



# TRANSMITTER

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

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## Chairman's Message:

*Ron Thomas*

*KVOE AM/FM, KFFX FM, Emporia*

[thomasr@kvoe.com](mailto:thomasr@kvoe.com)

Greetings and welcome to summer (almost). I hope these upcoming warm months are filled with goals met and vacations enjoyed.

I am not a huge fan of air travel (a necessary evil), the security, the lines, the waiting, the rushing, the delays, the fear of the middle seat; it's all a bit too stressful to be enjoyable. Although watching people trying to cram a large carry-on item into the overhead compartment can be comical. That said I am coming off a perfect trip to Washington D.C.

In early May Senator Jerry Moran invited me to represent the KAB at a dinner reception for FCC Commission Chairman Ajit Pai. I had no idea what to expect and who else would be attending, but I was pleased that Senator Moran felt the KAB should be invited. The event was held in a historic townhouse in a residential D.C area with about 25 in attendance, including a handful of Kansans and a number of Chairman Pai's former and current colleagues. After some words from Senator Moran (who organized the event), the Chairman spoke briefly first on how touched he was that we were all in attendance and that the first months as the head of the FCC has not been without some serious challenges.

This event was not about FCC issues, but an opportunity for us to thank Chairman Pai for all he has done and for his service. I did have the opportunity to speak with Mr. Pai (as many of you know a Kansas native that grew up in Parsons), and I can tell you he has the greatest respect for local broadcasters and the work they do for their communities. Kansas Broadcasters, we are fortunate to have Chairman Ajit Pai leading the FCC and fortunate too to have the support of Senator Moran. It was a terrific evening, and I was honored to represent the KAB.

Oh, by the way, my flights were on time, lines were minimal, cab drivers were good, and a non-full flight home! Have a great month and thanks for all you do.

## Grover Cobb Memorial Restoration



The Grover Cobb Memorial was dedicated on the K-State campus in 1975 to honor one of the founders of the KAB. This is the only site in Kansas which recognizes this pioneer broadcaster as well as the legacy of Kansas broadcasting. Many of you stand on the shoulders of Grover Cobb and his accomplishments as a Kansas broadcaster and later as one of the top executives at the National Association of Broadcasters in Washington.



The memorial, which sits below one of the historic twin flat top radio towers built in 1924, is in disrepair and in dire need of being updated. It does not reflect the image we as Kansas Broadcasters want to portray to the numerous visitors and students strolling through the K-State campus. The university does not have the funds to undertake this project, so we've been working with the faculty and students of the school of Landscape Architecture to design changes that include pavers, seating and repositioning bronze plaques.

We are in the process of raising the \$40,000 needed to restore the memorial. We'd like to have the funding in place by July 1 so we can stay on schedule to have

this completed in time for the KAB Convention in October – which happens to be in Manhattan! I hope you and/or your company will strongly consider honoring Grover and all Kansas broadcasters. Here is a link to a brief slide presentation and details on contributing to the project.

<http://www.kab.net/KABAdditionalInformation/AdditionalDownloads/d139733.aspx>

## KAB Convention



Please make sure you get this on your calendar; the annual convention is October 15-17 at the Manhattan Hilton Garden Inn and Convention Center. We are working on the schedule and hope to have a tentative one posted by early summer. 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.

We are very pleased to have the following convention sponsors so far:

Kansas Electric Cooperatives  
Heartland Video Systems  
Jayhawk IMG Sports Network  
K-State Sports Network  
Kansas Farm Bureau

AAA Kansas  
Marketron Broadcast Solutions  
Kansas Radio Networks  
GatesAir

Kansas City Royals  
The Storm Report  
Test Equity  
Koch Industries

## KAB Station Awards for Excellence



The website is now open for you to submit your best work over the past 12 months in the KAB Awards competition. **The deadline is 11:59pm on July 1.** Last year we had 751 entries in both radio and television, and handed out 95 first place awards in the various categories and market sizes. There will also be awards for 2<sup>nd</sup> place and Honorable Mention. And one station from each market size will be selected as “Station of the Year.”

You can find all the eligibility requirements, categories, and link for the contest website at <http://kab.net/KABAwards/BroadcastAwards/>

**Please note:** When you first log on you will be asked to register a new password in order to keep the site secure. We strongly encourage you to select a contestant manager for your station(s), and that he/she get on the site soon to make sure you don't have any problems or questions. Please don't wait until July 1, which is a Saturday.

## Day at the K for Sports Seminar



Attendees of the annual KAB event brought good luck to the Royals as they won that evening! During the day the Royals hosted another excellent event for Kansas broadcasters and students interested in sports media. It began by honoring Glen Grunwald of KWBW/KHUT in Hutchinson with the annual Hod Humiston Award for Sportscasting.

Along with fellow members of the Missouri Broadcasters Association, participants later moved from table to table to hear from KU, KSU and Chiefs announcers and a 30 minute session with the Royals announcers. (Don Free who is retiring as producer/engineer for the broadcasts at the end of the season was featured). In between, manager Ned Yost answered questions for 15 minutes and the group then toured Arrowhead Stadium before a tailgate dinner hosted by the Royals and featuring general manager Dayton Moore.



## FCC Looking at Main Studio Rule...and More

(From David Oxenford, KAB Hotline Attorney)

The FCC started two proceedings of particular importance to broadcasters. The first looks at the abolition of the main studio rules. The second asks for comments on all of the other rules affecting broadcasters and other media companies to see which are ripe for appeal. For the most part, the proposals as adopted mirrored the draft orders released for public review back at the end of April. The proposal to review all media rules – referred to as the *Modernization of Media Regulation* – will look at all media-related FCC rules with the idea of eliminating or modifying those that no longer make sense in the modern media environment. Only the multiple ownership rules, already under review in separate proceedings are excluded from this review.

In the proposal to abolish the main studio, a few additional questions were added to the final order, the most substantive of which dealt with the requirement that would be retained that stations maintain local telephone numbers that local residents can call to address issues about station operations or to respond to community needs and emergencies that may arise. Included among the new questions was

the question of whether the phone line needed to be manned during all business hours, or perhaps even during all hours of operation of the station. Even if a live person is not required to answer the phone, the FCC asked whether there should be some requirement that all calls be answered within a given time frame, principally so that no emergency go unreported. In effect, if adopted, these would be new requirements that a broadcaster giving up its main studio would have to live with.

## **FCC Proposes Changes to Annual Regulatory Fees**

Each year, the FCC is required by Congress to collect regulatory fees to cover the costs of its operations and the FCC must ask for comments on its proposed allocation of the fees among all those that it regulates. Last year, the FCC imposed, for both radio and TV stations in the biggest markets, higher fees through a new category of fees for stations in the very largest markets. By charging higher fees to larger stations in larger markets, the FCC believed that it could offer regulatory relief through lower fees on those least able to pay – the smaller stations in smaller markets. The FCC now proposes to further adjust the fee burden, allocating even more to stations that serve the largest populations.

In addition to this proposed reallocation, the FCC proposes to limit the payment of lower fees paid by television “satellite” stations, typically those TV stations that serve rural areas and rebroadcast the signal of other television stations, to only those stations officially designated in the FCC records as being satellite stations. The FCC provides a list of the TV stations that they think are satellites, and asks for comments on that list. Is it accurate?

To see the FCC’s Notice and to see the difference in proposed fees and the list of satellite stations, you may click here [https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-17-62A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-17-62A1.pdf) Comments to the FCC must be made by June 22.

## **Watt New GM of KSHB TV**



Steve Watt has been appointed vice president and general manager of its KSHB and KMCI in Kansas City. His first official day is May 8. He is replacing Brian Bracco who retired last month. Watt, has 30 years of industry experience including the past 13 years at WKRN in Nashville. He arrived at WKRN in 2004 as a local sales manager. Through the years, he was promoted to general sales manager, acting station manager and most recently to vice president and general manager. He guided his team through several company ownership changes, strategic planning and rebranding.

Prior to Nashville, Watt worked at several media businesses in the Quad Cities area in Iowa and Illinois. Before entering the sales side of the business, Watt was a TV news reporter at WOI Des Moines, Iowa; WQAD Moline, IL; and KDAO-AM-FM Marshalltown, Iowa. Watt earned a bachelor’s degree in journalism from Iowa State University. He is a member of the ABC Sales Advisory Board and NABEF Executive Development Program.

## **Magic Numbers for Local Broadcast Sales**



Numbers are a funny thing. For example, the number 37 is the only number (besides one) that can be wholly divided into 111 and 222 and 333 and 444, etc. all the way up to 999. This article is about different kinds of numbers, the ones you need to calculate return on investment for local direct clients. The numbers I’m talking about are client gross margins of profit and your client’s average sale. If you don’t know these numbers then you’re blind, and you’re asking for trouble. What kind of trouble? “Cancel my advertising. It’s not working.” or, “You’re too

expensive.”

**You need to know about these numbers if you want to manage your client's expectations about results. You'll need these numbers to show clients that advertising with you is not gambling, but instead, a good calculated risk. And, you need to know these numbers if you are interested in doubling or tripling or quadrupling what your clients are spending on your stations.**

**Average Sale represents the dollar total of all sales rung up on an average day, divided by the total number of sales rung up. Gross Profit Margin is the percentage of profit AFTER the business has paid for goods (retail outlet) or labor (service-oriented business) ONLY. GPM is calculated by subtracting either the cost of labor or the cost of goods, but not both, from the sales price.**

**Let's look at the power you have by knowing those two numbers. I spoke with the owner of an auto body repair shop. He told me that his average sale is \$2500 and his gross margin of profit (after labor) is more than 50 percent. So, how many \$1250s does he need to bring in per \$3,000 per week spent on your station? Fewer than 3? What percentage of your audience would 3 people represent?**

**Furniture stores operate at a 44 percent gross margin of profit and the average sale is about \$850. So, per \$5,000 per week spent on your station, how many \$476s must we bring the owner of the store? 10.5 would be the correct answer. Do you think that perhaps your station might be able to muster up two new customers a day for a furniture client? I hope so.**

**Here's how it works with lower-ticket businesses. Obviously people buy more low-cost items than they do higher cost things like furniture and cars. Restaurants work at a 65 percent gross margin of profit, after food/beverage cost. Let's say the average sale for a local restaurant is \$25. But what is the value of one new customer to that restaurant? How often will the average customer return to that restaurant? I try to visit my favorite Austin restaurants at least once per month. So, I might be worth at least \$300 in sales to that restaurant. 65 percent gross margin would mean \$192 left over that the restaurateur could invest back into his business. How many customers like me would a restaurant need to capture per \$3,000 a week spent? 15. A couple of new customers a day is all.**

**Convenience stores operate at a 30 percent gross margin of profit, after the cost of goods. What's the value of one new customer to a convenience store, especially if he or she smokes? When I used to smoke, I bought a pack a day, never cartons, because I always believed I'd quit soon. Cigs cost about 6 bucks a pack. I bought a pack a day. Along with the smokes, I'd also purchase breath mints, gasoline, maybe a lottery ticket, perhaps a magazine or a Coke or a six-pack of beer. Figure that my average sale was probably \$10 per day. And remember that cigarette smokers don't take weekends off. So, \$70 bucks a week? Times at least 48 weeks a year? That's \$3,360 in sales, just from me! Thirty percent of that is \$1,008. Man! How many new customers like that would I have to deliver per \$7,000 spent on your station?**

**Not a bad way to think about asking for more budget, am I right? Once you start selling this way, the magic numbers way, you can never go back to the Neanderthal way you used to sell.**

**Originally printed in *Radio Ink*. (Paul Weyland is a broadcast sales trainer, author and speaker. You can reach him at paul@paulweyland.com or at [www.paulweyland.com](http://www.paulweyland.com) or by phone at (512) 236 1222.**

**If you have anything you would like to place in the newsletter send it to [kent@kab.net](mailto:kent@kab.net)**