

Holland Cooke Newsletter • March '19

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“The destruction of the once mighty ABC stations continues as Cumulus admits it can’t make money with a heritage FM in New York City, which is pretty much saying, it can’t make money period. With WABC now a stand-alone AM, I’m guessing it goes soon as well.”

Tweet by Gil Gross, longtime ABC Radio newscaster and host on major ABC owned stations in their heyday, after Cumulus announced the sale of WPLJ/New York, WYAY/Atlanta, WRQX/Washington, KFFG/San Jose, WZAT/Savannah, and WXTL/Syracuse – all FMs – to Educational Media Foundation for a mere \$103.5 million. Trade press reported the transaction matter-of-factly.

“Cumulus is not done selling stations. It needs to get rid of WABC-AM, New York, which at one time did \$6-7 million a year in revenue. Having one station and an urban suburban station is too much expense for the revenue. And they don’t need the expenses of running WMAL AM/FM in DC alone. That could be next.”

Jerry Del Colliano, InsideMusicMedia.com

“These transactions are consistent with our portfolio optimization strategy and both deals are accretive.”

Cumulus CEO Mary Berner

Yes, we saw this coming – on stilts -- in 1995: <http://getonthenet.com/GleiserFritts.pdf>

Yet, even four years later, big-market AMs were still the template that remains a money-maker for medium and small market stations today, as I recommended in this 1999 quote someone posted on Twitter this past month:

PROGNOSTICATOR

Holland Cooke, News/Talk Specialist, McVay Media



“At too many multistation clusters, AM is the stepchild. Typically, most efforts go into defending topped-out FM audience shares, when it’s all the FMs can do to hang on, let alone nudge the ratings a half-point higher. Fact: The News/Talk/Sports AM audience trounces the qualitative profile of the music FM audience. Only Classical comes close. Proof: For each format, the RAB publishes a listing of advertiser categories in which the format’s audience outperforms listeners/consumers in general. News/Talk rocks. Fact: The most-listened-to, top-billing stations in America are nonmusic AMs. You can recite call letters off the top of your head.”

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7 IDEAS IN 6 MINUTES

1. Heading to Las Vegas for the NAB convention next month?

See you there?

And THANK ME LATER for three tips:

- Comfortable shoes.
- No matter what the dealer is showing, ALWAYS split Aces and 8s.
- Statistically, Insurance is a sucker bet.

2. Station managers: Your host said WHAT???

Gaffes are inevitable, especially in Talk Radio. When your station stumbles:

- Act quickly. The sooner you confront a negative story, the sooner it will be over. Responding as quickly to negative stories as you do to positive ones enhances your credibility.
- Be honest. Hiding embarrassing information or lying will do more damage than damage control. Never stonewall, and avoid "rolling disclosure." As several U.S. presidents have learned (is learning), the cover-up can be worse than the crime.
- Tell your side of the story. Use specifics, and detail what corrective action "has already been taken." You'll sound responsible and in-control.
- Respond in kind. If the issue is emotional, don't sound like a cold, unemotional Mr. Spock. "I have a teenage daughter myself, and I know how much our host's comments must have hurt."

3. Sales managers at Rush Limbaugh stations:

Make this Trump quote, about Rush, a one-sheet or Email pitch, and send to retailers who display large American flags or otherwise self-identify as Trump supporters:

"He can speak for three hours without a phone call. Try doing that sometime. For three hours he speaks. He's got one of the biggest audiences in the history of the world. I mean, this guy is unbelievable."

4. "Sales," you ask?

See back page for a PROVEN new business generator.

5. PDs at baseball stations: HOW many days until Opening Day?

Count 'em down, with produced on-hour IDs, beginning a week out.

6. Talkers/NY2019 conference: "Telling the Story"

It's Friday, June 7, and everyone-over-two-feet-tall will be there.

Except me, dammit. We tape my TV show in Washington on Friday afternoons. But I'll send a video!

For you, see details at Talkers.com, where you can also read my Monday Memo each week.

7. Repeat after me: "Defeat goes over defense before detail."

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“By 2023, digital will exceed two-thirds of total media spending.”

eMarketer

Research firm eMarketer projects that THIS year, the USA digital advertising spend will overtake traditional spending for the first time, up 19.1% (NOT a misprint) to \$129.34 billion, 54.2% of total spending.

- Mobile now makes up more than 2/3 of digital ad spending, \$87.06 billion forecast in 2019.
- “The big winner this year will be No. 3 player Amazon, which continues to siphon share from the [Facebook and Google] duopoly. Its U.S. ad business will grow more than 50 percent this year (to more than \$11 billion). Its share of the U.S. digital ad market will swell to 8.8 percent in 2019, reaching nearly 10 percent by next year.”
- Also forecast: 2019 TV ad spending will decline 2.2% to \$70.83 billion, “largely because there are no elections or big events, such as the Olympics or World Cup.” eMarketer predicts that the 2020 presidential election will propel TV ad spending back into positive growth” next year.

“Radio is not going away, and it should be a big part of the ad mix for those buying advertising.”

Deloitte Insights 2019 “Technology, Media, & Telecommunications Predictions”

From the recently released Deloitte Global forecast:

- 2019 Radio revenue +1% = \$40 billion this year.
- “Radio will continue to perform relatively well with younger demographics. In the United States, for example, we expect that more than 90 percent of 18–34-year-olds will listen to radio at least weekly in 2019, and they will listen to radio for an average of more than 80 minutes a day.”
- “In contrast, TV viewing among 18–34-year-olds in the United States is falling at three times the rate of radio listening. At current rates of decline, in fact, American 18–34-year-olds will likely spend more time listening to radio than watching traditional TV by 2025!”
- “Radio is the voice whispering in our ear, in the background of dinner, in an office, or while driving the car. It is not pushy or prominent, but it is there.”

“People need to support their local media. It is critical.”

Veteran journalist Joe Strupp, author of “Killing Journalism: How Greed, Laziness (And Donald Trump) Are Destroying News And How We Can Save It,” interviewed by GoLocalProv.com

Strupp warns of three major threats:

- Cost-cutting as consolidation continues;
- Biased coverage; and
- “News deserts” created by newspaper closures.

Familiar HC lore: Radio stations that execute relevant local programming well will continue to be conspicuous to listeners and advertisers, particularly if competing stations mail-it-in.

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“If you ask me, would I want a mailing list with 1000 people on it or 100,000 followers on Twitter, I’d take the 1000 emails all day long, because the business you get from 1000 emails will be much more than you get from 100,000 people on Twitter or Instagram.”

David Heiatt, who sold his clothing firm to Timberland

From “The Latest Hot Tech Secret: Your Email” at wsj.com:

- Email still has the highest return on investment per marketing dollar spent, according to the Data & Marketing Association.
- And while Facebook, especially, has whipsawed marketers with ever-changing rules about how to reach customers – and how much Facebook will charge for the privilege – with email, a company owns its own lists. No company stands between a sender and its recipient.

You ARE mailing regularly to an opt-in database, right? Your advertisers are being pitched by a dozen non-radio competitors to deliver messages. What you have that they don’t is your listeners’ affinity.

“New York Times subscriber numbers are skyrocketing in the Trump age.”

MarketWatch report: “Over 265,000 digital subscriptions were added in the last three months of 2018.”

- “The Times’ impressive performance is taking place in a perilous media era. Gains from digital advertising have failed to offset a shortfall from the print side, and newsroom employment fell by nearly a quarter between 2008 and 2017, according to Pew Research.” 2018 digital ad revenue: Up 23% (\$103.4 million), print ad revenue down 10% (\$88.3M).
- The report credits “repeated scoops on the Trump administration;” and the Times’ TV spots I see on MSNBC and elsewhere are extremely well done. Not just playing the defenders-of-the-truth card, they also highlight NYT’s foodies and other buff stuff.
- If you’re reading this as a PDF, you can click-through to the following videos, reports I’ve done about print media woes – and recent digital pure plays’ cutbacks -- on RT’s worldwide business show “BoomBust” (if not, type the following URLs into your browser):

<https://youtu.be/c2AR-wHgnrs>

https://youtu.be/6GD_RUF3kr8

<https://youtu.be/XET97XdKJnI>

Radio’s Digital Revenue+15% in 2018.

New watermark: One billion dollars, per Borrell Associates data commissioned by RAB.

What all of this means to radio?

With those ad dollars flowing from legacy media to digital, be digital too.

- Email (see above) is digital. And – done right -- and it’s a relationship. And having a relationship will result in people asking Alexa for what-you-do, rather than just asking for a song.
- Do stream, so your on-air programming gets back in-home, where AM/FM receivers used to be. But do more. Tell advertisers’ stories. This is a focus issue in my work at client stations.
- Old dogs like radio need new tricks. Later this year, box office titan Disney will launch its Disney+ streaming service, which CEO Robert Iger told analysts is “our number one priority.”

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SOUND BITES

"Ask your bartender for a Shot Through the Heart."

Email invitation from City Tap Dupont, a saloon near RT America HQ in Washington, whose Valentine's week promotion offered "the happily unattached" "action movies, boozy milkshakes and drink specials...minus the rose petals."

"From February 11th-17th, we're partnering with Martha's Table for a clothing drive. Bring an article of your ex's clothing and receive a drink ticket for select wines and brews."

Smart radio stations do stuff like this.

"Listeners cannot remember 10-digit phone numbers...while driving!!!!!"

Familiar HC lore to Sales reps and copy writers I work with, this is online ad copy for "America's Mobile Speed Dial" (pound250.com).

The application enables listeners to dial #250 and connect by speaking the advertiser's name or slogan.

"The most inspiring minds, the most compelling place to listen."

Voiceover copy, TV ad for Audible.com

"When there are too many teams not trying to win, that poisons the game, poisons the fan experience."

Washington Nationals ace Max Scherzer, at Spring Training, commenting on then-available free agents Bryce Harper and Manny Machado and Craig Kimbrell.

Sounding like talent at stations I work with, Scherzer said he is "very appreciative to have an ownership group that has been aggressive in free agency and continue to make moves and push financial resources onto the table to be in a win-now mode and do whatever it takes to win."

THIS JUST IN to the sports desk, and it's bold move...

The San Diego Padres signed Machado to the biggest free-agent deal in the history of North American sports: \$300 million for 10 years.

"I think it's good for baseball to have big stars present in some of our smaller markets and see those markets really being out there willing to compete for the best talent."

Major League Baseball Commissioner Rob Manfred, reacting.

"Terrestrial radio is an 800-pound gorilla that ain't going nowhere."

Garth Brooks at the 50th annual Country Radio Seminar in Nashville this past month:

"If we had Alexa when George Strait's first album came out, I'd have worn that lady out," he quipped.

Many broadcasters are both:

- a) enthused that smart speakers are making station streams easily available in-home, AND
- b) wary of the other audio competition she delivers.

Brooks reckons "this isn't an either/or thing;" and smart stations are making the case for listeners enabling stations' Skills; and stations are selling title sponsorship pre-rolls.

“This will give us more timely data for when format flips and other substantial market changes take place.”

Connoisseur Media CEO Jeff Warshaw, regarding Nielsen Audio’s forthcoming shift to continuous measurement in diary markets. He was interviewed by Inside Radio, which notes:

“With behemoth digital competitors Google, Facebook and Amazon feeding instantaneous data to advertisers, radio has been put at a clear competitive disadvantage by having to wait months for fresh audience estimates.”

- In 4-surveys-per-year markets, the change begins with a three-month May/June/July report released in August. Then those markets will get a new 3-month report each month, with the oldest month’s data rolling-off.
- Markets that have been getting two two-book average reports (Spring/Fall and Fall/Spring) will convert to 12 six-month sample reports.

“Many audio pros maintain that excessive loudness creates aural fatigue. We may not consciously notice it, they argue, but it makes us less likely to listen to music for extended periods.”

New York Times opinion piece: “They Really Don’t Make Music Like They Used To:”

<https://www.nytimes.com/2019/02/07/opinion/what-these-grammy-songs-tell-us-about-the-loudness-wars.html>

- The column explained: “A blaring television commercial may make us turn down the volume of our sets, but its sonic peaks are no higher than the regular programming preceding it. The commercial just hits those peaks more often.”
- I had a 1970s crank-the-Optimod flashback when the writer cautioned: “A radio station playing classical music may be broadcasting a signal with the same maximum strength as one playing hip-hop, but the classical station broadcast will hit that peak perhaps once every few minutes, while the hip-hop station’s signal may peak several times per second.”
- One of my clients – a discriminating Whole Foods-type shopper – is raving about how vinyl sounds on his new turntable. The soundtrack of our lives is now relentless enough that we should think twice about exaggerating it.

“This year, for the first time ever, half of the population uses YouTube as a music service every week.”

Edison Research

“Consumers don’t necessarily know, or care, if their content comes from an online provider, a broadcaster, a cable channel or a ‘tech’ company, so long as they can get it on their phone or tablet.”

Wall Street Journal op-ed by Hudson Institute Senior Fellow and former FCC Commissioner Robert McDowell...or, as he was known in the 1985 WTOP newsroom I managed, “Rob the intern.”

“Welcome my friends. Welcome to my world.”

Hourly show open by National Radio Hall of Fame talker Bruce Williams, who passed this past month, 86.

Bruce didn’t get into radio until he was 40-something. Ask-me-anything advice doled-out on his late-night NBC TalkNet show – and in a half dozen books he wrote -- reflected his previous gigs, including mayor of his New Jersey township, driver of beer and ice-cream trucks and taxi cabs; and owner of barber and florist shops...and radio stations.

“It’s not as much fun as it used to be, and it’s getting quite strong.”

KMZQ/Las Vegas morning host Heidi Harris – in 1995, years before she got into radio – calling into The Bruce Williams Show. Then a casino cocktail waitress, she asked his advice on selling her 13’ python, before it grew to expected 32.’

“I refute any claims that any four guys could’ve done what we did. There was a magic to that collection. We couldn’t have chosen each other. It wouldn’t have flown. But under the circumstances, they got the right guys.”

Peter Tork, who also died this past month, 77, interviewed by Guitar World in 2013; refuting The Monkees’ “Pre-Fab Four” caricature.

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The Story of a Lifetime gets better every...single...day.

Rush Limbaugh + Fox News affiliates: BE The Trump Channel.

"I didn't need to do this..."

The president, declaring a National Emergency, to divert funding to build a border wall, before he hit the links.

"Our president is an idiot."

Ann Coulter, reacting to Trump settling, again, for no Wall money, as he signed a funding deal to avoid another government shutdown: "The bill President Trump signed last Friday is worse than anything Hillary could ever have gotten through Congress."

"My jaw hit the floor."

Taxpayer who got a \$6000 Income Tax refund last year, and will get \$500 back this year, interviewed by NBC News.

- A tax preparer quoted in the story estimated "two-thirds will pay more than they thought and one-third will get more than they thought," after lower deductions each pay period resulted in less overpayment to refund.
- Conservative radio and cable talkers dutifully explained – and diplomatically admonished crabby callers – that the ideal refund is \$0, because any refund gave Uncle Sam an interest-free loan.
- Still, some callers who said they voted for Trump slammed tax changes this year as his gift to the rich.

"My loyalty to Mr. Trump has cost me everything: my family's happiness, friendships, my law license, my company, my livelihood, my honor, my reputation and soon my freedom. I will not sit back, say nothing and allow him to do the same to the country."

Michael Cohen, testifying before the House Oversight Committee.

"He is lying in order to reduce his prison time."

The president, commenting on Cohen's testimony, before abruptly leaving his Hanoi talks with Kim Jong Un.

"You know as well as I do that we are living in a pivotal and dangerous moment in American history. We are running against a president who is a pathological liar, a fraud, a racist, a sexist, a xenophobe and someone who is undermining American democracy as he leads us in an authoritarian direction."

U.S. Senator Bernie Sanders (I-VT) announcing his 2020 run for president on Vermont Public Radio.

"Our sense of community is fracturing across our nation, worn down by the petty and vicious nature of our politics. We are tired of the shutdowns and the showdowns, of the gridlock and the grandstanding."

U.S. Senator Amy Klobuchar (D-MN), joining the crowd of Democrats running for president in 2020.

While her comments do reflect measurable public sentiment, political drama will continue to benefit Conservative talk radio stations and hosts smart enough to exploit it. My counsel to Rush Limbaugh affiliates continues to be: pander to the president's undaunted supporters.

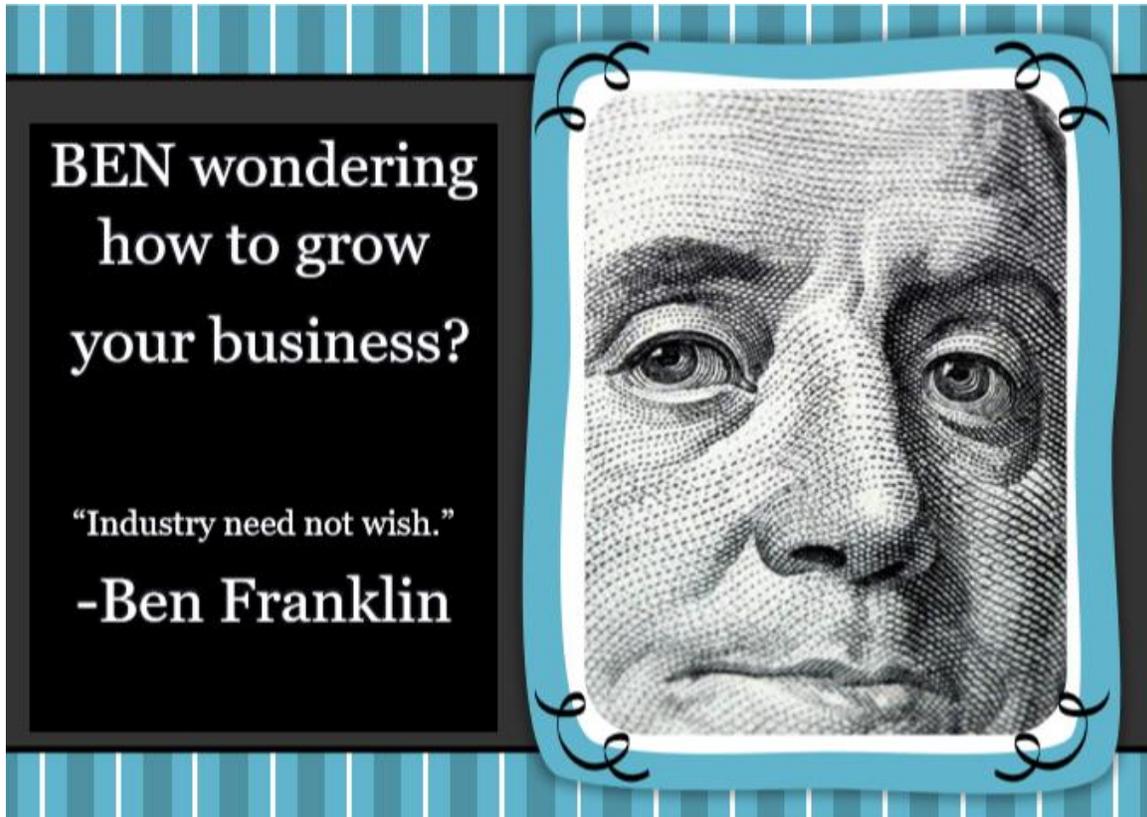
"In our modern political age, the presidential bully pulpit seems dedicated to sowing division and denigrating, often in the most irrelevant and infantile personal terms, the political opposition."

Rep. John Dingell (D-MI), the longest serving member of Congress ever, dictated the day before he died last month:

"Much as I have found Twitter to be a useful means of expression, some occasions merit more than 280 characters. My personal and political character was formed in a different era that was kinder, if not necessarily gentler. We observed modicums of respect even as we fought, often bitterly and savagely, over issues that were literally life and death to a degree that — fortunately — we see much less of today."

Do Lunch?

This is the front of a greeting card-type invitation one of my client stations sent to the existing advertisers and prospects and local agency people we invited for lunch and a witty PowerPoint by respected media consultant Holland Cooke, "who will outline specific tactics that are driving success in media markets across the USA." Actual copy points and other techniques that produced results for radio advertisers.



They're in...fed...and out-the-door in an hour. Most of 'em anyway. Every time we do this presentation, several attendees rush the podium with business cards extended, telling their stories. And in the dozen times we've done this luncheon in various cities, the stations have always written new business.

But not then-and-there...

“You are invited, but your checkbook is NOT.”

2 other keys to filling the room with the most-qualified prospects:

- Who's advertising, but not on our air? Invite retailers you hear on other stations, and those you see using outdoor and TV.
- Call – mail – call. Reps make "save the date" calls to tell their list the invite is in the mail. A few days later, follow-up to confirm. We're asking for the attention of busy people. (Make nice name tags).

Although I'm known as "a programming consultant," I often spend more time with client stations' Sales people. This lunch event can be part of a full-day station visit which includes a sleeves-rolled-up Sales meeting in which we brainstorm specific accounts. Interested? Call me for available dates: 401-330-6868.