agencies if they expect to get a great return on their media investment. Demand that your agency puts their most experienced writers, producers and art directors (yes, art directors, radio IS a visual medium) to work. Not every agency can produce great radio, it's not a crime, but it is a shame if they are afraid to admit it. If your agency can't create radio commercials that really work, encourage them go out of house.

There are a growing number of extremely creative radio production houses out there, staffed by radio creative experts. Some are legend, some are new guys (and gals), but they are all super-pro's. We asked these specialists for some really "sound" advice for advertisers and agencies, this is what they had to say:

PAUL FEY: "Let the listener focus on one thing you're trying to say, if at all possible, in one spot. The audience isn't really paying attention. You've got to get their attention in the first place. The more clutter you throw at them inside your spot, the less likely they are to come away with anything. If you have 5 different ideas, do 5 different spots."

PAUL & WALT WORLDWIDE - 6565 SUNSET BLVD. SUITE 420, HOLLYWOOD, CA 90028
213-962-9996 - FAX 213-957-8454

AUSTIN HOWE: "Tell their agency right what you expect, and tell them that you expect to have a famous, historic radio campaign. You want the best radio campaign on the air. I think a lot of times nobody aims very high with radio. Insist that the agency put their very best writer and/or art director on the radio campaign. People say it's the least visual medium. It's the most visual medium. Insist on the best people in the agency. Or insist on bringing in a specialist."

RADIOLAND - 618 NW GLISAN, NO. 203, PORTLAND, OREGON 97209
503-224-9288 - FAX 503-224-5320

BERT BERDIS: "Humor works for an advertiser. It's like going to a party. If there's somebody standing off in a corner pontificating and lecturing, he doesn't draw much of a crowd. If there's somebody in the other corner who's witty and bright and has a few jokes you haven't heard before, he's really got a crowd around him. Same thing works in advertising. If you're witty and bright and not burlesque or cartoony, you will get somebody's attention and hold them long enough to get the advertising message across."

BERT BERDIS & COMPANY - 1956 NORTH CAHUENGA, HOLLYWOOD, CA 90068
213-462-7261 - FAX 213-462-3432

DAN PRICE: "One of the biggest traps producers fall into, is jumping on current creative bandwagons. If creatives would try and come up with their own original, innovative execution, or unique characters, we'd hear better radio. The danger of jumping on current creative trends is, your commercial is lost in a sea of sound-alikes. Your ultimate goal should be to come up with something that other people will try to knock off — there's nothing like being the original."

OINK INK RADIO - 1821 RANSTEAD STREET, BAKER SOUND BUILDING, PHILADELPHIA, PA 19103
215-567-7755 - 800-776-OINK FAX 800-758-OINK

SANDY KAYE: "Humor is always great, but it shouldn't always be slapstick, sometimes a sensitive warm approach to humor will work better, it's more memorable and works great with women. If you bring honest emotion and empathy to a spot you will really connect with a target consumer. Be genuine, share a personal laugh with your friend."

FUNNY FARM RADIO - 4470 SUNSET BLVD. SUITE 200, HOLLYWOOD, CA 90027
213-667-2054 - FAX 213-667-0831

DICK ORKIN: "Talent costs are often the largest part of a radio production budget. So ask yourself, is that script with 8 voices really the best way to communicate your message? A simpler spot is apt to make its point more clearly. Can some characters be combined? Is that character who only has two lines really necessary to the action? A simple rewrite can eliminate superfluous characters - and reduce the talent tab."

DICK ORKIN'S RADIO RANCH - 1140 N. LA BREA AVE., LOS ANGELES, CA. 90038
213-462-4966 - FAX 213-856-4311

CHUCK BLORE: "Commercials should respect the audience, respect the product, and respect the medium. First of all, you should know who the audience is, and what their wants and needs are."

THE CHUCK BLORE COMPANY - 1606 NORTH ARGYLE AVENUE, HOLLYWOOD, CA 90028
213-462-0944 - 800-443-2020

THE '60'S



THE BIG RADIO BRANDS

These are some of the brands that were built with radio advertising in the '60's

- AFL/CIO
- AMERICAN EXPRESS
- AMERICAN HOME
- AMERICAN MOTORS CORP.
- AMERICAN OIL CO.
- AT&T
- AMERICAN TOBACCO CO.
- ANHEUSER-BUSCH
- BRISTOL-MYERS
- CAMPBELL SOUP
- CARLING BREWING CO.
- CHRYSLER CORP.
- COCA-COLA
- COLGATE-PALMOLIVE
- EVERSHARP INC.
- EQUITABLE LIFE
- FALSTAFF BREWING
- FLORIDA CITRUS COMM.
- SCHAEFER BREWING
- FORD MOTOR
- GENERAL MILLS
- GENERAL MOTORS
- HUMBLE OIL
- KRAFT
- LIGGETT & MYERS
- MARS CANDIES
- MENNEN
- PEPSI-COLA
- PET MILK
- PFIZER (COTY)
- P. LORILLARD CO.
- P. BALLANTINE & SONS
- R. J. REYNOLDS
- ROYAL CROWN COLA
- SCHLITZ BREWING
- SEVEN-UP
- STANDARD BRANDS
- STATE FARM INSURANCE
- STERLING DRUG
- WRIGLEY



THE BRITISH INVASION & THE FM EXPLOSION

RADIO IS EVERYWHERE!

Americans' reliance on radio as a news source, so prominent during World War II, took on a new dimension in 1965, as CBS and Westinghouse (Group W) pioneered the all-news format in major cities. Thanks to the great blackout in the Northeast on November 9, 1965, which virtually shut down all media except radio, people quickly recognized the medium as the up-to-the-minute source for news - 77% of adults listened during the blackout. News radio benefitted from the growth of car and portable set audiences, newspaper circulation declines (especially afternoon editions),



and TV's inability to reach outside the home. Many surveys showed radio as the first source of news (unless the event occurred in TV's prime time). An example: after an airline crash in New York in December 1960, 56% first learned of it on radio, vs. 34% for TV, 7% word-of-mouth, and 2% newspapers.

CLASSIC CAMPAIGNS

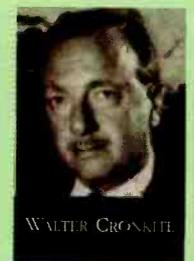
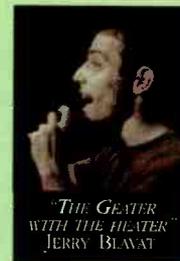
How did advertisers use radio in the Sixties? Long before KFC, Church's, and Boston Chicken ruled the roost, **Chicken Delight** delivered hot meals for \$1.39 in New York and Los Angeles through 52-week radio advertising in 1961-62. They concentrated in late afternoons from Thursdays to Sundays, using a now-classic copy line, "Don't Cook Tonight, Call Chicken Delight!" aimed at women who were "sick of cooking". *Business doubled!*

Hoffman Beverages, creating a mental image of a Norman Rockwell magazine cover, invested 75% of its advertising budget in radio with the catchy jingle, "The prettiest girl I ever saw, was sipping Hoffman through a straw." Unlike other soft drinks, they went after adult women, not teens, since they didn't sell cola. They became the leading fruit-flavor soft drink in New York.

"CREATIVE" WAS THE WATCHWORD OF THE SIXTIES.

Martin Solow of **Wexton Advertising**, which created the classic **Vita Herring** "Maven" campaign in the mid-Sixties, told the RAB: "Do I like Radio? I love it! Radio is really a magical medium. You can create character, get people to laugh, cry, love you, hate you. Radio permits you to do a big job with a small budget. Radio offers a fantastic opportunity to develop character, mood, setting...and properly executed, can produce such a substantial increase in sales." For the all-time topper, consider **Stan Freberg's** "Cherry In Lake Michigan" pro-radio spot, which in 1964 dramatized how radio had no restrictive visual limits...compared to TV's 21-inch screen.

(Note: The Radio Advertising Bureau can provide a tape copy of this commercial on request.)

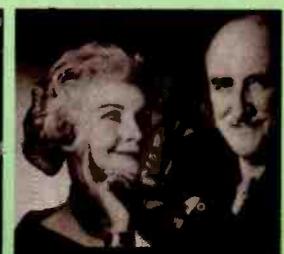


"More **Parks Sausages, Mom!**" was another famous brand built with radio, representing 85% or more of their annual ad budget. Sales increased 10% annually for this regional Northeastern brand. While some considered the commercial naggingly abrasive, it was never changed because it worked! (In later years, they added the word "please" at the end.)

Bekins Moving & Storage got "moving" again with a 100% radio campaign during Fall 1964 in Los Angeles. They cut prices 15% to be competitive with some 350 other van lines in the area, and to reach the 50% who used no van line for moving. Their creative approach imitated the Guys & Dolls show style, with a complaint that the moving business was lousy this time of year, so they stressed they were better trained professionals. According to **Doyle Dane Bernbach (Bekins' agency)**, business picked up 18%, and 40% of customers who called **Bekins** that October said they had heard about them on radio.



JOHN A. GAMBLING



ED & PEGEN FITZGERALD

In the years since, a vast array of comedy companies have made their presence felt. Chuck Elore, who works with kids and creates a warm fuzzy feel; Mal Sharpe's offbeat man-on-the-street interviews; Ann Wynn and Garrett Brown as "the Tolson couple"; Mark Fenske's non stop edgy monologues; Dan Aaron, Alar Barzman, John Crawford, Tom Hrapko, Dick Orkin, Paul & Walt, Craig Wiese, the list goes on, but no-ways you can't hear a spot and instantly identify it as the work of one company. The reason is a renaissance in writing radio within the agencies. No longer shunted to a junior writer, today the top agency writers all secretly aspire to do a stand-up, sitcom or movie. And where else but radio can a writer work-out a comedy dialogue or satirical monologue?

Ten years ago we wrote 70% and produced 30%. Now it's just the opposite as creative directors and head-writers fax very funny scripts for us to cast and produce.

Yes, I can see a time when my studio walls will picture not only past heroes, but writers from BBDO, Chiat, DMB&E, Goodby, Leap Partnership and Tracy-Locke. Egads, I just lost my spot's gear.

Ben Berth presides over the Hollywood-based company bearing his name, and he is currently writing a 2002 entitled "Radio Right the First Time."

RADIO & **COMPU**SA THE COMPUTER SUPERSTORE

Ron Gilmore, VP Marketing: "CompUSA chose radio initially for a lot of different reasons. When this campaign first started, 6 years ago, CompUSA was a new company exploring different ways of going to market. Radio was a relatively inexpensive way of broadening reach and not just relying on print, and also gave them a lot of flexibility. Being able to change prices by market, and so on, much more cost effectively than they could on TV."



RON GILMORE

"Our radio has been very, very successful. The program has grown over time. But the creativity is still really the same. The strategy, I think, was sound from the beginning, and that's why the campaign has survived. The strategy was to try to wake up the category, not take it too seriously. Take down some of the walls of intimidation. We're a pretty big store. You walk into our store, and if you don't know anything about computers, you've really got no place to hide."

"We have 2 characters, PC and Bob. I think Tom and Jane do a terrific job, as does our agency Media/Gas and our producer Chris Epting, and that certainly has helped the campaign in a huge way. We've been in this campaign, some markets for as long as 6 years. We did some research just to find out if we should be

WE ASKED THE EXPERTS



Keith Reinhard, Chairman/CEO
DDB NEEDHAM WORLDWIDE

Q: What is radio's role for advertisers in a growing media scene?

It's sort of an irrefutable fact that the more media there are competing for consumer attention, the more critical it is that we be able to target and find those consumers we want. And radio does that better than anything else, because it is a very local and very intimate medium. One could say, without too much exaggeration, that the more proliferation we see in the media marketplace, the better radio's going to be, because it is an excellent way to select and target very precisely.

Q: What are radio's strengths?

It seems to me that the great strengths of radio are its ability to be very, very local and very, very, therefore, relevant to individual listeners as they become friends with local on-air personalities, who discuss things which are highly relevant to the local community, which can never be duplicated by any other media. It's going to benefit from further proliferation of media market because it's such a good way to target.

Q: Will radio continue to grow?

Of course. Where would we be without radio? What's going to replace radio as a way to bring music and companionship to people? What's going to replace radio as a way to have interactive dialogues between listeners and on-air personalities about things that are important or things that aren't important for that matter? What's going to replace radio for the thousands of advertisers who need to reach audiences but do not have either the budget nor the need to be on television. For advertisers who see the creative advantages, the visual accuracy of radio and the low production costs it's unbeatable.

main airing the campaign. We all liked it, but what's our customer saying. What we found out is, the longer that the campaign was in the market, the more the customer liked the campaign, and liked the characters, as a friend."

"Radio had a role in helping build our business, absolutely."

Chris Epting: "We also do a large number of promotions on radio. Usually they'll involve a major sporting event. Radio really drives people in. CompUSA is on for 9-50 weeks a year. There's no other retailer that approaches that level. We do 15 to 20 spots in a week. That's about 1200 spots per year. Most CompUSA spots are really co-op spots. We make it more appealing to the vendor by tailoring a spot just for them. We built spots with PC Modem and 300 around the specific product. PC Modem and 300 really work for CompUSA, and so does Radio."



CHRIS EPTING

Arthur Bijur,
Sr.VP/Creative Director
Cliff Freeman &
Partners

1995 MERCURY AWARD
GRAND PRIZE WINNER FOR
STAPLES

"Whenever we sit down to do something, we try to do something that's unique and hasn't been done either in the (product) category. It's very hard to find ways to do radio that haven't been done. So many different genres have been done. Every form of music has been touched."

"Our client (Staples) really felt that radio had to stand out very much, and of course any self respecting ad agency totally believes that. You want people to like the radio advertising as much



as the television. Certainly we accomplished that with the Staples account. We spent a lot of effort and time."

"We discovered a formula that had never been done, that really just seemed to work. They're essentially, you might say soap operas, real personal stories, really successful series."

"Every other word was a product, practically. We were delighted as creative people, working on this product. It was a new, unique way to include all of the client's products, this is often a major difficulty in radio spots."

"The combined effect (of radio and TV) was phenomenally successful. We achieved the number one, highest retail sales increases in all of retail for Staples."

LIVING LEGENDS OF RADIO: SCOTT MUNI

Where's radio going? What are the new trends?

"The name of the game in radio and music has been fragmentation for some time, so that each market has its prime star. In much of the country, mainly the Southwest and Midwest, the number 1 format is country music. That's where most of the country music fans have moved or migrated. Each market has its own thing. In a major market like New York, it's fragmentation is obvious and it's obviously weighted according to its population. Stations that are playing primarily black music, whether it's soft black, or hip-hop, are up in higher ranking as far as the music goes. Radio companies have consultants doing their music programming. If you categorize it as classic or progressive rock, the consultants sometimes narrow-cast the artists and the songs so that there's a danger of becoming too repetitive and people can get tired of it."

"I think the reason alternative, which is what we've been mixing with the older music (at WNEW-FM), is so strong is that obviously the public wants it. The public wants what they want. If you're into soft rock, you'll find a station for you that won't hit you in the head. That's fragmentation, that's radio's game. Whether it's talk radio or news or information, you'll find that it's split up. Especially in the major markets, talk and news and sports all have found their niche, because fragmentation is just responding to listeners demands."

Do you see any new trends with Country or Talk?

"The problem with Country right now is something they created themselves, and that

is, *what is Country?* There's new Country and there's old Country. They get in these wars where some of the older, well-established Country artists are not allowed on the air at the new Country stations, where they're playing stuff, like Clint Black or whoever is currently hot, but they won't allow any of the classic stars on. Of the all the stations in America right now, more are doing Country than anything else and they're fragmenting that format even further."

Do you think talk has plateaued?

"Talk is definitely very much alive and growing. For every person who says they don't like a certain personality, there are an awful lot of them that do, and that's from Rush Limbaugh right on down. They're just gonna' keep happening. No way you're ever going to stop talk or sports. I think talk will definitely not decrease, it'll increase depending on how many good personalities can be found."

"I think radio is the one medium that makes people use their imagination, and because they have to drive back and forth to work and play, they'll always have it on. Radio is the only medium that can be called a true companion. Our challenge is to make sure it stays an entertaining companion, then it will always work for advertisers."



TIME LINE

- 1960 Number of radio stations in the US: 4086. AM: 3398 FM: 688.
- 1960 Chubby Checker's Twist is the national dance craze.
- 1960 John F. Kennedy becomes President.
- 1961 FCC approves FM stereo.
- 1961 Highly-specialized radio programming is introduced by Gordon McLendon with All-News format XETRA (AM Tijuana).
- 1962 James Meredith, the first black student at the University of Mississippi. Troops are sent to quell riots.
- 1962 Newton Minow, Chairman of FCC calls TV a "vast wasteland."
- 1963 Kennedy assassinated. Johnson becomes President.
- 1964 The Beatles hit US shores. She Loves You Yeah, yeah, yeah.
- 1965 WABC-AM, New York becomes the most-listened-to station in the nation under Program Director, Rick Sklar.
- 1965 Martin Luther King leads civil rights march in Alabama.
- 1965 23,000 US "advisors" sent to Vietnam.
- 1966 FM radio stations experiment with "Progressive Rock."
- 1968 Martin Luther King and Bobby Kennedy shot.
- 1969 Woodstock occurs. Peace, love and happiness abound. Neil Armstrong walks on the moon. One small step for man, one giant leap for mankind!

LIVING LEGENDS OF RADIO: COUSIN BRUCIE

Radio personalities are often described by listeners as being "like part of the family." Perhaps no one typifies this intimate relationship better than Bruce Morrow. His very on-air moniker, Cousin Brucie, has, for millions of listeners, conveyed a sense of familiarity and closeness that has spanned generations.

The Cousin Brucie legend was born late one night in 1959 at WINS, then a rock 'n' roll station. An elderly lady found her way up to the studio where Bruce was broadcasting his show. "Hey cousin," she said, "can you give me fifty cents?" Bruce gave her the money, and she gave him the name by which New Yorkers, and later the nation, came to know and love him.

Cousin Brucie carved his legend in stone during a ratings-topping run at New York's WABC radio, where ruled the rock 'n' roll airwaves from 1961-74. To New Yorkers growing up during that era, Cousin Brucie was as famous as the artists whose records he spun.



Cousin Brucie with Ron Lundy

Since leaving WABC, Cousin Brucie's legend has grown. He was inducted into the Radio Hall of Fame, appeared in the hit movie "Dirty Dancing," published his autobiography, and was even featured as the hero of Riverdale High School's 50th anniversary dance in an issue of Archie Comics.

Today, millions still welcome Cousin Brucie into their homes via his Saturday night "Oldies Party" and Wednesday night "Cousin Brucie's Yearbook" on WCBS-FM in New York. He is after, after all, a member of the family.



THE BIG HITS OF THE '60'S

- 1960 THEME FROM "A SUMMER PLACE" PERCY FAITH
- 1961 TOSSIN' & TURNIN' BOBBY LEWIS
- 1962 STRANGER ON THE SHORE - ACKER BILK
- 1963 SUGAR SHACK JIMMY GILMER & THE FIREBALLS
- 1964 I WANT TO HOLD YOUR HAND - BEATLES
- 1965 WOOLY BULLY SAM THE SHAM & THE PHAROHS
- 1966 THE BALLAD OF THE GREEN BERETS S/SGT. BARRY SADLER
- 1967 TO SIR WITH LOVE LULU
- 1968 HEY JUDE- BEATLES
- 1969 SUGAR, SUGAR THE ARCHIES

RADIO WILL ALWAYS BE A PLAYER.

Raif D'Amico, Vice President, General Manager of CBS Radio Representatives, sees a pattern throughout radio's history that reminds him of Mark Twain's classic line, "Rumors of my death are greatly exaggerated." D'Amico says that radio thrives, and will continue to do so, because it is an essential component of daily life in America.

"Radio is a very personal, immediate, accessible thing," D'Amico says. "The best example, of course, is the car. You can't watch TV, or be paying attention to a newspaper or magazine, or even billboards. They say you have about three-and-a-half seconds to get your message across on a billboard. Radio, on the other hand, can spend the entire trip with you and be your source of information and entertainment. That's never going to change. Radio will always be a player."

D'Amico predicts that the rise of duopolies will make radio more of a reach medium than ever before. "We've always had frequency, and although we've always been a reach medium it's been more work for a buyer to accomplish that. But with duopolies, a buyer can deal with one or two companies and get very big reach in a market, along with target marketing and better efficiencies."

D'Amico is "very excited" over the fact that all major radio rep companies now have marketing departments. "It's starting to pay off big time," he says. "A lot of new advertiser categories have been broken. Telecommunication companies are using radio very effectively. Automotive, with restraints taken off "all the legal" previously required in lease programs, are using radio very effectively."

"The future, really, belongs to the marketing departments. Clients love you when you are as concerned about what's important to them. We can show them how they can still get those aisle displays, those promotions, while reaching customers who are going to make cash registers ring."



RADIO IS A MARKETING PARTNER

Katz Radio Group President Stu Olds says these are fascinating times for the radio industry. "Interestingly, I think radio is the stable medium out there now. Radio has gone through the fragmentation, the segmentation. We continue to be the most localized, personalized communication medium that exists. No other medium has that right now and as you get into the 500 channel (TV) world, I think radio's tree in the media forest will stand taller. For advertisers, radio is becoming a primary marketing medium as opposed to a secondary one."

And, Olds says, the major rep firms will play a leading role in radio's enhanced place in the media mix. "The communication that's going to take place between the stations and the reps is going to become enhanced tremendously through technology. All the stuff that reps have talked about forever - becoming an extension of the stations and their local sales departments - will be more true than ever. That's going to be good for advertisers because you're going to have people who are more aware of what's happening in different markets and on these stations, and we can better fit what's taking place locally to what the advertiser is trying to accomplish."

Olds predicts that, "Clearly within the next 2 years you're going to see most of the transferring of contracts, affidavits, make-goods and so on being done electronically between the rep and the agencies." He adds, radio must never lose the human element. "We don't want to do all business electronically. There's a great value in having a face-to-face across the desk from somebody. Having people talk about what's taking place in marketplaces results in better media buys and better use of dollars. I don't think you can get that just by looking at a piece of paper."



**PREMIERE
RADIO NETWORKS**

Redefining Network Radio

THE '70'S



THE BIG RADIO BRANDS

These are some of the brands and advertisers that used radio in the '70's.

- AMERICAN DAIRY ASSN.
- AMERICAN HOME AT&T
- ANHEUSER-BUSCH
- BENEFICIAL FINANCE BORDER
- BRISTOL-MYERS CO.
- CAMPBELL SOUP
- CHESEBROUGH-PONDS CHRYSLER CORP.
- COCA-COLA CO.
- COLGATE-PALMOLIVE
- TRUE VALUE HARDWARE
- DELTA AIRLINES
- DIAL FINANCE
- EXXON
- FORD MOTOR CO.
- FOTOMAT
- GENERAL MOTORS
- GREYHOUND-ARMOUR
- GOODYEAR TIRE
- J. C. PENNY
- KRAFT
- MCDONALD'S
- MILES LABS
- MONTGOMERY WARD
- PAN AM AIRLINES
- PENNZOIL
- PEPSICO
- PLOUGH
- SCHLITZ BREWING
- SEARS, ROEBUCK & CO.
- SMITH KLINE
- STANDARD BRANDS
- STATE FARM INSURANCE
- STERLING DRUG CO.
- TWA
- UNITED AIRLINES
- WARNER-LAMBERT
- WM. WRIGLEY



RADIO BECOMES MORE "ONE TO ONE".

THE FM EXPLOSION

FM radio, fueled by the growth of rock formats and increased penetration in cars, went from less than 15% of the total audience in 1970 to 53% by the end of 1979. However, an N. W. Ayer "white paper" on radio in 1976 clearly stated that AM is RADIO...FM is RADIO. The important distinctions were in programming, not dial position. A Fresno Bee story (April 10, 1970) pointed out that radio's format specialization, such as foreign languages, ethnic music, and all-news, enabled the medium to survive the emergence of television.

BLUE NUN & RED-HOT HITS

A hot creative trend of Seventies radio was two-voice humor: Dick & Bert, Bob & Ray, Stiller & Meara. The latter were responsible for one of radio's classic success stories. **Blue Nun** wine, whose sales rose from 68,000 cases in 1969 to 1.3 million in 1978, thanks to radio. This campaign won a CLIO award in 1975 and an Effie in 1978. The campaign took the stuffiness and mystique out of an imported product by clever word-plays on the brand name.

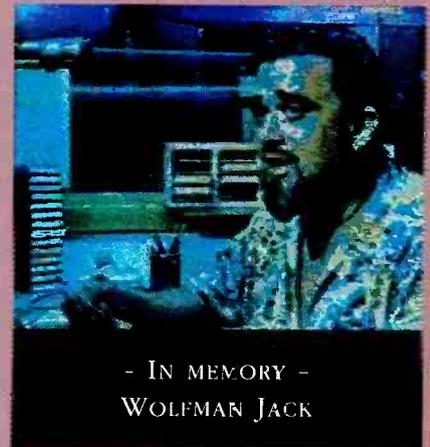
Image advertising, radio's original technique, was still viable for the Seventies. **Chrysler**, known for engineering leadership since 1924, was beginning to lose its perceived edge to GM, Ford, and the imports. *They could have run multi-page magazine inserts to explain all the technical details, but instead, turned to radio and built a campaign around the slogan "Extra Care In Engineering."* The campaign built awareness and image, and won an Effie award in 1971.

Keith Reinhard, Executive VP of **Needham, Harper & Steers**, said in 1978: *"If radio had been invented after TV it would, no doubt, be considered the superior medium. Now you can actually reach a prospect in that rare moment when he's alone in his car...his own foam-padded sound studio, so conditioned to the routine of driving that his personal antenna reaches out for the right set of stimuli. And that's only drive-time radio."*

Larry Light, Executive VP of **BBD0**, looked at radio in "The Age Of Me"...personal, convenient, instant, fun, varied, selective, and portable. In this age of increased competition, higher prices, clutter, more mobility, etc., "how do you spell relief? I spell it R-A-D-I-O!" **Bernard Owett**, Senior VP/Creative Director at **J. Walter Thompson** positioned radio's integrated role thus: *"Radio takes over your mind but doesn't take over your life."*

General Motors began and ended the decade as radio's largest national advertiser. Also, at both ends of the decade, the top five categories accounted for about half of national activity (spot and network combined):

	1970	1979
Food Products	11.3%	14.9%
Automotive	13.2	13.0
Travel	9.0	8.9
Beer & Wine	9.4	7.7
Consumer Services (financial and communications)	5.2	7.4



- IN MEMORY -
WOLFMAN JACK

"I LOVE TO LOOK AT RADIO... I SEE THE PICTURES BETTER!"

With TV firmly established as the "in" creative medium at agencies, radio was often relegated to the copy cubs or trade paper writers. Jerry Della Femina, speaking at the ANA/RAB Workshop in 1972, was unhappy with this practice, detesting agencies who would farm out radio assignments to so-called "specialists". However, he noted, the trend to shorter TV commercials was making creativity more difficult, forcing the audio part to be short and catchy...really radio. As an example, "Try It, You'll Like It" for **Alka-Seltzer**. Who needed a picture here? He even suggested the daring idea of assigning "art directors" to radio. If they can "visualize" a product, they could describe it to a copywriter who would create the word pictures that much better. The writing was on the wall: TV was taking away people's imaginations. Newsweek (December 3, 1979) described the resurgence of radio drama on **CBS** and **National Public Radio**. The ultimate quote came from an eight-year-old boy who listened to CBS' Radio Mystery Theater: *"I love to look at radio. I see the pictures better."*

WE ASKED THE EXPERTS

MIKE KELLY, VP MARKETING, PERKINS FAMILY RESTAURANTS

"Perkins has been doing radio for 20 years, if not more. We are in a lot of small towns where we got one unit operators and in the Wyoming's and the Utah's of this world radio is listened to more than TV is watched."

"What I like about radio the best is that it's cheaper to make than TV and it's flexibility, quite frankly. I think TV is somewhat of an inflexible medium. We're finding that in the dining business, decisions are made more often than not, while someone's in the car. And TV is not going to help you a great deal when someone's in the car."

"We have 476 restaurants in 40 states, so radio is the right medium for us, when we're off radio, we see a difference."

"I like radio creatively, obviously, one of the reasons I like dealing with Bert Berdis in the development of radio is the humor and warmth aspects that we can build into radio. We can create a lot more illusion with radio than we can with TV. It's certainly cheaper as a medium and a much more cost-effective medium to produce."

"Our radio use is going to increase in the future. It has been steadily increasing for us for over the last 3 or 4 years. Especially next year, when some of the anticipated costs that we're looking at with the Olympics and then, of course, with the primaries coming up. I'm seeing some unbelievable inflationary planning rates, right now, for TV."



PETER HARRINGTON, VP NETWORK RADIO, BBDO

Q: Where is radio today?

"I see the start of a renaissance. I think there's going to be greater opportunities to produce and deliver national programming in the future as ownership consolidates and technology allows more of it to be done more efficiently."

Q: Will radio get stronger as TV fragments?

"I think fractionalization of the media pie, and the consumer's attention, will help radio and hurt television to a degree."

Q: What effect will current deregulation have?

"I think it'll lead to more programming down the road, more national programming. What might happen is that we'll have the opportunity for better and stronger program environments to put our national commercials in down the road. If that's more programming then it creates a better national program environment. Rather than being dependent on the best 500 to 1000 local program environments, you'll have more consistent program environments, and we'll have more opportunities."

Q: Where will radio be in the future?

"Radio's a medium that's maintaining its vibrancy. Radio is very active right now in tying into the Internet and web sites and so on. Advertisers have lots of added value and cross promotional opportunities with radio. I think it's got an even brighter future with advertisers."



SUPERNET MEANS MONEY

*Unlocking the Door to
Major Advertising Dollars*

*National Representation
for Medium/Small Networks
Programmers/Group Owners*



GET THE KEY

800-249-8852



LIVING LEGENDS OF RADIO: CASEY KASEM



Kasem has been entertaining millions of music lovers with the week's top hits for 25 years, and in the process has made his name synonymous with the format. Today, Kemal Amen "Casey" Kasem, the son of Lebanese Druze parents, can be heard counting down the hits on "Casey's Top 40, with Casey Kasem," "Casey's Countdown," "Casey's Hot 20" and "Casey's Biggest Hits," all on Westwood One Entertainment.

The man who once dreamed of becoming a baseball player instead devoted his free time in high school to working as a sports announcer (and even a photographic model - see inset photo.) Baseball's loss was radio's gain, as Kasem launched a career that would land him in the Radio Hall of Fame and on Hollywood's Walk of Fame.

Working as a DJ in Los Angeles in 1954, Kasem's station manager told him to change his format from wild, improvised comedy characters. Stuck for an idea, Kasem spied a magazine, "Who's Who in Pop Music," in the garbage can. He

took the magazine's facts about recording artists and that night began telling stories about the lives of popular musicians, raised with lead-ins a few minutes before each story was told. This "teaser/bio" format was to become a standard in the radio industry and a staple of Kasem's "America Top 10" which debuted in 1970.

In addition to his legendary success on radio, Kasem has used his easy-going vocal style on over 10,000 commercials and programming voice-overs and has acted in television and films. He has used the influence of his stardom for a wide variety of charitable causes, including a 3-year run as co-host of the annual Jerry Lewis Labor Day Telethon.

Thanks to a fortuitous glance at a garbage can some 41 years ago, Casey Kasem has built himself a platform to both entertain and help millions in America and throughout the world.



CASEY - AS A TV MODEL - CIRCA 1952

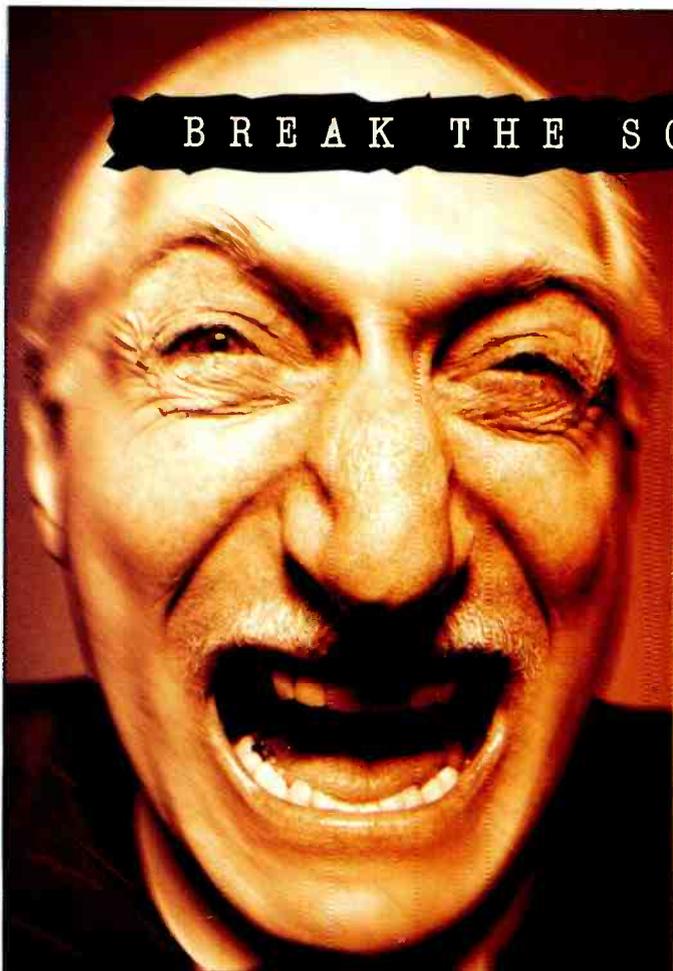


THE BIG HITS OF THE '70'S

- 1970 BRIDGE OVER TROUBLED WATER SIMON & GARFUNKLE
- 1971 JOY TO THE WORLD - 3 DOG NIGHT
- 1972 THE FIRST TIME EVER I SAW YOUR FACE ROBERTA FLACK
- 1973 TIE A YELLOW RIBBON 'ROUND THE OLD OAK TREE - TONY ORLANDO & DAWN
- 1974 THE WAY WE WERE BARBARA STREISAND
- 1975 LOVE WILL KEEP US TOGETHER CAPT. & TENNILLE
- 1976 SILLY LOVE SONGS WINGS
- 1977 TONIGHT'S THE NIGHT - ROD STEWART
- 1978 SHADOW DANCING ANDY CIEB
- 1979 MY SHARONA KNACK

TIME LINE

- 1970 Number of radio stations in the US: 6745. AM: 4269 FM: 2476.
- 1970 Four dead in anti-war demonstration at Kent, Ohio following US invasion of Cambodia.
- 1971 Voting age lowered to 18. Cigarette advertising banned on radio and TV (as of Jan. 2).
- 1972 Women's ERA moves from Congress to states for ratification.
- 1974 Nixon resigns over Watergate coverup. Ford becomes President.
- 1975 US and USSR spacecraft hook up together.
- 1976 CB radios become an American obsession.
- 1976 Jimmy Carter elected President.
- 1979 Three Mile Island incident alerts people to dangers of nuclear reactors.
- 1979 FM listening level surpasses that of AM.
- 1979 Network program satellite transmissions begin.



BREAK THE SOUND BARRIER

High-speed digital radio and television soundtrack production. Custom music that makes your pocketbook jingle. Overnight service.

*Client: "Uh, can you guys bail me out here?"
Dick Marendt (ARCA): "Okay."*

Creative creativity. Turn-key production. A large selection of great voices.

We're here when you're ready. And we're ready whenever and wherever you are.

ARCA. Because speed thrills.



For Lots Of Sound Reasons.

Call 501-224-1111 • Fax 501-224-3329
E-Mail ARCA MAN@aol.com

WE ASKED THE EXPERTS

**Irwin Gotlieb, President/CEO
TeleVest, Inc. A division of DMB&B**

Q: How important is radio to you as a major media buying organization?

Radio is very important because it is a mechanism to fill out a broadcast oriented media plan with lower cost impressions. Radio has traditionally been an efficiency medium that we use strategically as a supplement to television.

Q: How does radio figure into the future of advertising?

Radio figures big in the future. It has to. The cost of television continues to escalate. Mixing radio and television is a way to offset this trend. I think that what we're probably going to see a trend (in radio) as a result of the cor-



solidation taking place in the radio industry that will run almost the opposite of fragmentation. I think we can see situations where owned and operated radio networks will start to come about. Radio networks will program more consistently, and will probably be programmed in such a fashion that they will attract a larger share. It will allow us (agencies) the opportunity to get larger gross audiences.

Once you get past the ownership reconfigurations that are very likely to happen, radio is probably going to be less impacted by change than any other media type...It's not going to go through the volatility and agony that television is going to go through as it re-invents itself. The result will be a stronger medium with better programming and bigger audiences that will be an exceptional tool for advertisers.

RADIO REACHES VIRTUALLY EVERYONE: WHERE IT COUNTS!

76.7% OF ALL CONSUMERS 12+ EVERY DAY

SOURCE: RADAR 50, Fall 1994, Copyright Statistical Research, Inc. (Monday-Sunday, 24 hours)

95.5% OF ALL PERSONS 12+ EVERY WEEK

SOURCE: RADAR 50, Fall, 1994, Copyright Statistical Research, Inc. (Monday-Sunday, 6am-Mid)

95.8% OF ALL AFRICAN-AMERICANS 12+ EVERY WEEK

SOURCE: Fall 1994 Arbitron National Data Base (Black AQI and crude estimates)

96.1% OF ALL HISPANICS 12+ EVERY WEEK

SOURCE: Fall 1994 Arbitron National Data Base (Hispanic AQI and crude estimates)

38.2% OF ALL PERSONS 12+ AT HOME

40.3% OF ALL PERSONS 12+ IN CARS

SOURCE: RADAR 50, Fall 1994, Copyright Statistical Research, Inc. (Monday-Sunday, 24 Hours)

FOUR OUT OF FIVE ADULTS BY CAR RADIO EACH WEEK

SOURCE: RADAR 50, Fall 1994, Copyright Statistical Research, Inc. (Monday-Sunday, 24 hrs.)

ONE OUT OF THREE AMERICANS IN THE WORKPLACE

SOURCE: Valbe-Gallup Survey August 1993

67.6% OF ALL GROCERY SHOPPERS EVERY DAY*

SEVEN OUT OF TEN DRUG PURCHASERS EVERY DAY*

THREE OUT OF FOUR FINANCIAL CUSTOMERS EVERY DAY*

SEVEN OUT OF TEN COMPUTER PURCHASERS EVERY DAY*

SEVEN OUT OF TEN RESTAURANT CUSTOMERS EVERY DAY*

SEVEN OUT OF TEN BEER AND WINE DRINKERS EVERY DAY*

SEVEN OUT OF TEN ENTERTAINMENT CONSUMERS EVERY DAY*

* SOURCE: Simmons 1994

MORE CONSUMERS THAN ANY CABLE NETWORKS

SOURCE: The Media Audit, 1994

YOUR CUSTOMERS RIGHT UP TO TIME OF PURCHASE

SOURCE: Media Targeting 2000: The Arbitron/RAB Consumer Study, 1995



SOME OF RADIO'S TOP TALENTS

These are just a few of the major personalities that provide entertainment information and companionship to us all from coast to coast.

**CHARLES OSGOOD
THE OSGOOD FILE
CBS RADIO NETWORKS**

Bringing his unique warmth and insight America every morning, Charlie is truly the poet laureate of news and social commentary.



**PAUL HARVEY
NEWS AND COMMENT
ABC RADIO NETWORKS**

With the largest audience in America Paul Harvey news and commentary is the mainstay of many an American's day.



**LARRY KING
LARRY KING LIVE
WESTWOOD ONE
RADIO NETWORKS**

Larry's superstar guests from his renowned CNN interview show come alive on radio everyday.



**RICK DEES
WEEKLY TOP 40
ABC RADIO NETWORKS**

Rick Dees is truly an up. His humor and musical knowledge provide entertainment for millions of Americans.



**DON IMUS
IMUS IN THE MORNING
WESTWOOD ONE
RADIO NETWORKS**

Don Imus' slant on life is unique to say the least. His show is totally irreverent and entertaining.



**TOM JOYNER
MOVIN' ON WEEKEND
ABC RADIO NETWORKS**

Three-time *Billboard* award-winner, Tom Joyner counts down 20 of the hottest hits from U-ban and Urban AC.



**ALLEN DERSHOWITZ
ALLEN DERSHOWITZ SHOW
SW NETWORKS**

His clients are a who's who of America. Now he's taken his act to talk radio.



THE '80'S



THE BIG RADIO BRANDS

These are some of the advertisers that built brand equity with radio in the '80's

AMSTEL
AG BAYER
AMERICAN AIRLINES
AT&T
ANHEUSER-BUSCH
BEATRICE
CAMPBELL SOUP
CHESEBROUGH-PONDS
CHRYSLER
COCA-COLA
COORS BREWING
DELTA AIRLINES
EASTERN AIRLINES
FTD
FORD MOTOR CO.
GENERAL MOTORS
HEINEKEN
HORMEL
GOODYEAR
GREYHOUND
KELLY SERVICES
KMART
MOLSON
MIDAS MUFFLERS
MILLER
NISSAN
PEPSI-COLA
PILLSBURY CO.
PROCTOR & GAMBLE
R. J. REYNOLDS
STUART ANDERSONS
SEARS
S. C. JOHNSON
SHELL
7-11 STORES
STROHS BREWING
TRUE VALUE
UNITED AIRLINES
US GOVERNMENT
WARNER-LAMBERT
WHIRLPOOL



RADIO, UPWARD MOBILITY & THE MEDIA EXPLOSION

RADIO MEETS CABLE & VCR'S HEAD-ON

Radio had survived the arrival of TV by becoming personal, portable, and selective. Now TV began to learn from radio. Cable TV, featuring various niche networks, saw its coverage rise from 22% of TV homes in 1980 to 55% by 1990. In addition, VCR ownership mushroomed from just 4% in 1980 to 68% in 1990. This made TV "time-shifting" possible.

No longer could the TV networks decide when we could watch a particular program, and VCR's made it possible to zap the commercials. But radio easily won the "convenience" battle. Only 4% of TV usage in 1980 was out-of-home (Nielsen), compared to 39% of radio's. By 1989, radio's out-of-home usage had risen to 53% (RADAR). This further strengthened radio as the point-of-purchase medium, getting in the last word before a buying decision in an era when convenience and immediacy had taken on new meaning to Americans. ATM's, faxes, convenience stores, direct marketing, overnight delivery, and cellular phones rapidly were becoming necessities for got-to-have-it-now Americans.

ADVERTISING WINNERS

Some success stories from the 1984 ANA/RAB Workshop: Using a takeoff on the vaudeville "Mr. Gallagher and Mr. Sheen" act, **Pitney-Bowes** increased sales 15% and ad recall 133% from 1982 to 1983 for copiers, mailing machines, and related office equipment. They spent some \$3.8 million in radio, more than in all other media combined. "We'll Leave The Light On For You" is probably one of the best-known ad slogans today. **Motel 6** burst upon the scene in 1986 with a \$1 million radio budget, then from 1987 to the present spent well over \$10 million annually- a total of some \$109 million through 1994. No fancy production here...just a guitar, fiddle, and Tom Bodett spinning his ever-changing crackle-barrel country yarns. The economy of the production helps build the "no-frills" image of the lodging chain as well. The slogan's consistency reminds us of bygone eras when ad campaigns didn't change every other Tuesday! **Motel 6** is consistently among the leaders in its category (economy chains). Many other lodging chains have become substantial radio users such as **Best Western, Marriott**, and **Radisson**.

MEETING THE CHALLENGE

In the early 1980's, Radio began to toot its own horn more, spearheaded by the **RAB/Trout & Ries** campaign "Radio. It's Red Hot". Local stations took off their promotional gloves and reached out for new listeners through ads in other media such as newspapers, TV, and billboards. Network radio got a new life with **NBC's The Source**, **RKO**, black-formatted **NBN** and **Sheridan** networks, and special long-form concert offerings. Ira Berger at **Needham, Harper & Steers** said that network TV costs were getting out of sight, and that radio offered some real alternatives. He thought network radio would be a lot like magazines... specialized, attracting an audience to whatever they're interested in.

Madison Avenue Magazine (October 1980) said radio was the "rediscovered" medium. So did **U. S. News & World Report** (July 7, 1980): "Fresh shows are injecting new life and money into a medium that used to be regarded as the dowdy grandmother of TV". Next **Magazine** (January 1981) called it "Radio's Born-Again Serenity". **Esquire Magazine** (March 1984) ran a feature headlined "Radio is transforming itself. Right before our ears...RADIO LIVES!" Finally, **ADWEEK**, in 1980, headlined: "Radio Enters Its Latest (Not Too Tarnished) Golden Age".

TIME LINE

- 1980** Number of radio stations in the US: 8748. AM: 4558 FM: 4190.
- 1980** Mt. St. Helens erupted.
- 1980** Ronald Wilson Reagan elected President.
- 1981** Federal deregulation of radio programming and ownership restraints.
- 1981** Space Shuttle Columbia was sent into space.
- 1981** Sandra Day O'Connor appointed to the Supreme Court.
- 1982** The Equal Rights Amendment was defeated.
- 1984** Consolidation sweeps through both the national rep and network radio sectors of the industry, eventually leading to two imegal rep forces (The Interep Radio Store and Katz Radio) and four major network radio organizations (ABC, CBS, Westwood One and Unistar).
- 1985** "LiveAid" a 17-hour concert broadcast to 152 countries.
- 1987** All-Sports radio born on WFAN-AM New York.
- 1988** George Bush elected president.
- 1989** US invades Panama.

THE BIG HITS OF THE '80'S

- 1980** CALL ME - BLONDIE
- 1981** BETTE DAVIS EYES
KIM CARNES
- 1982** PHYSICAL
OLIVIA NEWTON-JOHN
- 1983** EVERY BREATH YOU TAKE
THE POLICE
- 1984** WHEN DOVES CRY
PRINCE
- 1985** CARELESS WHISPER
WHAM!
- 1986** THAT'S WHAT FRIENDS
ARE FOR - DIONNE & FRIENDS
- 1987** WALK LIKE AN EGYPTIAN
BANGLES
- 1988** FAITH - GEORGE MICHAEL
- 1989** LOOK AWAY - CHICAGO

RADIO DELIVERS!

RADIO PROMOTION A ROARING SUCCESS FOR 'THE LION KING'

An exclusive radio sweepstakes for the **Phar-Mor** chain of drug stores increased store traffic, boosted video sales and increased family rentals at the stores' video and music departments. Developed by **Katz Radio Group** and **Yaffe & Company** advertising agency as a tie-in to the video release of **Disney's "The Lion King,"** the promotion ran for three weeks in February and March at 26 Phar-Mor locations.

The promotion invited consumers to enter a drawing for a family vacation for 4 to San Diego with a visit to the world-renowned **San Diego Zoo.** The promotion included live **Phar-Mor** remotes conducted by **WJET**, Erie, PA; **WTCR**, Huntington, WV; **WDSY**, Pittsburgh; and **WHOT**, Youngstown, OH. The stations tagged **Phar-Mor** spots across various dayparts and produced unique on-air promotional features (including "**Phar-Mor's** Top 10 Video Rentals"). Participating stores set up POP displays, sweepstakes forms, window posters and counter cards.

Phar-Mor branches reported record video sales on the days of the radio remotes, and the stores sold out "**The Lion King**" video at remote locations. The sweepstakes' success can be attributed to radio's unique ability to deliver the ideal target audience through niche marketing," said Karen Myford, KRG's Detroit Marketing Manager.

RADIO BUILDS A FIRE UNDER VEAL SALES

A true marketing partnership between **CBS Radio Marketing** and **Straight Arrow Media** of San Francisco paid off with a robust 80% sales gain for the **Veal Committee of the National Beef Council.**

It was the summer of 1994, and the Council sought to build awareness for veal as a barbecue alternative while criving sales in three markets: Philadelphia, New York and Chicago. The Council's agency, **Straight Arrow Media,** brainstormed with **CBS Marketing** to develop a program that would accomplish the client's objectives while tying in local retailers. The radio program consisted of 3 weeks on-air, with spots running Wed-Sat., primarily in AM and PM drive, on an avg. of 6 stations per market. Each of the 3 weeks offered exclusivity to a particular local supermarket chain. The first 45 seconds of the 60-second spots featured slice-of-life vignettes in which two men at a barbecue talked about the virtues of veal, citing a special cut at the supermarket which had exclusivity that particular week. The remaining time on the spot was devoted to the retailer's tag, highlighting veal specials. A creative value-added element to the program invited radio listeners to call a special veal recipe line for award-winning recipes and a chance to win dinner for two at a participating restaurant.

"The return on investment was incredible," reports Rod Miller, VP-Media at **Straight Arrow.** "We really impacted the market, with sales up 80% during the promotion period versus the same period in 1993. The client was extremely satisfied and expanded it to a fourth market in '95."

35.



In some African cultures,
when the old kings could no longer satisfy their wives,
the new, young kings would sneak up on the old kings
and kill them while they slept.

Recent wives include Nike, adidas, Trone, Stash Tea, Tillamook Cheese, Figaro's Italian Kitchens,
Junior Achievement, Northwest Natural Gas, PACC Health Plans.

Call 503-224-9288 for a reel, or fax a rough creative brief to 503-224-5320

if you would like a bid for writing, casting and producing your next radio campaign. Thank-you.

Radioland

REP FIRMS BUILD GROWTH ON INTEGRATED MARKETING

The concept of the media rep firm was pioneered in 1888 by Emanuel Katz, whose E. Katz Special Advertising Agency opened in New York to represent William Randolph Hearst's San Francisco newspapers (ironic in that a century later national advertisers are still trying to find an easy way to buy newspaper space). Today, the vast majority of national spot radio sales are billed by two firms, **Katz Radio Group** and **The Interep Radio Store**, who together rep more than 3,000 radio stations nationwide.



EMANUEL KATZ

From its newspaper origins, **Katz** expanded its client list in the 1930's to include the revolutionary new medium, radio, in part because several of the company's newspaper clients had purchased radio stations. In the mid 1930's, **Katz** represented ten stations, steadily growing through the 40's and 50's. In March 1981, **Katz Communications** - as the company was now called - purchased two additional rep companies, **Christal Radio** and **RKO Radio Sales**, and formed the **Katz Radio Group**.

Today, the **Katz Radio Group**, headed by President Stu Olds, encompasses five separate radio representation companies - **Banner Radio**, **Christal Radio**, **Eastman Radio**, **Katz Radio** and **Katz Hispanic Media**. "The product we're selling today has become much more complex," Olds said. "In a dispirited world, you can have a series of radio stations [in one market] that all deserve to be positioned correctly to meet an advertiser's needs. So the rep's job has actually become more complex than ever before."

The Interep Radio Store traces its roots to 1954, when Daren McGavren purchased **Western Radio**, a regional rep firm with stations throughout California and the Pacific Northwest. McGavren hired native Californian Ralph Guild to open a new office in New York in 1962, the start of **McGavren-Guild**. Guild was one of the first to recognize the need for radio rep firms to be marketing problem-solvers for advertisers, a philosophy that permeates the **Interep** corporate culture to this day. Les Goldberg, President of **Interep**, said recently: "We were a marketing company before it was fashionable. We fill needs, that's what we do."



RALPH GUILD & DAREN MCGAVREN

Interep itself was formed in 1981 as the holding company for what McGavren-Guild foresaw as being a string of independently-operated radio rep firms. Today, **The Interep Radio Store** (the name of the company since 1988) owns and operates eight such firms— **Concert Music Broadcast Sales** (since 1995), **Group W Radio Sales** (1986- the first independent rep firm dedicated exclusively to one broadcast group), **Major Market Radio Sales** (1982), **The Torbet Radio Group** (1987), **D&R Radio** (1993), **Infinity Radio Sales** (1995), **Shamrock Radio Sales** (1995) and the original **McGavren Guild Radio**.

The rep business has come a long way since the days of Emanuel Katz... national spot radio sales totaled \$1.27 billion for 1994 as Katz and Interep successfully address the marketing needs of national advertisers.

If Your Radio Stinks, Try Oink Ink. Ours Just Smells Funny.

To give our award-winning radio demo a whiff, just call. These folks did: Pepsi, Texaco, NBC and Doritos. (Now they smell funny, too.) Call now. Operators standing by.

OINK INK RADIO INC.

1-800-776-6465

New York / Philadelphia

LOOKIT. WE WON STUFF.

FUNNY

WHO WOULD'VE GUESSED IT? MODEST LITTLE RADIO PRODUCTION COMPANY LIKE OURS BRINGING HOME THE N.Y. INTERNATIONAL AWARD FOR BEST USE OF SOUND FOR A SILLY LITTLE PEPSI SPOT, WHICH REALLY DIDN'T EVEN COST THAT MUCH, BUT REALLY NEITHER DID OUR SPOTS FOR JUSTIN BOOTS, THAT WON BEST LOCAL RADIO CAMPAIGN AND BEST LOCAL RADIO SPOT IN LITTLE OLE TEXAS WHICH REALLY WAS NO BIG DEAL TO US CAUSE ALL WE EVER WANTED WAS A FEW TICKETS TO THE CLIO'S, BUT WHO WOULD'VE FIGURED THAT SOME OLE RETAIL SPOTS WOULD MAKE THE CLIO'S BEST RADIO CAMPAIGN SHORTLIST? NOT US.

WE'RE JUST IN IT FOR THE LOVE.
CREATIVE RADIO
FUNNY FARM CREATIVE RADIO HOLLYWOOD
HOLLYWOOD
 PH (213) 667-2054 FAX (213) 667-0831

REACH OVER 220,000 BROADCAST, AUDIO & VIDEO PROFESSIONALS WORLDWIDE

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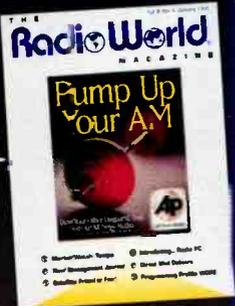
Get your share of China's exploding marketplace with **Broadcast & Production**, a 6x glossy magazine that's read by over 20,000 buyers and users of pro audio and video products in China, Hong Kong and Taiwan. And for the U.S. pro audio scene, IMAS introduces

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TV TECHNOLOGY, published 14x, tops all U.S. technical TV trades, while a monthly international edition — with split-run advertising options — is the hot newcomer in Europe, Asia and Latin America. **Computer Video**, published bi-monthly, reaches 50,000 pro users of desktop video products.



Radio World publications include "Radio's Best Read Newspaper," published bi-weekly, a monthly international edition offering split-run Europe/Latin America advertising options, and a slick, monthly, management-oriented feature magazine.



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Phone: 703-998-7600

FAX: 703-998-2966

MAJOR ADVERTISERS USE HISPANIC RADIO AS A PRIMARY MEDIUM

Increasing numbers of major national advertisers, including **Burger King, J.C. Penney, Kmart, Sears, 7-Eleven** and **Walgreen**, are turning to Spanish radio as a primary medium to reach the Hispanic consumer.

The reasons for this trend are simple: there is tremendous potential in the growing Hispanic market and no medium reaches it more effectively than Spanish-language radio. There are approximately 25 million Hispanics living in the United States, a figure that is expected to swell to 40 million by 2010. The aggregate household income of Hispanics is \$185 billion. Ninety-six percent of all Hispanics 12 and older listen to radio at least once per week. And, by far, the format of choice for this segment of the population is Spanish-language programming, which averages nearly a 44 share among Hispanics.

Spanish-language radio stations have experienced major gains in listenership during the past year or two, with some stations even beating general market stations in the Arbitron ratings. In markets like El Paso, San Antonio and Miami, Spanish music stations have consistently ranked number one in key demos for the last few years. Spanish music formats include International Hits, Tejano (a mix between traditional Mexican and polka music), Traditional/Regional Mexican, Banda (fast, up-beat Mexican dance music) and Salsa Merengue (fast-paced Caribbean dance music). Spanish-language stations generally have minimal duplication with general market stations, giving advertisers a powerful exclusive audience. As Bob Watson, former Director of Advertising Services for **AT&T**, said: "We (AT&T) use Spanish radio to increase reach and generate significant levels of frequency in order to break through the malaise of other advertising."

URBAN RADIO DELIVERS \$325 BILLION MARKET TO ADVERTISERS

Radio is the electronic medium of choice among America's 31 million African-Americans with Simmons research showing that 45% of Blacks' media time is spent with radio versus 34% with television. And, among the various radio formats, urban radio is by far the program of choice among this \$325 billion consumer group. Urban radio reaches 76% of all Blacks, more than the next four most-listened-to formats combined. Very few general market radio stations, in fact, deliver a Black profile proportionate to their market.

"The urban format serves a span of ages, both sexes and a range of income levels," said Janet Hill, Vice President of the Washington, DC-based consulting firm **Alexander & Associates**, to a group of advertisers this past spring. "Because urban radio stations have created a firm bonding with the audience, you can get increased mileage from your advertising messages." **Reebok, Bristol-Myers, Kmart, Avon** and **Frito Lay** are just some of the advertisers who have run urban radio promotions.

Amos Brown III, strategic planner for **AWTLC** in Indianapolis, pointed out that "the suburbanization of black America and the growing migration of blacks from the inner city poses problems for advertisers, as some traditional methods used to reach black consumers are becoming obsolete. Only urban radio reaches across city and suburban lines." He added that more blacks listen to urban radio than read *Ebony* or *Jet*, or watch Black Entertainment Television.

Studies show that black consumers are extremely brand conscious and loyal, with a high propensity to purchase products from marketers who extend a "personal invitation" (a specially-created, black-oriented commercial) to buy. For many marketers, urban radio has proven to be the most effective medium to deliver this personal invitation.



MARRIOTT COURTS BUSINESS TRAVELERS VIA RADIO

Courtyard By Marriott, one of several divisions of the **Marriott Corporation** markets itself as the hotel chain "designed by business travelers," with 240 locations across the country. Its primary objectives are to increase awareness and occupancy rates among men 25-54 and other business travelers.

To achieve its objective, **Marriott** uses a year-round combination of radio and print. Prominent on the radio buy are "The Business of Sports," "Sunday Conversation" and "Sportsbreaks" on **ABC's ESPN Radio Network**. The long-running campaign features **Dick Cavett** as spokesperson and includes a direct response 800 number, which is popular with listeners and enables **Marriott** to track results.

In addition to generating strong occupancy results from its radio effort, **Marriott** has conducted tracking studies that show the Courtyard chain to have the highest brand recognition within the company.

TIME LINE

1990 Number of radio stations in the US: 10,631. AM: 4966 FM: 5665.

1990 Operation Desert Storm Forces prepare to invade Iraq, which held Kuwait.

1990 The reunification of Germany.

1990 Local Marketing Agreements (LMA's) permitted by the FCC.

1991 Digital Audio Broadcasting (DAB) tests begin.

1991 The fall of Communism - The Soviet Union beaks up.

1992 The FCC relaxes its duopoly ownership rules, permitting broadcasters to own 2 AM and 2 FM stations in large markets (15 or more stations) and 3 stations, only 2 of which in the same service band, in smaller markets. Broadcasters can acquire a non-controlling interest in 3 additional stations in each band, if they are controlled by minority broadcasters or small businesses.

1992 National ownership limitations for radio goes from 12 AM and 12 FM to 18 AM and 18 FM. This increases to 20 in each band in 2 years.

PRIMESTAR SHINES BRIGHT WITH RADIO

Primestar is the relatively new direct-to-home satellite television delivery system. Its programming emphasizes sports and movies, and its target markets are men 25-54 and adults 25-54.

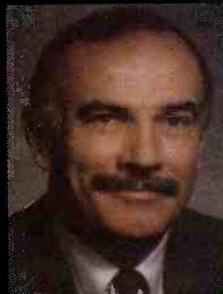
Primestar added radio to its media mix because of radio's targetability and proven direct response track record. The schedule includes several of **ABC's** radio networks as well as a mix of syndicated programming. Commercials include an 800 number: 1-800-PRIMESTAR.

The first radio flight ran in conjunction with television and generated the highest response and conversion/installation rates in the company's history. A follow-up, stand-alone radio flight also was quite successful, according to Mark Dunn, Director of National Advertising and Promotion for **Primestar**.

"We're not only trying to build a brand, we're trying to explain an industry," Dunn said. "Radio has proven to be a very effective way of getting a response from consumers. It's 60-second format allows us a greater opportunity to explain what we are. Radio has generated a very significant number of calls for us. It's very efficient in terms of calls generated versus dollars spent."

AMERICAN RADIO PAVES THE WAY FOR AMERICAN MARKETERS INTERNATIONALLY

In the radio and entertainment industries, the phrase "curtain going up" traditionally means the start of a show. For **Metromedia International**, the phrase has taken on new meaning with the lifting of the "Iron Curtain" and creation of enormous opportunities for marketers - and **Metromedia**.



BILL HOGAN

With the relaxation of political restrictions, American marketers are expanding distribution of their products into Central and Eastern Europe as well as Vietnam and China. This unique opportunity for expanded marketing opportunities has prompted American radio networks and broadcasting groups to follow suit.

Metromedia International and its marketing arm, **Metromedia International Marketing**, for example, are operating stations in countries which were

RADIO WON'T TOLERATE MEDIOCRITY

ABC Radio Networks' President/CEO **Bob Callahan** sees a "public mandate" of sorts for all media. "With more options on the radio dial, the television, the computer and so on, the consumer won't tolerate mediocrity. They just won't put up with it. You're going to have to put on quality programming. I think you're going to see most media have 'testing periods' the way television does now. Something goes on the air and it has to perform. If it doesn't, then it doesn't last."



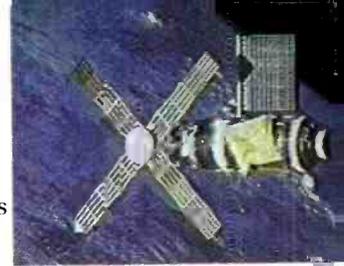
BOB CALLAHAN

Callahan takes a cautious view on radio and the Internet. "We've been kicking the tires for about three years," he says. "We have about 15 different little business plans and we're pulling them all together. If anyone says they have a plan for the future of radio and the Internet, well, it's just not there yet. They'll be a lot of surfing, a lot of little hits at different sites. But before it's practical, it has to get easier for the consumer and it has to get much, much faster. I think that it will come - I'm not a naysayer."

Callahan seems much more enthused about the immediate impact and prospects for digital technology, however. "Everything is going digital. You're going to have better accuracy in terms of verifying ratings and commercials. You'll be able to segment where you're airing commercials based on geography, classification or format. We're working feverishly hard in all these areas."

Callahan adds that radio in the year 2005, "will be a much stronger industry." He sees less frequent station turnover and more long-term commitments. "I think [station owners] are going to give themselves a lot more time to make a return on their investment."

Looking at the present-day **Callahan** reports that **ABC** has made significant strides breaking new advertising categories. "We've broken more auto brands, including imports. We've gone beyond traditional package goods and are getting vegetables and others. We've broken pharmaceuticals. Satellite services - **DBS** - has become a category. Because we're not local, we have to prove our effectiveness and our efficiency, and we've done that."



once behind the Iron Curtain, including Moscow, St. Petersburg and Budapest (with additional stations coming on line within the near future - but that's another story). The reason for this expansion is multi-fold: opportunity abounds for American marketers, American products are in great demand and where American marketers go so does American radio. Western radio, and specifically American radio, is a major new trend setter in Russia, where it is one of the most demanded new forms of entertainment.

"We're here to take advantage of the opportunity," remarks **Bill Hogan**, President, **Metromedia International Marketing**. "In my first visit to Moscow, I spent some time touring through supermarkets and retail stores. There are many, many American and Western brands on the shelves and advertised on billboards around town. You see ads in papers like the *Moscow Times* and other papers that are



Western and mainly American. I think that a lot of the American brands are recognizing a whole new opportunity here. In Russia, there are over 180 million consumers. For the most part, none of them has ever had freedom of choice, and that's exactly what American marketers and **Metromedia International** radio are poised to give them. It's a great opportunity for a lot of American brands to get in on the ground floor and **Metromedia International** will be there as a marketing partner."

That's only the beginning **Hogan** adds: "I think there are vast international opportunities besides Russia and Eastern Europe. There's tremendous potential in China, and in other countries and international arenas such as Turkey and Latin America. Our goal is to help international stations and networks market in the US. If the high level of inquiries we're currently receiving is any indication, the future holds great promise for our operations. Certainly, we look to anyone, anywhere in the world who wants to market radio to American marketers and agencies. That's our business."

THE INFORMATION AGE OF RADIO

By Dick Harris
Chairman, DG Systems

Digital technology has touched many industries in recent years, bringing new opportunities, increased competition and improved productivity, and it is on the verge of truly changing radio, as well. Technology has already begun to improve the creative side of advertising, but even greater potential lies ahead as advertisers, station representatives and production managers learn to utilize technology to share valuable information. With new media and communication vehicles emerging each day, radio has more potential than ever to be a valuable and strategic marketing tool. Some examples:

ADVERTISERS WILL GAIN IMMEDIATE ACCESS TO MARKETS

Radio has always been viewed as an advertising medium for immediate access, but digital technology is taking it one step further. Information, including commercials and programming content, can be digitally transmitted and programmed 24 hours a day, 7 days a week. Deadlines for both programming and ads can be made as flexible as radio stations choose. In the future, these same networks will act as an interface to scheduling systems, connect vast resources within the radio broadcast community and automatically gather valuable data about both radio stations and their audiences.

NARROWCASTING WILL REPLACE BROADCASTING

Through addressability, national advertisers will gain greater power to target and deliver information by format to specific demographic and psychographic segments. Advertisers will be

able to target specific listeners, offer subscription radio and gather data about individuals' interests and buying preferences. Digital technology could enable radio to become more of a two-way communication between the listener and the station.

DIGITAL MEDIA WILL EXPLODE PHYSICAL BOUNDARIES

Small, rural stations which are programmed or managed. Some notably today will have access to an even greater set of resources in the future, enabling them to smoothly mix local and global resources and create a unique and higher quality offering for a particular audience.

DIGITAL DATA SIGNALS WILL BRING INFORMATIONAL RADIO TO A NEW LEVEL

The FM sideband offers new opportunities for delivering digitized information. Today, several pager companies use the FM sideband for their services, including stock quotes, weather or data services. In the future, stations will expand their revenue base by selling data services utilizing the FM sideband.

SUPERIOR SOUND QUALITY WILL BECOME THE NORM

Digital technology has enabled the delivery of advertisements and programming to stations with CD quality sound. Further development and utilization of hard drive playback systems, and eventually industry standards for DAB, will bring this same level of quality to the entire radio broadcasting system.

RELIABILITY & ACCOUNTABILITY WILL REACH PREVIOUSLY UNATTAINABLE LEVELS

Digital technology available today enables delivery and quality control never before available in radio. Expanding delivery of commercials to include verification of when each spot is played will yield immediate information. Advertisers will be able to make increasingly intelligent, swift decisions about the impact of each ad.

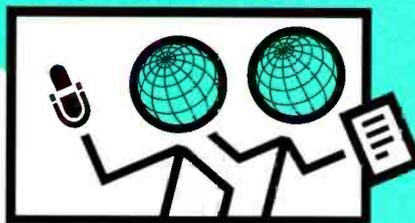
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ADVERTISERS, AGENCIES AND STATIONS WILL WORK MORE CLOSELY AND EFFECTIVELY

By using networks to exchange more information, agencies can simplify and speed the buying process. With efficient communication networks in place, agencies can gain access to available inventories, and electronic invoicing systems can accelerate the billing and payment process. Eventually, digital communications will allow agencies, reps and stations to create and execute entire campaigns from the desktop.

ADVERTISERS WILL DEPEND ON TOPICAL CAMPAIGNS AS STRATEGIC MARKETING TOOLS

Topical advertising is a growing trend capable only with the use of digital technology. Quick-turn ad campaigns allow advertisers to respond more quickly to market changes, current events or competitive issues, making radio a more vital, more immediate and more accessible medium than ever.

DIGITAL RADIO WILL BE A MORE COMPETITIVE ADVERTISING WEAPON

The availability of technology alone isn't enough. It is the responsibility of radio broadcasters to embrace technology, manage the changes and take advantage of the potential that lies within reach. Clearly, the first radio stations and advertisers that adopt digital processes will experience a competitive advantage. Once again, radio is on the verge of reinventing itself and will continue to be a strategic marketing tool for advertisers, becoming more flexible, targeted and manageable than ever.

RADIO ECHOES THE MARKETPLACE

Phil Shyposh, Senior Vice President of Member Services for the **Association of National Advertisers (ANA)**, says there's a good feeling about radio among the advertiser community.

"The people who use radio like it because it reflects or echoes what's happening in the marketplace, with greater emphasis on targeting, segmenting and integrated marketing communications. It's a selective vehicle to reach a targeted audience."

Shyposh says the ANA's radio committee keeps tabs on what's happening in the industry and serves as a resource for advertisers wanting to learn more about using radio. "The radio committee serves as a consultant for our members. We can go to folks who are using radio and have them update the entire membership with things that are happening."

Shyposh sees radio as a mainstay in the media mix. "From my perspective as an advertising person, it seems that every time what I'll call the 'succeeding media' come along, there is forecast of doom and destruction for radio. But radio reinvents itself. With the myriad of networks now, the programming formats, there are so many options. Targeting and segmentation... that's what I think the appeal is now."



RADIO: THE LEAN MEAN MARKETING MACHINE

Bob Kipperman, Vice President/General Manager of the **CBS Radio Networks**, attributes radio's staying power to a very simple fact: it works. "Radio sells product. Radio can really reach the customer, basically, at or near the point of purchase. Advertisers see results fairly quickly with radio, and it has a proven track record."



He adds that radio's increased emphasis on being a marketing problem-solver for advertisers has enhanced the medium's value. "One of our strengths is how we develop a total media marketing package for an advertiser."

The approach of radio network to doing business has also helped the industry, according to Kipperman. "All the radio networks have, over the past few years, gone out and made a concerted effort to go after new business. I think we've become a lot smarter with down-sizing. It's become a lot more competitive, and because it's become more competitive, we've all really had to go out and scramble for the dollars. The effort has really been paying off. Radio has continued to grow. 1994 was healthy, and '95 seems to be equally as strong."

Kipperman sees the popularity of talk radio continuing to increase, albeit with some new faces. "I think you'll have a ferreting out of some of the current talk programs over the next year or two, but you'll find other talk programs replacing them."

PUTTING NEW ORLEANS ON THE "RADIO" WEB

To **CBS Radio Network**, involving advertisers in the World Wide Web isn't some pie-in-the-sky notion, it's reality.

The network's new web site will feature a "House of Blues Hour" home page, an extension of the Dan Aykroyd-hosted **CBS** radio show of the same name. And within the "House of Blues" page will be a "mini home page" called "The Louisiana Music Trail," sponsored by the Louisiana Office of Tourism.

"It's a perfect match for our client," explains Glenn Culver, Senior Media Planner at **Peter A. Mayer Advertising** in New Orleans. "Everything the Louisiana Office of Tourism does is direct response-oriented so it can be measured. **CBS Radio** came to us with a sponsorship plan for the 'House of Blues Hour,' and offered to create the home page site as part of the package. They listened to our marketing needs and delivered a unique program."

Culver says that **CBS Radio** is working with the agency and client to help develop the web site, which will be promoted on-air on "The House of Blues Hour." Set to debut in October, the site will include music videos and bios of blues legends, and a contest offering entrants an opportunity to win a trip for two to Louisiana. Visitors to the site will be made aware of the **Louisiana Office of Tourism's** own home page site on the web, a bit of Internet cross-promotion that is expected to increase "hits" for the state's home page. Culver says that other key elements of the package will be the ability to capture names for follow-up marketing efforts, as well as the extended worldwide reach of the Internet. "It will give us exposure beyond our traditional U.S. market," he notes.

RADIO: NO ROUGHNESS IN THIS DIAMOND

By Gary Fries, RAB President & CEO

It seems appropriate that, as radio celebrates its diamond anniversary this year, the luster of this medium has never been more brilliant. The grandfather of all electronic media, radio has defied periodic predictions of certain demise and will continue to grow and prosper because the bond between radio and its audience is uniquely personal and intimate.

Radio's loyal listener base has drawn the attention of advertisers who wish to build similar relationships with their core customers. In 1994, U.S. radio revenues topped \$10.6 billion (and 1995 is right on track to add another \$1 billion on top of that). Much of this increase comes from radio's own loyal base of advertisers who, for years, have recognized and appreciated radio's cost-effectiveness and marketing efficiencies. According to Competitive Media Reporting, retail - one of radio's biggest ad categories - is up 20%. Food retail is up 54%. Hardware and lumber retail is up 139%. Drugs and toiletry advertising is up 92%. Oil and gasoline have increased spending 95%. The telephone industry increased spending by 97% in the first quarter of 1995. And auto lease billings, as anticipated, have increased



significantly...up 1700% for domestic manufacturers alone.

An equally large segment of radio's growth this year also will result from new dollars coming into radio from other media. Among the new entrants into radio are general food advertisers who, historically TV-oriented, are showing great interest in viable marketing alternatives. Several major manufacturers of cereals, pasta, dairy products, and coffee/tea have become intrigued by radio's precision targeting. A pair of recent studies clearly indicate that radio listeners' commercial recall is close to that of television viewers (The Pretesting Co., 1995), and that radio listeners are able to "see" (or mentally transfer) visual images of a television commercial when they later hear only the audio portion ("Imagery Transfer," Statistical Research, Inc.). Radio, indeed, is the theater of the mind...and, after all, it's in the mind where all decision-making occurs.

For the last 34 months, radio has experienced an incredible growth rate...perhaps the largest sustained growth period in its 75-year history. The medium's strength is well-founded in a market-driven economy in which advertisers are investing in their futures by investing in marketing. And they're investing in radio more than ever before. Those who already understand the benefits of radio advertising are returning in record numbers, and many who are trying radio for the first time like what they see...and hear.

They're getting results, and the future of radio looks very bright because of it.

TECHNOLOGY SHINES LIGHT ON RADIO INDUSTRY'S FUTURE

By Charles Taylor



New technology not new techniques will keep the airwaves riding high in the sky as radio operators set their sights on the future of the medium.

Although the industry is enjoying an unprecedented period of prosperity, long-term growth will take more than drawing new advertisers into the fold or increasing the inventory of those already sold on radio.

To spring into the next revenue realm and compete with both current and future technologies that threaten radio's listener base, broadcasters are looking to non-traditional revenue streams.

While these innovations aim to better attract listeners, they also will equip the industry with new vehicles for advertisers to expose their products and services to radio's highly targeted audience segment. That allows radio to sell itself on a new level beyond the airwaves fostering a win-win situation for stations and advertisers alike.

Following are the brightest innovations peaking over the industry horizon:

INTERNET - So far, a few hundred U.S. stations, networks and broadcast organizations (and untold numbers abroad) have signed on with sites on the World Wide Web, accessible to some 50 million "cyberhounds."

Listeners can access DJ bios, station activities and playlists, but the real payoff will come when radio stations convince advertisers to sponsor pages or portions of their sites, complete with bold color logos. These sponsorships often also offer direct access to an advertiser's own site.

DATABASE MARKETING - At a recent gathering of the Radio Advertising Bureau, President Gary Fries said database marketing is no longer a plus for radio stations it's a must. Thanks to station listener clubs and the magic of the Universal Product Code (UPC), modern-day broadcaster databases provide advertisers with a lot more than a listener's age and sex. Partnerships with everyone from retail to restaurants to grocery stores allow radio stations to determine buying habits, block code information and demographic minutiae.

MUSICAM EXPRESS - Infinity Broadcasting teamed with digital equipment manufacturer VirteX to finance MUSICAM Express, a new programming and information distribution service set to launch in the fall.

Ultimately, the alliance will provide a digital architecture through which radio networks, programmers, record companies and ad agencies can instantly deliver CD-quality audio and information to 3,500 stations. So if Campbell's wants the world to know about its just-formulated tomato and turnip soup, in nearly an instant, the spot can be on the air nationwide.

RBDS - What you hear over the air is only a fraction of what radio stations can transmit over broadcast spectrum. With the Radio Broadcast Data System, radio stations can broadcast text and data over LED screen-equipped radios.

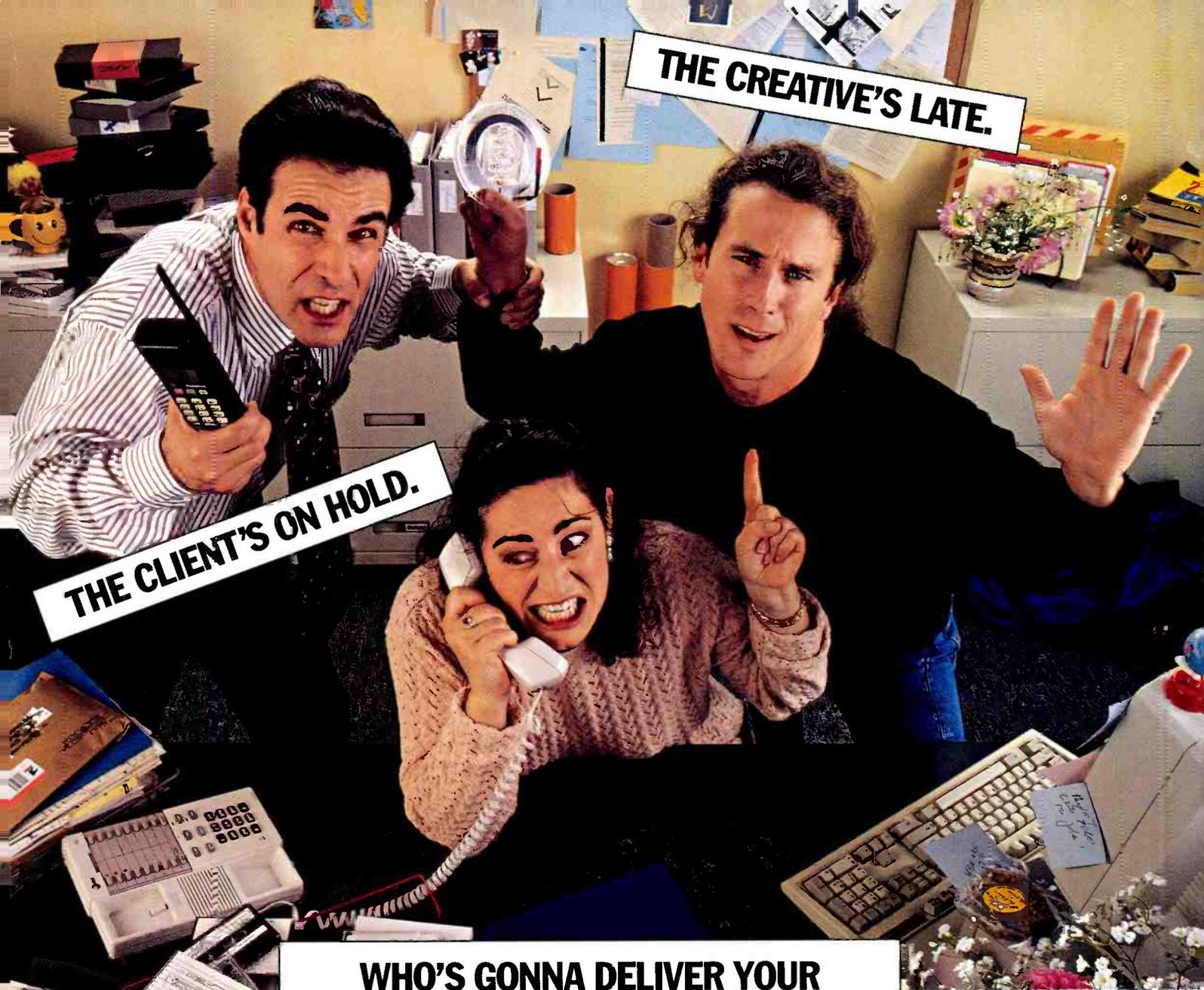
RBDS offers the potential to transmit call letters, scrolling messages, traffic reports, emergency warnings and yes, advertising. A company known as CouponRadio (see related story) even came up with a way for you to push a button on your RBDS radio and print out discounts from an advertiser who's promoting his product or service over the air.

DATACASTING - This developing technology allows FM stations to broadcast as much as 400 pages of information a minute over their subcarriers to a computer's hard drive. Alan Box, CEO/president of EZ Communications, which owns 15 radio stations in the U.S., claims that datacasting could become a \$300 million business, eventually making traditional on-air advertising a secondary industry for radio.

Once the nation's PCs are equipped with the necessary receiver, "radio may be the least expensive and most expedient way for information to be distributed to multiple locations at the same time," Box says.

REAL-TIME PC AUDIO - RealAudio, an audio on demand system, allows PC owners with PC audio capability to browse, select and play back audio content from participating radio stations and networks at will. Advocates of the 24-hour-a-day, international real-time audio service include ABC News, National Public Radio, C-Span, KPIG-FM (Freedom, Calif.), WKSU-FM (Kent, Ohio) and network entities in Canada, Germany, Italy and South Korea. RealAudio could someday be for radio what VCRs are for TV, allowing listeners to download radio over their PCs at will via the Internet.

For advertisers, it's one more way to reach a targeted audience, with the added capability of RBDS messages along the bottom of the user's PC screen. With the promise of digital-quality audio, multipath and interference could be terms of a bygone era by the time the class of '95 starts graying. DAB will keep radio from becoming an antiquated curiosity in an otherwise digitally transmitted world.



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