

KAB TRANSMITTER

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



Chairman's Message:

Gordon Johnson – KLEY AM/KKLE AM/KWME FM

I read an opinion piece this morning that set me to thinking. B. Eric Rhoads, the publisher of *Radio Ink* magazine published an article called “The Day The Transmitter Died: Radio’s Best And Worst Day”. In it he suggests that the end of broadcasting as we know it today...over the air AM and FM...is probably in sight. He cites several reasons why he believes that, some of them compelling. And he also provides examples of companies who for one reason or another failed because they bet on the wrong technology.

Rhoads conclusion is that one day, radio will become 100 percent internet based. Then I read another article about the Internet Radio Fairness Act, legislation which is intended to lower the royalties charged for streaming music, and the wheels begin to turn. Could Rhoads be right? We certainly live in a time when our audience has changed. People want what they want now....on demand. John Q. Public doesn't want to wait until Thursday at 8 to watch his favorite TV show...he wants it on his schedule.

Perhaps some of that behavior will translate to radio. There are already numerous podcasts and replays of live events available. Maybe the old transmitter is headed for extinction. Whether or not over-the-air broadcasting survives, one thing is certain. As broadcasters, we need to constantly be evaluating our business model. We know firsthand about being the target of an industry whose business model failed...the record industry...and having that industry try to force radio to pick up their slack.

Do you stream your station's audio? Can you insert internet only commercials? Is your company fully geared up for the digital world? Many of us will have to answer “Probably not.” The technology is certainly available to make many more things possible than most of us are doing. So here's a thought: Perhaps as an industry association we need to be sharing more ideas, technology, and strategies to help us keep up with the changes in technology. It certainly seems that those of you in television are ahead of most of us (but not all) in radio.

Maybe the time has come to become a little more “digitally aware”, if I can use that phrase....just in case.



2012 KAB Annual Convention

The KAB convention is just 3 weeks away in Wichita October 21-23 at the DoubleTree by Hilton Wichita Airport. This is the same great hotel we have used in the past – just a name change. Click on our web site for a tentative agenda and to download a registration form.

<http://kab.net/conventioninformation/>

EVERYONE – Awards dinner and reception will feature a performance from Barry Dean - one of the top country songwriters courtesy of BMI.

MANAGERS – a session on liquor advertising, along with regulatory updates from Hotline Attorney David Oxenford

SALES – Stephen Warley, a leading counsel to local broadcasters, will conduct an all day session on digital sales strategies. P1 Selling also does a session on “Defining Your Station’s Value Proposition.”

NEWS – Al Tompkins of the Poynter Institute returns with news sessions on how to protect the integrity of the newsroom using social media and how to become a powerful reporter.

PROGRAMMING – We are close to announcing a leading expert on implementing actionable social media strategies as well as playing a key role in digital revenue generation.

ENGINEERS – There will be an update on EAS and CAP compliance, as well as Q&A with FCC regional director Ron Ramage and ABIP Inspector Ed O’Donnell.

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We Need Great Silent Auction Items!

I am extending the deadline one more week to procure some auction items. We have football and basketball tickets, overnight stays, dinners, and even a replica cane from the show “House.” Last year we raised over \$2000 for scholarships and I would love to add to that this year. So please get creative and send it to us by October 8!

FCC Commissioner Visits Kansas



Kansas native Ajit Pai, one of two new FCC Commissioners, visited southeast Kansas this month. The KAB was able to arrange for tours of KKOW Radio and KOAM TV in Pittsburg – station he listened to and watched as a youngster growing up in Parsons. During both station visits, Commissioner Pai and his legal assistant saw firsthand the volumes of paperwork kept in the Public File. As the picture depicts, he was surprised how many records are required to be kept and asked several questions as to why the FCC needed all of it. My thanks to George DeMarco and Danny Thomas for allowing the FCC inside!

In remarks during a meeting later in the morning with area GM's and staff, he indicated one of his priorities is to look at unneeded regulations that hamper stations from doing their core business. And just this past week at the NAB Radio Show, Pai mentioned his trip to Kansas and the station visits saying he has been listening carefully to what broadcasters have to say. Only time will tell, but Commissioner Pai appears to be a fresh voice for broadcasters at the FCC.

2013 Revenue Projections

As the monster wave of political advertising dollars retreats back out to sea, spot TV revenue will fall 7.8% next year, according to *TVNewsCheck's* annual consensus spot TV forecast. But the core advertisers who return to TV year in and year out will spend 4% more in 2013 than they are this year.

The total spot forecast for 2013 represents a 22-percentage-point downward swing from this year's total spot, which, according to a new consensus revised forecast, will rise 14.3%, thanks to that huge political wave. At 4%, core growth in 2013 will be nearly 25% higher than the 3.1% revised forecast for core in 2012.

The consensus forecast of combined local and national spot TV revenue comprises the individual projections of 16 station groups, TV rep firms and research companies. The groups and station groups participated on the condition that their individual forecasts would not be revealed.

Hopes for core in 2013 ride primarily on the belief that the auto industry will have another strong year and that continued improvement in the overall economy will encourage ad spending in other key advertising categories. What's more, core advertising displaced this year by political advertising will return next year. (Reprinted from TV NewsCheck)

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KS Supreme Court Oral Arguments Streaming Live

As you may know by now, but in case you haven't heard the latest, the Supreme Court has begun live video streaming its oral arguments via the Judicial Branch website at www.kscourts.org. The arguments also are archived at that address. The webcast will next be live on October 3, from 9 a.m. to noon when arguments are broadcast from the Johnson County Community College.

Dealing With Predatory Ad Agencies



I'm a local direct fanatic for many reasons, but the thing I love the most about dealing with local business owners directly is that once I get to know them, I can talk to them candidly about a real elephant in the room, predatory and parasitic advertising agencies.

How many of you have been held up and robbed by an agency representative who may have said to your client, "I can buy it cheaper from the station than you can." How many of you have been outright burned out and looted by unscrupulous agency predators? On several occasions I have recommended agencies to clients, only to have those same agencies turn around and immediately cancel our buy so he could buy my competitor. Once after recommending an agency to a client, the agency cancelled my schedule and bought a completely different medium. Furious, I asked the treacherous %&\$*& why he did that after I got him the business to begin with and he said, "Because it's in the client's best interest. We feel that cable is right for this client at this time." Yes, and I had a thought or two of what might be appropriate for that agency principal at that time.

I hate surprises. But with many advertising agencies, surprises are all you seem to get. Surprise cancellations, surprise requests for "added value", surprise CPPs, and of course, surprisingly horrible creative. In several cases, I've managed to keep local direct accounts direct, even after the client signed on with an agency. In each of those instances I had gotten the client to sign annual agreements with me, and in every case I had a discussion with the client about what was going to happen as soon as our commercials started running.

Here's what I'd say when I felt my relationship was strong enough with my client. "Let me warn you. As soon as this schedule begins, you're going to get a lot of phone calls and visits...not only from other media reps, but also from small advertising agencies. Most of them hope to pick up your business and at the same time put a wall up between you and me, because they don't want the two of us to

communicate or associate any longer. If you'd like, you can direct all media calls to me and I'll deal with them. And, if you ever do think you need the services of an ad agency, please contact me first so that I can steer you toward one of the more creative and ethical shops."

In four specific cases, agencies handled all or most of the buying for all the stations in my market, except mine. In those instances, the clients came right out and told the agencies that they preferred to maintain their relationship with me. This peeved the agencies more than you know. I was cussed and discussed. I was screamed at. In one case, the agency of record tried to bribe me in exchange for turning over the business. In a couple of situations, the agency would eventually wind up taking over a majority of my station's buy, but then the client would run additional schedules with me direct. Of course, the agency was always infuriated, but there was nothing they could do about it, because the client insisted.

Here's a story that happened to me once as a consultant. It may never happen again, but it happened on this one glorious day. A few years ago I got a call from a brand-new radio rep, asking if I would please join him and an auto dealer for a meeting. During our creative discussion, the dealership manager brought in his entire sales team. They all loved our creative idea and the manager said, "Call our agency and tell them I want you on the buy." Agency? The rep forgot to tell me about any agency. The radio rep said, "Well, I have a problem with that. You see, the agency won't return any of my phone calls." Then, as God is my witness, right in front of me and the radio rep, the manager called his agency and fired them on the spot. The client then asked us if \$25,000 would be enough budget for that month and I got him up to \$28,000 and he signed a long-term contract. No kidding. Sometimes I run into that radio rep and we always high-five.

What's the alternative to asking for long-term business and having this discussion with the client? Loss of the account, loss of the client relationship, no client loyalty, repeated problems with rate, surprise cancellations, frustration with inventory due to last-minute buys, the general fatigue of putting up with 23-year-old media buyers, loss of sleep and general angst.

It has just never been my style to lose an account without a fight...particularly when the predatory agency wasn't buying us at all to begin with, for any of their clients. In a case like that, what do you have to lose? Nothing. Do everything you can to protect what's yours from predators. Because not to do anything and just let them walk off with your money without a fight isn't just a shame, it's just lame.

Originally printed in *Radio and TV Business Report*. (Paul Weyland is a broadcast sales trainer, author and speaker. You can reach him at paul@paulweyland.com or at www.paulweyland.com or by phone at (512) 236 1222. Read Paul's book *Successful Local Broadcast Sales*, available on line or at bookstores)

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