

Holland Cooke Newsletter • May '19

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“We believe that radio is having a next generation moment.”

Michael McEwen, Director-General, North American Broadcasters Association, at the 2019 NAB Show this past month.

Huge banners atop the Las Vegas Convention Center proclaimed “Every story starts here,” and reiterated the theme of the National Association of Broadcasters’ annual convention these past several Aprils: “Where content comes to life.”

As opposed to “where content feeds transmitters.” While the NAB’s mission remains lobbying on behalf of FCC licensees, its unmistakable message to attendees is – as NPR VP/Distribution Michael Beach put it -- “be offering your content anywhere and everywhere you can do it.”

“Create faster. Produce anywhere. Deliver everywhere.”

That’s the mantra of NAB Show sponsor Amazon Web Services, whose giant banner was hung side-by-side with “Modernizing the media experience: Google.” Beach smiled when he called radio “the cockroach of media, you can’t stomp us out,” but his point wasn’t lost in a packed room (on a Sunday morning in Las Vegas no less).

In the session – “The Next Generation of Radio: The Value Proposition of Radio in a Connected World” – we heard how hybrid dashboard radios will soon follow the station’s on-air signal while within the pattern, then switch to the station stream if you drive out of the footprint. Until then it’s up to us to replicate content on the various platforms listeners are using (and advertisers are buying).

“Broadcasting has to invest to grow.”

Reflecting on his experience in Europe, Radioplayer Worldwide General Manager Lawrence Galkoff said radio’s digital transition there “wasn’t the end of the world.” He said that listeners – even older ones – followed their favorite talent to new receivers. Though owners cringe at the expense, he called going-digital “an opportunity for broadcasters to grow.”

Sound bites from fellow panelists:

NAB Executive VP and longtime station owner Steve Newberry:

- “Music is becoming a commodity. If radio stations continue to make that their lead, they will have problems. What your personalities do to connect with the local community” will be the key for music stations. “What can you do to add value [to your playlist]?”
- And for talkers: “How can you bring the national story to local relevance?”
- Radio’s inevitable migration to digital is “a cost anxiety;” but “we have to think like consumers. They want what they want where they want it.” Just feeding transmitters is “not a long-term strategy.”

Seconding that, Radio Advertising Bureau Senior VP/Digital Services Dave Casper reckons that “what has made radio resilient is the local connections we make to our markets.”

As for stations’ most important investment, its HR, Galkoff reckons that, to disseminate content all the places it has to go, “people have to be more productive, to have more skills.”

As stations are now prioritizing podcasts, we’re hearing how, as Jacobs Media’s Fred Jacobs observed, broadcasters aren’t necessarily the best podcasters. He and Michael Harrison and I discussed podcasting recently on my TV show, and you can see the video on my home page at HollandCooke.com

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7 IDEAS IN 6 MINUTES

1. Sales reps: FIRST question you should ask on a cold call:

"What would make you...happier?"

You've read this suggestion here before, and it just worked again! While visiting a client station, I met with a home construction/repair contractor. He wasn't using the station, HAD used other radio a while back, and is getting results with HomeAdvisor.com.

- "You've already got what you've already got. What would make you happier?" I asked, to get him specific about the-jobs-he-wishes-he-had.
- Next question: "What do you want those customers to know about what you do?" We recorded his unscripted responses, and lifted sound bites for the spot (mostly him, lean announcer copy).
- Result: 6-month deal.

2. Cliché Alert: "Full stop"

3. Malaprop Alert: "Mute point"

A mute is someone-who-can't-talk. So your point sure would be moot...meaning "of no significance or relevance."

4. Research: Tweets about yourself get re-Tweeted less than Tweets that link to third party Internet content.

Wharton Prof. Jonah Berger: "People like to pass along practical useful information. News others can use."

5. FREE download: Meaty white paper from NAB Show session: "The Next Generation of Radio: The Value Proposition of Radio in a Connected World:"

<https://nabanet.com/project/the-value-proposition-of-radio-in-a-connected-world/>

6. Resource: TrumpTwitterArchive.com

7. Doing a syndicated weekend show? Want more stations?

NOT a trick question.

Hear Talk Radio's top station clearance pro in the podcast at SolidGoldWeekend.com

NEXT MONTH: Promos 101.

- 2 things your on-air marketing CAN accomplish...and something it CANNOT (surprise!).
- How ON-AIR marketing (FREE) can move the ratings needle better than OFF-AIR promotion (EXPENSIVE).
- THE worst promo I hear most often in my travels.

LAST MONTH: 3 tips for baseball stations.

- Miss that issue? Email me at newsletter@hollandcooke.com
- Not receiving this FREE newsletter each month? Just ask! Same address.

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2019 NAB Show: Sound Bites from Sin City

National Association of Broadcasters President & CEO Gordon Smith, opening the convention:

- "When people can access virtually anything from virtually anywhere from millions of sources of information, broadcasters' role in every community has become even more critical as people search for a trusted and reliable news source."
- "We may be on the cusp of a new era of manufacturing that should and could include broadcast reception in [wireless phone] devices. But to date, manufacturers, Apple being one, refuse to enable broadcast chips in their devices. And it begs the question...why?"
- And Smith assured music stations that NAB remains committed to "preventing a performance tax that would cripple local radio stations." And he called for "fair streaming rates."

Accepting NAB's Spirit of Broadcasting Award to a standing ovation, longtime, recently-retired trade scribe Tom Taylor asked "Does anyone here really believe that journalists are the enemy of the people?" Saying "I worry about a lack of confidence in our own business," he urged that we "plan well, try new things."

Previous recipients of NAB's Distinguished Service Award include Edward R. Murrow, Ronald Reagan, Michael J. Fox, and Mary Tyler Moore. This year's honoree is Alan Alda:

- "Like half the population of the world, I've started a podcast," he grinned. It's called "Clear + Vivid." Even at 83, "just being in the studio excites me" he confessed.
- Alda addressed NAB Show's "storytelling" theme, saying "storytelling synchs us up." Recalling the record TV audience for the M*A*S*H finale episode, he said "there's something missing" now that we watch alone on connected devices, rather than sharing – and discussing – media content.
- Describing his technique, he said "the person communicating has to listen better than the person being communicated to." As an actor he doesn't "read lines." He responds to the other actor. And whether it's acting or hosting or interviewing, "I don't think I'm really listening unless I'm willing to be changed by you."

The NAB Show had lots about the Connected Car, where AM/FM radio has lots of new-tech competition. But Katz Media Group Chief Marketing Officer Stacey Lynn Schulman reckons "the brands that are well known in the car are your brands, the call letters are your call letters and the channel position is your channel position. As long as you invest in that, that will be what the consumer asks for when they sit in the driver's seat."

FCC Commissioners:

- Geoffrey Starks, alluding to the Sinclair orders-from-headquarters controversy a while back: "I am NOT a fan of large corporations that are writing the local news."
- Brendan Carr: "Adding FM translators has helped, as a stopgap measure."
- Michael O'Rielly: "It's no longer AM radio fighting AM radio and FM radio fighting FM radio."

From the session "Building Brand with Social Media:"

- "People pay attention to video and skim or multitask written content and podcasts."
- Sunday evening is a good time for live streaming video. Avoid Monday mornings and Friday afternoons.
- Instagram's pay-for-play "Recommended for You" feature produces results.
- "User-generated content is a fantastic, and cheap, way of getting your customers to market for you!" A Las Vegas restaurant has a taller-than-you Bloody Mary sculpture out front, and EVERYBODY stops for a selfie.

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The Podcast Consumer 2019

The ongoing Edison Research "Infinite Dial" surveys began in 1998. Help yourself to the most recent report – "The Podcast Consumer 2019" – download and webinar video -- at:

<https://www.edisonresearch.com/the-podcast-consumer-2019/>

My short-version notes from the debut presentation by Edison Senior VP Tom Webster:

WHO are they?

- "Growth in every major demographic."
- As with most new-tech adoption, growth is most significant 12-24.
- Podcast consumers are SLIGHTLY more male.
- Ethnic: "Whiter than the U.S. population."
- More affluent, educated, employed full-time than the general population.

"This is a medium that is continuing to bring in new listeners."

- 48% of those who have "Ever listened" started listening less than a year ago.
- 41% of monthly podcast listeners say they are listening to more podcasts than a year ago (only 13% are listening to fewer).

WHERE are they?

Lots of places radio wants to go:

- 90%: At home
- 64%: In a car or truck
- 49%: While walking around/on foot
- 43%: At a gym/while working out
- 37%: At work
- 37%: While riding public transportation

Note: Because people listen in multiple locations, these numbers will add-up to more than 100%:

HOW they listen?

On non-receiver devices broadcasters want to extend to:

- 65%: Smartphone/Tablet/Portable device
- 25%: Computer/Laptop
- 10%: Smart speaker

Tom calls podcast listeners "an attentive, captive, lean-forward audience," based on what they're doing while they listen. Top 4 activities:

- 70%: Not doing anything else, just listening.
- 59%: Doing household work or chores.
- 52%: Driving
- 51%: Relaxing before going to sleep

"This is a watershed moment in the history of podcasting."

51% of those surveyed have "Ever" listened to a podcast.

How to grow that number ("cume" in ratings lingo) and Time Spent Listening? Among reasons those-surveyed who are "Aware" of podcasting but aren't listening:

- 75%: Podcasts "just aren't for you." Tom figures that "with 700,000 podcasts" out there, "they haven't been given the reason" via promotion.
- 51%: "Not enough time"
- 49%: Podcasts "don't provide anything that you can't already find elsewhere" demonstrates a perception that "podcasts are the same thing as radio, except as on-demand."
- 40%: "Too long," affirming conventional wisdom that shorter-is-better.

Among other reasons cited: 38% "You have to pay to subscribe." Webster infers that "For most people, when you say 'subscribe to a podcast,' they think of it like subscribing to Netflix or a magazine...you're going to have to pay money."

Want more clicks?

- Address those objections, and others you'll hear explained in the full presentation, as you promote podcasts. Two tips...
- Top two responses to "You would listen to more podcasts if..." are "more podcasts on topics interested in" and "a well-known personality had a podcast."
- And note on the presentation chart "Sources Used at Least 'Occasionally' to Discover Podcasts:" Recommendations from/Ads on AM/FM radio stations: 46%. Webster reckons "cross-promotion is the secret sauce."

Can this make money?

"When you hear advertisements on podcasts, how likely are you to consider the brand advertised?"

- 17%: Much more likely.
- 37%: Somewhat more likely.
- 39%: Neither likely nor unlikely.
- 3%: Somewhat less likely.
- 4%: Much less likely.

Check my math: 17% + 37% = 54%. So "Much" + "Somewhat more" likely = opportunity, one we're exploiting at client stations with packages that include:

- "Ask The Expert" shows, or pay-for-play interviews, which we...
- Repurpose as podcasts, on the station's or the client's web site, of which we...
- Invite consumption via click-to-listen links to the station's/advertisers' Facebook/Twitter followers. And from which we...
- Excerpt sound bites for on-air shortform (spots and promos for podcasts/Ask The Expert shows).

Not-doing-so would seem to leave money on the table. Tom Webster says "the people who are discovering podcasting are discovering more than one. And people who have listened for years are listening more." And podcasts are the audio podcast listeners consume most.

Wider-angle shot: My recent Talkers Monday Memo, notes from Edison's "Infinite Dial 2019" research:

<http://www.talkers.com/2019/03/11/monday-memo-infinite-dial-2019/>

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“Today, marketers are just as likely to target young people simply because they are young – even though they have no money and cannot and will not buy their products.”

“Ad Contrarian” Bob Hoffman, in his book “Marketers Are From Mars, Consumers Are From New Jersey”

From his packed NAB Show session “The Power of Broadcast:” How the Digital Delusion and the Obsession with Precision Targeting are Hurting Advertising,” the outspoken veteran ad man offered:

- “My industry has been living in a very high-rent fantasy land.” Digital has been prioritized because of “the avalanche of misleading bullshit in the press;” and because of the broadcaster seller’s “fear of being labeled a traditionalist.”
- “Advertisers are spending half a trillion dollars a year on online advertising,” and “no one knows how big online ad fraud is.” Online advertising is “largely digital junk mail.”

“The idea that the same consumer who was frantically clicking her TV remote to escape from advertising was going to merrily click her mouse to interact with it is going to go down as one of the great advertising delusions of all time.”

In Hoffman’s view, great commercial campaigns will continue to deliver better than Digital.

- “The highest goal of advertising is to create a strong consumer-facing brand.”
- “The more people you talk to the more likely you are to acquire new customers.”
- His surmise: On-air advertising creates demand, which consumers can act-on digitally.

As for the disconnect between which demographic is spending and which demographic advertisers target:

- “People over 50 control 70% of the wealth in the US, and are responsible for about half of all consumer spending.”
- “Why are we so focused on 14 year-olds? If people over-50 in America were their own country, they’d be the third biggest country in the world.”
- Why agencies woo the young? Agency PEOPLE are young, and “marketing by selfie stick.”

INSTANT SALES MEETING: Hit YouTube.com and search “Holland Cooke Grey is Gold.”

“We tried radio. It didn’t work.”

The six most-dreaded words a station rep can hear.

Was copy the culprit?

Tip: Approach the listener the same way you approach the advertiser. I explain in the video you can see on the home page at HollandCooke.com

YES YOU MAY forward this newsletter to friends and associates. Muy apreciado. Tell them that for 25 years it cost \$99 a year. Now it’s FREE! Just ask: newsletter@hollandcooke.com