



TRANSMITTER

Vol. 55 No. 6

June 30, 2016

If you don't serve your industry well, it won't serve you well.

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Chairman's Message:

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You are in the office and you get an incoming call. The caller is a program chairperson for a local civic club or community group. They need a program for tomorrow night's meeting, and – “Can you please come and do a presentation about broadcasting?” Ever gotten a call like that?

Maybe it was a local marketing class or a career day at one of your local high schools. After responding with “Sure, I'd be happy to” you hang up the phone, and ask --- “OK, where do I start?” Let me give you an idea: Go to KAB.net and download the power point presentation called “We are Broadcasters.” It is very well done by the NAB & KAB.

The presentation is a very nice slide deck to have on hand for just such a request, as noted above. You can also review it in a staff meeting while affirming their choice of making a career in broadcasting (slides 4 & 6). You may also find some surprising information on the impact we have on our state's economy (slide 10).

The presentation is right there on the main page. While there, take 10 minutes and do some browsing around. Become familiar with all that your state association offers through your membership! I'll bet you'll be as surprised as you were when you got the call to make that presentation about broadcasting! Make it a GREAT month, &.....always remember, at the KAB — “We've got your back!

FCC Commissioner to Speak at KAB Convention



We are very pleased to announce that Ajit Pai will be our featured speaker at noon Monday, October 10. Commissioner Pai is originally from Parsons and is a big fan of local radio and TV. During his four years at the Commission he has endorsed a variety of issues for broadcasters, including AM revitalization, reduction in paperwork and bureaucracy, and relaxing ownership limits. Prior to his appointment as commissioner, Pai served as Deputy General Counsel at the FCC and Chief Counsel for the Senate Judiciary committee.



Please make sure you get this on your calendar; the annual convention is a bit earlier this year October 9-11 at the Wichita DoubleTree by Hilton Airport. But the format will remain the same, with the awards reception on Sunday night and the meetings all day Monday and a half day on Tuesday. Click here for the schedule and to download a registration

<http://kab.net/Events/ConventionInformation/>

The speakers so far who will be presenting include:

Auto Expert John Tkac for Sales

Kevin Benz for News

Mike Matson of the Kansas Leadership Center for Managers

David Oxenford, KAB Hotline Attorney, for Managers

We continue to seek the best presenters for engineering and radio programming. This great event does not happen without the support of our sponsors, who to date are:

Kansas Electric Cooperatives

Heartland Video Systems

AAA Kansas

Kansas Farm Bureau

Broadcast Electronics

The Storm Report

Koch Industries

Marketron

Kansas City Royals

K-State Sports Network

Kansas Radio Networks

KAB Accepting Individual Award Nominations

Each year, the KAB honors outstanding Kansas broadcasters through the Distinguished Service Award, the Hall of Fame, Mike Oatman Award for Sales Mentoring and the Sonny Slater Award for Service to Station and Community.

If you know of someone deserving of any of these awards, please go to our website and read about these awards and how to send in a nomination. <http://kab.net/KABAwards/KABIndividualAwards/>
The deadline is August 1.

Are You Using Text Messages for Contests and Promotions?

A lawsuit brought against a large broadcaster for alleged violations of the Telephone Consumer Protection Act (“TCPA”) just settled for \$8.5 million. The TCPA is a law that restricts businesses and organizations from making calls and texts to consumers’ residential and wireless phones without having first received very specific permission from the recipient. Sending texts to broadcast station viewers or listeners who are contained in a station’s loyal listener or loyal viewer clubs can lead to liability if the proper releases are not obtained, and collecting text addresses from contest participants and adding them to station databases can similarly be problematic.

For non-telemarketing calls and text messages to wireless numbers, the consent can be oral or written, and there are no specific requirements for what the consent must say. However, the burden is on the broadcaster to prove it had consent to make the call or send the message in the event a consumer complains. So, it is safest if, when you gather telephone numbers with the intent of using them for station marketing purposes, you make explicit what kinds of messages that you can send to people who have provided their numbers. You can read more on this in David Oxenford’s blog at

Fewer Stations But More News on TV

According to a RTDNA and Rutgers University survey, 714 stations produce news, three fewer than last year. However, the producing stations through sharing arrangements are distributing their news on 339 additional stations, 11 more than last year. Altogether then, 1,053 stations run news, up eight from a year ago. That's more than ever before, says Bob Papper, professor emeritus at Hofstra who oversees the survey.

The survey of all 1,681 non-satellite, full-power stations was conducted in the fourth quarter of 2015. "The average amount of weekday news tied the all-time high set in 2012 of 5.5 hours, but the median weekday amount of 5.5 hours broke the old record by half an hour," Papper says in his report on the survey. "Saturday's average of 2.2 hours is also a record high, while Saturday's median of 2 ties a record. Sunday's average of 2 hours ties the record, but the Sunday median of 2 hours is an all-time high.

Radio Jobs Decrease – TV UP Slightly

(Courtesy Radio World) Recent data on employment trends from the U.S. Bureau of Labor Statistics show substantial job shrinkage in the industry over the past quarter century, which likely won't surprise many people reading this.

The number of radio broadcasting jobs fell about 27 percent from 1990 through early this year, according to data accumulated by the government bureau; radio is the darker red line in the graphic at right. There were 118,700 radio broadcasting jobs in 1990 compared to 86,800 through March 2016, the most recent month available.

A bureau report about jobs in media shows radio experienced a notable drop in jobs during the Great Recession, which the U.S. Department of Labor considers the period from late 2007 through early 2010. The industry shed nearly 20,000 jobs within three years.

The employment data do show gains in the number of jobs in broadcast television since 1990. Employment numbers of the two broadcast industries nearly mirrored each other through much of the 1990s, but currently there are 130,400 employees in television broadcasting, up from 113,000 in 1990, the government data shows.

FCC Filing Deadline July 10

By July 10, all radio and television broadcast stations, both commercial and noncommercial, must prepare a list of important issues facing their communities of license, and the programs aired during April, May and June dealing with those issues. TV stations and radio stations in the top 50 markets with five or more full-time employees must post these documents to the FCC's online public file database. All other radio stations must place these documents in their local public inspection files. Also by July 10, all commercial full power and Class A TV stations must prepare and file the Children's Programming Report on FCC Form 398 for the second quarter of 2016, and post online documentation demonstrating compliance with the limits on commercial matter aired during children's programming.

Kansas Stations Earn Murrow Awards

Three KAB member stations have won prestigious Edward R. Murrow Awards from the Radio Television Digital News Association for outstanding achievements in electronic journalism. The winners will be recognized at the RTDNA Edward R. Murrow Awards Gala in New York City on October 10. Congratulations to the stations listed below along with the title of their entries.



Feature Reporting - KMUW FM, Wichita – “Reaching Out: The Ongoing Relationship Between the WPD and the Homeless”

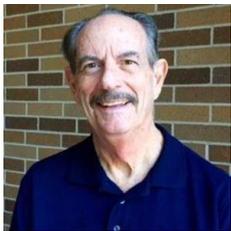


Breaking News - KFDI FM, Wichita – “Thunderstorm Becomes Tornadoic”



Newscast – KMBC TV, Kansas City – “Clinton Murders and Manhunt”

Russ Gibson Obituary



Former KAB Board President Russell W. Gibson died earlier this month in San Antonio, TX. He was born in Sterling, KS and graduated from Kansas State University in 1961 with a degree in Radio /Television Broadcasting. He worked in radio sales and management for 32 years in Dodge City, Topeka, Sioux City, IA.

Gibson’s last stop as a broadcaster was at KINA radio in Salina where he served as general manager. In 1982 he was elected to the KAB Board of Directors and served as President in 1984. Gibson changed careers in 1988 from radio to sales for Feist Publications in and around Lubbock, TX. He is survived by his wife Carol of 57 plus years, a daughter Maradee Holmes, Austin, TX; a son Weston, Salina, KS; and two grandchildren.

The Reasons for Teaching ROI to Your Direct Clients



Sometimes, you come up with a revelation that is so important and so misunderstood you feel like you have a moral obligation to share it with others. Over my decades in media sales, I feel like I have discovered things that must be shared with others, particularly in this calamitous time in broadcast history.

The idea is how to avoid surprise cancellations and at the same time convince clients to spend three, even four times what they think they should be spending with you, by simply offering up evidence in the client’s own language to convince them that your budget idea is better than theirs. This idea, the concept of providing the client with a return on investment formula for their advertising, makes them feel better about spending more money with you, regardless of your geography, your program or format, your ratings (or lack of them), and your prices. Explaining this simple formula achieves the following goals.

- It makes advertising with you look like less of a gamble and more of a good, calculated risk.
- It gives you ammunition for justifying higher rates.
- It rationalizes a much larger budget for your station.
- It’s done in a language the client actually understands.
- It usually kills the client’s objection, “Cancel my advertising. It’s not working,” by managing the client’s possibly unreal expectations about advertising results.
- It gives you another great way to get an appointment with a decision maker.

What do you need in order to show a client how to calculate ROI? Very simple.

- The client's average sale
- The client's gross margin of profit (GMP)
- Your CUME number (NOT households).

Now let's define specifically what these numbers mean. What is "Average Sale?" To calculate average sale, the client simply adds up all of the revenue he/she takes in in the course of a normal sales day and then divides that number by the number of people who bought.

What is Gross Margin of Profit?" Gross margin of profit is what's left over after the client subtracts either the cost of materials or labor. Not both. Whichever is higher. GMP does NOT include cost of utilities, rent, taxes, maintenance, etc. That would be NET profit. Let's take a look at a real scenario and how discussing ROI worked with a real local direct client.

Situation:

- Client is an expensive men's clothier.
- Client says he's tried broadcast before but he's skeptical because last time he says "It didn't work."
- Client is willing to spend only \$1,000 in one week.
- Station reaches 100,000 people per week.
- Station's average rate is \$150. (stay with me even if your average rate is say, \$50)

Objective:

- To determine how client came up with his budget.
- To determine why last campaign "didn't work."
- To manage client's expectations about results based on facts, not client's opinion.
- To get client to increase budget.

Strategy:

- Use real numbers to show client that instead of "gambling," using your station is actually a good, calculated risk.
- To use a chart to manage the client's expectations about results.
- To come up with a reasonable goal for your campaign.
- To get the client to spend more money based on reasonable expectations about results.

In this case, the client had used the station before. But he was skeptical about his results. So this time, he's only willing to "gamble" \$1,000, too small of a budget for a station that cumes 100,000 persons per week, where an average rate is \$150 per commercial. His average sale (pricey) is \$800 and his gross margin of profit is 50 percent. So in other words, let's say the client goes to the Apparel Mart, and finds a very cool designer shirt that he buys in every size for \$100 per shirt. He marks that shirt up 100% to \$200. When he sells it to a delighted customer, to determine his GMP, he simply subtracts what he's got into it (\$100) and what's left over is \$100, the cost. So, that \$100 represents 50%, the amount left over that he can reinvest in his business.

Client's Budget-\$1,000

Your station's CUME 100,000

Client's average sale \$800

Client's gross margin 50%

So, I ask this client this question. "How many new customers spending \$800 (Client's average sale) does the client believes it would take to break even on campaign? His answer...not kidding...80 or 90. HUH? Where did that number come from? Answer-fiction. Based on our real numbers the client would only need 2.5 new customers. (2.5 X \$400 – the gross margin)

What if only 1 percent of our audience responded to a great spot run enough times to reach out to the people most likely to want to buy from client? Remember, the station's CUME audience is 100,000 different people per week. If you are in a small market or you are unrated, come up with a number that you and the client both agree is fair. Count the population in your signal coverage area and say, "Let's just say 20 percent of these folks tune us in once per week. That would be "X" number of people."

For a 100,000 CUME, (Teevee people, PLEASE don't use "Households." Why on earth would you voluntarily chop your biggest number in half?).

So, here we go with the numbers. We start with just one percent of our CUME number.

- 1%=1,000. Probably won't happen. Client isn't giving anything away in his commercial.
- ¼ of 1 percent =250
- 1/8 of 1 percent=125
- 1/64 of 1%=16
- 1/256 of 1%=4
- 1/512 of 1%=2

What was our magic number? 2.5! That's a long way from 80-90. So if somewhere between 1/256th of 1 percent and 1/512th of 1 percent of our audience responds and spends an average of \$800, the client breaks even. The client is shocked. So I ask him, "Instead of going after three new customers, why not go after 12?" The client, suspicious, says, "We'll go after nine," tripling his original budget.

So, what do we learn? Without an ROI calculation you are blind. And you'll get blindsided, with no defensive strategy when a client cancels because it "didn't work." That with ROI we manage the client's expectations about results and we don't get burned so often with surprise cancellations.

We also learn that with ROI you can justify a larger budget. We know that with an ROI explanation you make advertising with you look much, much less risky. Why not try it? "Because it's math and I'm no good at that." GROW UP. Once you start using this formula you'll NEVER go back to the old way again.

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If you have anything you would like to place in the newsletter send it to kent@kab.net