

# Holland Cooke Newsletter • January '09

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## *“People don’t listen to the radio like you think they do.”*

WXTU’s Bob McKay, one of 3 Philadelphia PDs interviewed for a life-with-PPM video we were shown at Arbitron’s Consultant Fly-In

Each December, radio’s ratings company invites us into its fortress-like Maryland headquarters for two days of what’s-new-and-what’s-next in audience measurement. Nerds-R-Us. But ratings are pretty darn important, the-second-most-important-set-of-numbers we all deal with. And ratings technology is changing; as is radio, and the way people, and advertisers, use radio.

Times-being-what-they-are, I was curious to see how turnout would be...and it was the biggest crowd I’ve ever seen in all the years I’ve been attending this conference. In this month’s newsletter, my notes, which begin on page 4.

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### **RADAR99: Cume up!**

And it’s a record high. North-of 234 million persons age 12+ per week tune-in, according to Arbitron’s most recent National Radio Listening Report. Noteworthy: iPod hasn’t completely stolen young ears. 90% of teens still use AM/FM radio.

### **Public Radio feels the pinch too.**

In recent years, Public Radio has made steady audience gains, as cutbacks have compromised commercial radio, particularly its local content. But whether your operation is fueled by ad sales or corporate underwriting and listener support, times are tight. Facing a \$23 million deficit this year, NPR cut its work force 7%, canceled two shows, and is exercising other economies. Local Public Radio stations are also making some tough choices.

### **Shrewd programming move: NBC announces that Jay Leno will go prime time.**

Think radio is challenged by today’s array of media options? Imagine being television.

- Although radio no longer enjoys an in-car monopoly, AM/FM can still deliver convenience and value to busy, mobile consumers better than any newer technology that people should be using while driving. For that reason – and because one of radio’s fundamental value propositions is proximity-to-the-point-of-purchase -- smart stations super-serve in-car users.
- But at home, VHF/UHF competes with hundreds of cable/satellite channels, and Internet content that viewers are increasingly substituting for broadcast television programming. Local TV’s most valuable content proposition is its most compromised: local news, which continues to suffer cutbacks radio can identify with.
- Imagine being a TV network? You spend gazillions of dollars developing scripted dramas and sitcoms, then gazillions more on the next bomb. The real-time appointment-viewing mass-appeal programming model is a throwback to when-there-were-three-channels. To viewers, it’s all more-of-the-same.

Thus the genius of NBC’s plan to move Jay Leno to 10PM ET later this year.

- He’s at the top of his game, late night’s consistent winner, and pulling bigger shares than some of NBC’s prime shows. To avoid Conan O’Brien jumping to another network, NBC told O’Brien, 5 years ago, that he’d get The Tonight Show in 2009. Which put Leno in play. Now, NBC avoids having-to-compete-with Leno, whom ABC was winking at.
- No introductions necessary. It is a HUGE crapshoot to green-light a scripted series like NBC’s HBO-Lite-style “Lipstick Jungle.” But we already know and like Jay and affable bandleader Kevin Eubanks, and we howl at Leno’s incredibly-well-written monologue, and established bits like “Headlines” and “Jaywalking.” We just wish we could stay awake to see ‘em more often...
- NBC and affiliates gets more-Jay-for-their-money. Even in The Age of TiVo, there are just fewer eyeballs available late. Leno’s competition hasn’t been David Letterman. It’s been SLEEP. Thus the success of Fox stations’ “10 O’clock News” (9 Central). Aging Baby Boomers go to bed earlier and get up earlier. And fellow Boomer Leno will be a 5-nights-a-week late news lead-in.
- NBC spends lots less money. Low-overhead Jay Leno-hosted hours will comprise 1/3 of NBC’s weeknight Prime.

## *“I’ll be on right after the last hour of The Today Show.”*

Jay Leno, at the news conference announcing his new show

“But seriously.” **What is radio’s similar move?** What are we as-known-for as NBC-is-known-for Jay Leno, which we can make-more-available? Clue: It’s NOT crammed-down dated-sounding Rush Limbaugh and Sean Hannity weekend re-runs.

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## 6 IDEAS IN 5 MINUTES!

### 1. Promotions: There's still time to exploit the Super Bowl (February 1).

#### Sales: Think Consumer Electronics, Food, and Furniture categories.

Fact: The only day of the year when Americans eat more is Thanksgiving.

Several of my client stations have thrown Super Bowl parties at which they've given away an expensive new TV, or "the best seat in the house" for The Big Game (a recliner).

Legal note: Don't say "Super Bowl," a trademark NFL guards closely. Instead, invite funsters to the sports bar venue hosting your event asking "WHERE BETTER TO WATCH THE BIG GAME ON SUNDAY?"

And while we've got the Sales and Promotions folks in one room...

### 2. Plan now for Valentine's Day (February 14).

Miss this one and you'll toast in hell.

- You HAVE a listener database, right? Email addresses you've saved, contest entries, opt-ins for your news updates, etc.?
- If not a traditional snailmail card, perhaps a cute E-mail?
- Approach this as a revenue opportunity, not an expense. Whether it's snailmail or Email, your cheery greeting could – **tastefully** – include an **appropriate** coupon or offer from a sponsoring station advertiser. Something **nice**.

And before we recess the meeting...

### 3. St. Patrick's Day is March 17.

For at least one day, EVERYONE – listeners and advertisers -- is at-least-a-little Irish.

- GMs: Offer some green for the employee who comes up with the best Sales/Promotion idea.
- Webmasters: Green-up your station's site that day, the way that Google, AOL, and Yahoo! do.

### 4. Talk hosts: Please DON'T say "ROGER ON A CAR PHONE, YOU'RE NEXT...."

Why:

- It sends a negative subliminal message. Everybody suffers dropped calls. And AM radio is already static-plagued, which research has demonstrated to be an issue with women, whom-Talk-radio-wishes-would-listen-more. Don't telegraph that there's MORE static coming up.
- "ON A CAR PHONE" isn't a place diarykeepers or PPM panelists live. "WEST SPRINGFIELD" is. Mentioning that a-caller-you're-about-to-hear is from-somewhere-relatable makes the station sound more relevant (and more relevant than syndicated shows, if that's what you're competition is airing).

And while I've got you: Never allude to callers on-hold. "BRAD FROM MANCHESTER, AND JEN' FROM BRISTOL, WE'LL GET TO YOUR CALLS NEXT" tells would-be callers that they're third in line. Forget it. Who's got time?

(WHO'S got time to hold? The-callers-you-want-least, retirees who sound like the grandfather on "The Simpsons," not the real-life Homer & Marge, on-the-go consumers your advertisers want to meet.)

So that Brad and Jen don't wander off, the screener should tell them, off-air, that they're next.

### 5. Regarding sound effects in promos for your station's web site, and commercials: Mouse click is in; modem screech is out.

- Now I REALLY feel like a consultant, using the word "subliminal" twice on one page, but here goes. The mouse click SFX is suggestive, a-call-to-action. It's familiar; and reminds people that, on the pick-and-choose Internet, they're in-control.
- Modem screech is out. That was 1995. Most at-work listeners stream-in via the company system; and many homes are now DSL hotspots or have always-on cable service.

## 6. Best E-blast Subject line I've seen in months:

### ***“Six FREE Ways to Lower Heating Costs.”***

From the weekly Home Improvement E-newsletter by my client The Money Pit Home Improvement Radio Show (<http://moneypit.com/backdoor/>).

Fundamental: The Subject line is to Email what the envelope is to direct mail, which most people sift-through over the wastebasket, making snap judgments about whether-to-open-the-envelope based-on-what's-on-the-outside-of the envelope.

You yourself will pick-and-choose which Emails to read and which to simply Delete, based on the Subject line.

So when you're Emailing – whether it's scripting a station E-blast like The Money Pit's example above, or when you're sending one-on-one messages – the Subject line needs to convey to the busy reader that what's inside warrants attention.

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## From the E-mailbag...

...this response to an item in the November newsletter's idea torrent:

### **EVERYONE who reads commercials: Watch for the Florida Orange Juice TV spot.**

Now-that-I've-pointed-it-out, you'll recognize Tom Selleck as the voiceover talent. Listen to how UN-pukey his delivery is. Being an ex-70s DJ, I'm green-with-envy. I can't do that voice, and you might not be able to either. But try to come as close as you can...and try to sound the-OPPOSITE-of what you hear when you...

Freelance signature voice Tom Pagnotti ([www.choicevoicepro.com](http://www.choicevoicepro.com)) writes:

*Loved the newsletter this month... and about the above item: THE most difficult thing a talent will have to do: sound real. Many think it is an easy leap between radio and voiceover. But I can tell you that they are two very different skill sets.*

*Over the past two years I have worked with two different coaches – and I've heard improvement in my reads... but this “retraining” (or “unlearning” old radio habits) is one of the toughest things I've had to do...and I'm still nowhere even near where I have to be...or know I can be.*

*Why is that when we get behind a microphone we have a difficult time “just being human?”*

*And funny what different producers will hear in talent – an agency out of the Midwest (Media One) hires me for more natural reads (the new DOT spots I just did) while The Ad Store (out of NYC) hires me for the growling radio read.*

*But when it comes to radio imaging – they all seem to want the growling, almost pukey read. I do what my client asks – but I always feel that those sorts of reads are completely out of touch – and that I'm doing the wrong thing. Or at least something that a listener can't even relate to...Do PD's listen with the same ears that a “real” listener does?*

### **NEXT MONTH: My notes from this month's Consumer Electronics Show in Las Vegas.**

This is the biggest convention – of any kind – in the world. No wonder, with Consumer Electronics showing conspicuous growth lately compared to most other industries. And various economic forecasts predict that CE will lead the coming recovery.

Meantime, let's never forget that radio was the original electronic gadget, eh? So I'll be TRYING to avoid the tables, and scouting CES for more of the kind of radio opportunities that I reported in my CES2008 notes in last February's newsletter (see back page).

### **In March, I'll be attending two-conventions-on-one-road-trip:**

After R&R's Talk Radio Seminar in sunny Marina del Rey, I fly to the Radio Advertising Bureau convention in Orlando. By mid-March, both will be a welcome break for any New Englander.

If you can't make either convention, please don't mistake this trek for vacation. The “V” word and your consultant largely remain strangers. That WON'T be me in the loud Hawaiian shirt lounging by the pool. I'll be the nerd in the front row, pounding on his laptop, summarizing what-I-think-you-need-to-know from these useful conferences. Look for my notes in the April newsletter.

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## WHAT'S NEW, AND WHAT'S NEXT, AT ARBITRON

### Genuine candor and great catering at the 2009 Consultant Fly-In.

Now that you've loaded thousands of songs onto your iPod, it's about to become obsolete. And Microsoft -- the company that made a mountain of money from that software on your computer -- wants to spare you from having-to-have-software-on-your-computer. Its software, and your songs, and lots of other content and processes that have been on-board, will soon be "in the cloud," web-based.

Arbitron's already there, with one of the tools stations use most. Arbitron's Rich Sheffer demo'd PD Advantage Web 1.0, "no software to update," because you access your data through an HTML interface. "Thus, more updates more often." Version 1.1 will be up in Q2 '09; and version 1.2 by Q4.

## *Success is still about "making the station useful."*

KYW's Steve Butler, one of 3 Philadelphia programmers interviewed for the video "True Confessions: The Tales of 3 PPM PDs"

In March, 2007, Philadelphia became the first "PPM Currency market," meaning meter numbers replaced diary numbers. Consulting a station in nearby Wilmington DE, I had a fascinating front-row seat for five years beforehand, as PPM was being tested. But, as WMMR PD Bill Weston put it, "until it actually got here...you're not fully prepared" for the new view electronic measurement affords. Arbitron tells me that by-the-time-this-ink-is-dry, you'll be able to watch this video on their web site. You will find it instructive even if you're a diary market TFN.

### **"Real PPM Panelists Tell All," in a Coleman Research presentation you should read.**

What Coleman Research calls "Intentional Listening" drives the performance of your radio station, based on one-on-one interviews with ex-Portable People Meter panelists in New York, Philadelphia, and Houston; clips of which they first showed us at the NAB Radio Show in Austin last September, and updated at the Fly-In. Like sitting-behind-the-mirror observing a focus group, it is *duly humbling, and always useful, to hear "real people" talk about radio.* They remind us how-much-more-important WE think radio is than THEY think it is; thus how hard we have to work to be **relevant** and **self-explanatory** -- and, in diary markets, **memorable** -- to them. Read the short version in my October newsletter (see back page). Download the entire summary, free, on my web site.

### **PPM update:**

Arbitron's Nancy Weismann told us about her Panel Relations department, "the group that actually talks to the panelists...to get them to wear their meter from-rise-to-retire." Panelists are online for up to two years, so Arbitron has relationships to manage.

- By the time a Panelist Relations Specialist gets on-the-job, he/she has completed the-equivalent-of 9 college credits in training. There are 3 kinds of Specialists:
  1. "Habituation" Specialists work with panelists for the first 30 days (installation, etc.).
  2. "Compliance" Specialists work with panelists 'who need some hand-holding.'
  3. "Service" Specialists work with "successful" panelists.
- Rapport? You want rapport? Arbitron's Concierge Service offers panelists wake-up calls, weather reports, and other phone reminders.
- Specialists keep a Contact Log, so they know each panelist as-an-individual, and do a Quarterly Characteristic Update on each panelist, to catch any changes in household population characteristics. There are even "occasional, as-needed" in-person visits. Specialists get monthly assessments.

VP/PPM Research Beth Webb described recent enhancements, such as:

- A re-designed installation box -- in-which a cash incentive is the first thing the panelist sees -- resulted in a 5% performance increase.
- Adding implementation of cell modem -- to include the increasing number of folks who've "cut the cord" -- boosted performance 17%.
- And she regaled us with "a stratified selection of alternatives," which have improved performance of the historically-tough-to-sample 18-34 7-14% (depending on market). These include higher cash incentives, carry aids and 24 designer decals for panelists under 25, and a travel charger.

# ***“Yes things are bad in radio, and yes, they may get worse in the coming year.”***

Arbitron President/CEO Steve Morris spoke with us twice, over a dinner billed as “Steve Morris Unplugged,” and more-formally in the auditorium next morning. Both conversations were frank dialogues about the dizzying pace of change, and the challenges confronting radio stations and their ratings company. Our group, mostly vendors, could relate.

- Though “Internet buzz seems to have cooled,” and “radio...excuse me, ‘audio listening,’” is as-welcome-as-ever, Morris promises that “we are going to follow radio into the digital space. We are going to measure [stations’ online] audio and video.”
- “We have to do both PPM and diary simultaneously,” he assured, because so many markets will continue to be diary markets. Efforts to improve diary methodology are “difficult to execute and very expensive, but we’re committed to it.”
- Asked about a new competitor that emerged when one station group chose to negotiate in the trade press, Morris vowed “We are not going to give an inch to the Cumulus ‘sticker diary.’ We view this as a fight, and it’s a fight we intend to win.”

## ***“The art has never been more important than it is now.”***

Arbitron’s Jay Guyther, when asked “Should [music] stations in PPM markets just-play-the-music and not talk?”

Nothing-but-music competitors such as iPod make “stationality” – what-happens-BETWEEN-the-songs – more important than ever. Radio can’t out-music iPod; so, ironically, the-station-that-plays-the-most-music is no longer assured-to-be-the-winner.

Hearing this from “numbers people” at Arbitron sure harkened-back-to the provocative vision described by Talkers magazine publisher Michael Harrison in his NAB Radio Show session “The Media Station and the Future of Talk Radio.” If you missed my notes in the October newsletter, you can see-and-hear Harrison’s session, free and in its entirety, at [www.podjockey.com](http://www.podjockey.com)

Two other “headlines” from the “60 Questions in 60 Minutes” panel session at the Fly-In:

**Q: “How long is a podcast ‘good?’”** [meaning PPM will credit timeshifted listening]

A: If it’s played back within 24 hours, it gets credit as though it were listened to as real-time programming.

**Q: “Where [when-in-the-hour] to play commercials?”**

A: Arbitron’s John Snyder: “Don’t put stopsets in adjacent Quarter Hours.”

So-called “dark side music sweep clocks” that stuff spots into 3<sup>rd</sup> and 4<sup>th</sup> Quarter hours don’t fool listeners. “You can see it” in the numbers, Snyder said.

### **Demographics of online listening:**

Digital listeners do not spend less time with AM/FM. They are:

- 50/50 male/female
- in radio’s sweet spot: 25-54 indexes 134 [34% above average]
- good qualitative: College grads index 136; full-time employed 133
- 70% away from home. Online listening is “a workplace phenomenon...weekdays, not weekends.”
- Top formats:
  1. tie: News/Talk and Adult Contemporary
  2. tie: CHR and Oldies

### **Tech note:**

In his Digital Radio Update, Arbitron’s Bill Rose recommended these minimum rates for Internet streams:

- 44.1 khz sample
- 32 kbps bit rate

### **“Survey says...”**

About iPod: Only 10% who tote one report spending less radio TSL. Biggest impact is among P12-24.

About HD radio: Only 1-out-of-4 people have heard of it.

When asked “How much of an impact on your life has \_\_\_ had?” Radio (21%) is number 2 to cell phone (33%).

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## SALES 101: ASK FOR THE ORDER

If you clear any shows from Talk Radio Network, you're aware of what TRN CEO Mark Masters calls their "tipping point initiative," an EXTREMELY smart technique that radio should embrace even beyond what TRN is providing.

- TRN has produced spots voiced by its hosts, which you can hear at [www.SponsorThisStation.com](http://www.SponsorThisStation.com). Below, I have transcribed one, which is voiced by Michael Savage on that download page.
- Affiliates are invited, but not obligated, to run these spots in unsold avails.
- TRN has established a national call center to field responses to copy-such-as-the-following, which feeds-back local leads to affiliate stations, free of charge, as value-added.

Smart syndicator, eh?

NO other format gets better results with live endorsement spots than Talk radio. And Savage's read, of copy below, is quite in-character. And it evokes the "ownership" that Public Radio listeners feel.

**THIS IS MICHAEL SAVAGE. YOU KNOW TALK RADIO HAS PROVIDED A TIPPING POINT FOR THE GOOD OF THIS COUNTRY. THE STATION YOU'RE LISTENING TO RIGHT NOW OUGHT TO BE REWARDED FOR PLAYING-ITS-PART IN KEEPING-THE-ELITES'-FEET-TO-THE-FIRE. SO I'M GOING TO ASK YOU TO DO SOMETHING IMPORTANT, FOR YOURSELF. THE NEXT TIME YOU GIVE YOUR BUSINESS TO ANYBODY, GIVE IT TO THE ADVERTISERS THAT AIR ON MY SHOW, AND OTHERS YOU HAVE GROWN TO LOVE ON THIS STATION. VOTE FOR THEM WITH YOUR DOLLARS. AND IF YOU'RE A BUSINESS OWNER, YOU SHOULD KNOW THAT THIS AUDIENCE WILL SUPPORT YOU IF YOU SUPPORT THE SAVAGE NATION AND THIS STATION. ACCORDING TO TALKERS MAGAZINE, ADS THAT ARE AIRED IN TALK PROGRAMS HAVE TWO-TO-THREE-TIMES THE CUSTOMER RESPONSE THAT OTHER RADIO FORMATS HAVE. SO YOU'RE GOING TO GET THE MOST OUT OF YOUR ADVERTISING DOLLARS AND HELP GROW YOUR BUSINESS. FORGET SPORTS, FORGET MUSIC. THINK TALK, THINK SAVAGE. LET'S ALL PROVIDE THAT POSITIVE TIPPING POINT IN SUPPORTING EACH OTHER AND ULTIMATELY THIS COUNTRY. TO FIND OUT MORE ON HOW YOU CAN ADVERTISE MORE ON MY SHOW, OR OTHERS ON THIS STATION, CALL 877-474-6605. WRITE IT DOWN: 877-474-6605. CALL 877-474-6605 TODAY.**

Get the picture? (Yes, we see.) Is YOUR station asking-for-the-order?

*Save a tree...and save a week. By choosing electronic delivery, you'll get this newsletter the day I send it to the printer. To choose electronic delivery, E-mail me at [newsletter@hollandcooke.com](mailto:newsletter@hollandcooke.com).*

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## SOUND BITES

**“Right now, more people have library cards than at any time since the American Library Association started keeping records.”**

NBC News.

See “Is the Public Library and Internet NTR Opportunity?” on page 2 of my November newsletter (see back page).

**“The Internet continues to grow.”**

Google CEO Eric Schmidt, asked, on Meet The Press, what Google data tells us about the American mood in this recession. Schmidt says he’s seeing “bargains” and “discount” in the Search box. People are being “more careful about money and doing more comparison shopping, and they’re buying [online].”

**“A lot of PDs are either in a meeting trying to figure out who to let go, or in another meeting to figure out who’s going to do the jobs of the people they let go.”**

Industry-watcher quoted in Tom Taylor on Radio-Info. Hey, it could be worse. Imagine life at a newspaper these days?

**“More newspapers and newspaper groups will default, be shut down and be liquidated in 2009 and several cities could go without a daily print newspaper by 2010.”**

Fitch Ratings analysis reported by Editor & Publisher, after Tribune filed Chapter 11.

**Is radio next?** Remember when “penny stocks” was a figure of speech? With owners falling out-of-covenant with lenders, and already-having-fired-everyone-but the skeleton crew now barely avoiding dead air, which will happen first in 2009?

- Some transmitters will be shut off, as owners go bust?
- Listeners will hear on-air outbursts from frustrated talent?

***“Can we continue to listen to Rush Limbaugh?”***

Colin Powell, interviewed on CNN.

Once a hero of the Conservative chattering class, he’s been on-the-outs-with right-wingers since he endorsed Barack Obama for President. Still a Republican, Powell believes that his party’s values are suffering from its prominent radio champions:

“There is nothing wrong with being conservative,” he says, “but if the party wants to have a future in this country,” he thinks it “has to stop shouting.” And he says Limbaugh and his ilk “appeal to our lesser instincts rather than our better instincts.”

**“The format has been trending toward hosts who are less interesting, but more ideological and monothematic. It’s depressing and uninteresting.”**

**“...listeners are tired of the same old tired talking points.”**

**“I too think the days of the Cult of the All-knowing Host are numbered.”**

Comments from several of the-more-agreeable participants in an online chat I started last month. Others who weighed-in were less diplomatic. Topic: My suggestion that, in 2009, it will be **dangerous to bet on the Talk radio conventional wisdom that “listeners tune-in to hear compelling hosts.”** Admittedly, that’s a pretty threatening notion; but don’t shoot the messenger.

Read why-I-caution-accordingly in Talkers magazine; and at [HollandCooke.com](http://HollandCooke.com), where you can also read doubters who flamed me.

**“She’ll be great.”**

Outgoing Secretary of State Condoleezza Rice, asked by CBS Radio’s Dan Raviv how-she-thinks Hillary Clinton will do on that job.

**“In recent years, the FCC has operated in a dysfunctional manner.”**

U.S. Rep. John Dingell (D-MI), in the Committee on Energy and Commerce report “Deception and Distrust: The Federal Communications Commission Under Kevin J. Martin.” The report culminates a bipartisan investigation launched a year ago.

Rep. Bart Stupak (D-MI) writes of “some of the most egregious abuses of power, suppression of information and manipulation of data under Chairman Martin’s leadership.”

